

Fill in this information to identify the case:

United States Bankruptcy Court for the:

WESTERN DISTRICT OF TEXASCase number (if known): _____ Chapter **11**☐ Check if this is an amended filing**Official Form 201****Voluntary Petition for Non-Individuals Filing for Bankruptcy****04/16**

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name **Kost Ventures I, Ltd.**
2. All other names debtor used in the last 8 years
- Include any assumed names, trade names and *doing business as* names
3. Debtor's federal Employer Identification Number (EIN) **6 8 - 0 4 9 7 1 2 7**
4. Debtor's address
- | Principal place of business | Mailing address, if different from principal place of business |
|-----------------------------------|---|
| 8626 Tesoro Dr., Suite 801 | |
| Number Street | Number Street |
| | P.O. Box |
| | |
| San Antonio TX 78217 | |
| City State ZIP Code | City State ZIP Code |
| Bexar | Location of principal assets, if different from principal place of business |
| County | |
| | Mineral interests in various counties |
| | Number Street |
| | in Texas |
| | |
| | City State ZIP Code |
5. Debtor's website (URL) _____
6. Type of debtor
- ☐ Corporation (including Limited Liability Company (LLC) and Limited Liability Partnership (LLP))
- ☒ Partnership (excluding LLP)
- ☐ Other. Specify: _____

A. Check one:

- ☐ Health Care Business (as defined in 11 U.S.C. § 101(27A))
- ☐ Single Asset Real Estate (as defined in 11 U.S.C. § 101(51B))
- ☐ Railroad (as defined in 11 U.S.C. § 101(44))
- ☐ Stockbroker (as defined in 11 U.S.C. § 101(53A))
- ☐ Commodity Broker (as defined in 11 U.S.C. § 101(6))
- ☐ Clearing Bank (as defined in 11 U.S.C. § 781(3))
- ☒ None of the above

☐ Tax-exempt entity (as described in 26 U.S.C. § 501)

☐ Investment company, including hedge fund or pooled investment vehicle (as defined in 15 U.S.C. § 80a-3)

☐ Investment advisor (as defined in 15 U.S.C. § 80b-2(a)(11))

5 3 1 3

Check one:

- ☐ Chapter 7
- ☐ Chapter 9
- ☒ Chapter 15

☒ Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,566,050 (amount subject to adjustment on 4/01/19 and every 3 years after that).

- ☒ The debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). If the debtor is a small business debtor, attach the most recent balance sheet, statement of operations, cash-flow statement, and federal income tax return or if all of these documents do not exist, follow the procedure in 11 U.S.C. § 1116(1)(B).
- ☐ A plan is being filed with this petition.
- ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
- ☐ The debtor is required to file periodic reports (for example, 10K and 10Q) with the Securities and Exchange Commission according to § 13 or 15(d) of the Securities Exchange Act of 1934. File the Attachment to Voluntary Petition for Non-Individuals Filing for Bankruptcy Under Chapter 11 (Official Form 201A) with this form.
- ☐ The debtor is a shell company as defined in the Securities Exchange Act of 1934 Rule 12b-2.

- Chapter 12

☒ No

☐ Yes. District _____ When _____ Case number _____
MM / DD / YYYY

District _____ When _____ Case number _____
MM / DD / YYYY

District _____ When _____ Case number _____
MM / DD / YYYY

Debtor **Kost Ventures I, Ltd.**

Case number (if known) _____

10. Are any bankruptcy cases pending or being filed by a business partner or an affiliate of the debtor?

List all cases. If more than 1, attach a separate list.

☒ No

☐ Yes. Debtor _____ Relationship _____

District _____ When _____

Case number, if known _____ MM / DD / YYYY

Debtor _____ Relationship _____

District _____ When _____

Case number, if known _____ MM / DD / YYYY

11. Why is the case filed in this district?

Check all that apply:

☒ Debtor has had its domicile, principal place of business, or principal assets in this district for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other district.

☐ A bankruptcy case concerning debtor's affiliate, general partner, or partnership is pending in this district.

12. Does the debtor own or have possession of any real property or personal property that needs immediate attention?

☒ No

☐ Yes. Answer below for each property that needs immediate attention. Attach additional sheets if needed.

Why does the property need immediate attention? *(Check all that apply.)*

☐ It poses or is alleged to pose a threat of imminent and identifiable hazard to public health or safety.

What is the hazard? _____

☐ It needs to be physically secured or protected from the weather.

☐ It includes perishable goods or assets that could quickly deteriorate or lose value without attention (for example, livestock, seasonal goods, meat, dairy, produce, or securities-related assets or other options).

☐ Other _____

Where is the property?

Number _____ Street _____

City _____ State _____ ZIP Code _____

Is the property insured?

☐ No

☐ Yes. Insurance agency _____

Contact name _____

Phone _____

Statistical and administrative information

13. Debtor's estimation of available funds

Check one:

☒ Funds will be available for distribution to unsecured creditors.

☐ After any administrative expenses are paid, no funds will be available for distribution to unsecured creditors.

Debtor **Kost Ventures I, Ltd.**

Case number (if known) _____

14. Estimated number of creditors

- | | | |
|--|--|--|
| ☒ 1-49 | ☐ 1,000-5,000 | ☐ 25,001-50,000 |
| ☐ 50-99 | ☐ 5,001-10,000 | ☐ 50,001-100,000 |
| ☐ 100-199 | ☐ 10,001-25,000 | ☐ More than 100,000 |
| ☐ 200-999 | | |

15. Estimated assets

- | | | |
|---|--|--|
| ☐ \$0-\$50,000 | ☐ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☒ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☐ \$100,000,001-\$500 million | ☐ More than \$50 billion |

16. Estimated liabilities

- | | | |
|--|--|--|
| ☐ \$0-\$50,000 | ☒ \$1,000,001-\$10 million | ☐ \$500,000,001-\$1 billion |
| ☐ \$50,001-\$100,000 | ☐ \$10,000,001-\$50 million | ☐ \$1,000,000,001-\$10 billion |
| ☐ \$100,001-\$500,000 | ☐ \$50,000,001-\$100 million | ☐ \$10,000,000,001-\$50 billion |
| ☐ \$500,001-\$1 million | ☐ \$100,000,001-\$500 million | ☐ More than \$50 billion |

Request for Relief, Declaration, and Signatures

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

17. Declaration and signature of authorized representative of debtor

- ☒ The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.
- ☒ I have been authorized to file this petition on behalf of the debtor.
- ☒ I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 07/19/2018

MM / DD / YYYY

X /s/ Lou Kost, Jr.

Signature of authorized representative of debtor

Lou Kost, Jr.

Printed name

Title Pres of Kost Ventures, Inc., Gen Partner

18. Signature of attorney

X /s/ Thomas Rice

Signature of attorney for debtor

Date 07/19/2018

MM / DD / YYYY

Thomas Rice

Printed name

Pulman, Cappuccio & Pullen, LLP

Firm name

2161 NW Military Highway

Number Street

Suite 400

San Antonio

City

TX

State

78213

ZIP Code

(210) 222-9494

Contact phone

trice@pulmanlaw.com

Email address

24025613

Bar number

TX

State

Fill in this information to identify the case

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206A/B**Schedule A/B: Assets -- Real and Personal Property****12/15**

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents**1. Does the debtor have any cash or cash equivalents?**

- ☐ No. Go to Part 2.
- ☒ Yes. Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

2. Cash on hand**3. Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

3.1. Checking account

Texas Capital Bank
745 E. Mulberry, Suite 350
San Antonio, TX 78212

Checking account

1 7 1 4

\$34,570.68

4. Other cash equivalents (Identify all)

Name of institution (bank or brokerage firm)

5. Total of Part 1

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$34,570.68

Part 2: Deposits and prepayments**6. Does the debtor have any deposits or prepayments?**

- ☒ No. Go to Part 3.
- ☐ Yes. Fill in the information below.

Debtor **Kost Ventures I, Ltd.**
Name

Case number (if known)

Current value of
debtor's interest

7. Deposits, including security deposits and utility deposits

Description, including name of holder of deposit

8. Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent

Description, including name of holder of prepayment

9. Total of Part 2.

Add lines 7 through 8. Copy the total to line 81.

\$0.00

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☐ No. Go to Part 4.
☒ Yes. Fill in the information below.

Current value of
debtor's interest

11. Accounts receivable

11a. 90 days old or less:	<u>\$0.00</u>	–	<u>\$0.00</u>	=	 →	<u>\$0.00</u>
	face amount		doubtful or uncollectible accounts			
11b. Over 90 days old:	<u>\$67,824.32</u>	–	<u>\$0.00</u>	=	 →	<u>\$67,824.32</u>
	face amount		doubtful or uncollectible accounts			

12. Total of Part 3

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$67,824.32

Part 4: Investments

13. Does the debtor own any investments?

- ☐ No. Go to Part 5.
☒ Yes. Fill in the information below.

Valuation method
used for current value

Current value of
debtor's interest

14. Mutual funds or publicly traded stocks not included in Part 1

Name of fund or stock:

15. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture

Name of entity:

% of ownership:

15.1. Investments in:

US Shale Energy, LLC - 18.18%
US Shale Energy II, LLC - 19.0244%
US Shale Energy III, LLC - 19.5115%
US Shale Energy IV, LLC - 19.94%
US Shale Energy V, LLC - 16.667%

Unknown

16. Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1

Describe:

17. Total of Part 4

Add lines 14 through 16. Copy the total to line 83.

\$0.00

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☒ No. Go to Part 6.
☐ Yes. Fill in the information below.

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
Name

General description	Date of the last physical inventory MM/DD/YYYY	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19. Raw materials				
20. Work in progress				
21. Finished goods, including goods held for resale				
22. Other inventory or supplies				
23. Total of Part 5 Add lines 19 through 22. Copy the total to line 84.				\$0.00
24. Is any of the property listed in Part 5 perishable? ☒ No ☐ Yes				
25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed? ☒ No ☐ Yes. Book value _____ Valuation method _____ Current value _____				
26. Has any of the property listed in Part 5 been appraised by a professional within the last year? ☒ No ☐ Yes				

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming or fishing-related assets (other than titled motor vehicles and land)?
☒ No. Go to Part 7.
☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
28. Crops--either planted or harvested			
29. Farm animals <i>Examples:</i> Livestock, poultry, farm-raised fish			
30. Farm machinery and equipment (Other than titled motor vehicles)			
31. Farm and fishing supplies, chemicals, and feed			
32. Other farming and fishing-related property not already listed in Part 6			
33. Total of Part 6. Add lines 28 through 32. Copy the total to line 85.			\$0.00
34. Is the debtor a member of an agricultural cooperative? ☒ No ☐ Yes. Is any of the debtor's property stored at the cooperative? ☐ No ☐ Yes			
35. Has any of the property listed in Part 6 been purchased within 20 days before the bankruptcy was filed? ☒ No ☐ Yes. Book value _____ Valuation method _____ Current value _____			
36. Is a depreciation schedule available for any of the property listed in Part 6? ☒ No ☐ Yes			
37. Has any of the property listed in Part 6 been appraised by a professional within the last year? ☒ No ☐ Yes			

Debtor **Kost Ventures I, Ltd.**
Name

Case number (if known) _____

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☒ No. Go to Part 8.
☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39. Office furniture			
40. Office fixtures			
41. Office equipment, including all computer equipment and communication systems equipment and software			
42. Collectibles Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles			

43. Total of Part 7.

Add lines 39 through 42. Copy the total to line 86.

\$0.00

44. Is a depreciation schedule available for any of the property listed in Part 7?

- ☒ No
☐ Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- ☒ No. Go to Part 9.
☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)			
47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
48. Watercraft, trailers, motors, and related accessories Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels			

49. Aircraft and accessories

50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)

51. Total of Part 8.

Add lines 47 through 50. Copy the total to line 87.

\$0.00

52. Is a depreciation schedule available for any of the property listed in Part 8?

- ☒ No
☐ Yes

53. Has any of the property listed in Part 8 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Part 9: Real property

54. Does the debtor own or lease any real property?

- ☐ No. Go to Part 10.
☒ Yes. Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building), if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
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55.1. Various Counties in Texas [See Attached]

Mineral Interests	Mineral Interest	\$270,291.00	Tax Valuation	\$270,291.00
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56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

\$270,291.00

57. Is a depreciation schedule available for any of the property listed in Part 9?

- ☒ No
☐ Yes

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Part 10: Intangibles and Intellectual Property

59. Does the debtor have any interests in intangibles or intellectual property?

- ☒ No. Go to Part 11.
☐ Yes. Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
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60. Patents, copyrights, trademarks, and trade secrets

61. Internet domain names and websites

62. Licenses, franchises, and royalties

63. Customer lists, mailing lists, or other compilations

64. Other intangibles, or intellectual property

65. Goodwill

66. Total of Part 10.

Add lines 60 through 65. Copy the total to line 89.

\$0.00

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107)?

- ☒ No
☐ Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

- ☒ No
☐ Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Debtor Kost Ventures I, Ltd. Case number (if known) _____
Name

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- ☐ No. Go to Part 12.
☒ Yes. Fill in the information below.

Current value of
debtor's interest

71. Notes receivable

Description (include name of obligor)

72. Tax refunds and unused net operating losses (NOLs)

Description (for example, federal, state, local)

73. Interests in insurance policies or annuities

74. Causes of action against third parties (whether or not a lawsuit has been filed)

Suspense funds held by EOG Resources, Inc. for
US Shale Energy II, LLC

\$27,622.07

Nature of claim	<u>Suspense Funds Held</u>
Amount requested	<u>\$27,622.07</u>

**75. Other contingent and unliquidated claims or causes of action of every nature,
including counterclaims of the debtor and rights to set off claims**

76. Trusts, equitable or future interests in property

77. Other property of any kind not already listed Examples: Season tickets, country club membership

78. Total of Part 11.

Add lines 71 through 77. Copy the total to line 90.

\$27,622.07

79. Has any of the property listed in Part 11 been appraised by a professional within the last year?

- ☒ No
☐ Yes

Debtor **Kost Ventures I, Ltd.**
Name

Case number (if known) _____

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form.

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1.</i>	<u>\$34,570.68</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$0.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$67,824.32</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$0.00</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$0.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$0.00</u>	
88. Real property. <i>Copy line 56, Part 9.....</i> →		<u>\$270,291.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$27,622.07</u>	
91. Total. Add lines 80 through 90 for each column. 91a.	<u>\$130,017.07</u>	+ 91b. <u>\$270,291.00</u>
92. Total of all property on Schedule A/B. Lines 91a + 91b = 92.....		<u>\$400,308.07</u>

EXHIBIT
SCHEDULE A

Kost Ventures I, Ltd.

<u>Well Name</u>	<u>County</u>	<u>NRI</u>	<u>Proposed Value</u>	<u>Year</u>
Boothe Unit W#1H-17H	Dewitt	0.000024	\$ 50.00	2018
Guadalupe Unit W#1H-12H	Dewitt	0.001142	\$ 1,020.00	2018
Lord A Unit W#2H-10H	Dewitt	0.000377	\$ 100.00	2018
Preston A Unit W#4H-8H, 9-10HR	Dewitt	0.000224	\$ 2,870.00	2017
Gill Trust Unit W#4H-6H, 8H-11H	Dewitt	0.000686	\$ 6,980.00	2017
Corn Louise Unit W#1	Franklin ISD	0.000341	\$ 542.00	2017
Barnhart (EF) W#1H	Gonzales	0.000106	\$ 110.00	2018
Barnhart (EF) W#3H	Gonzales	0.000106	\$ 110.00	2018
Boothe Unit W#1H-17H	Gonzales	0.000024	\$ 440.00	2018
Dreyer Unit W#11H-25H	Gonzales	0.000875	\$ 38,730.00	2018
Dubose Unit	Gonzales	0.000241	\$ 430.00	2018
Guadalupe Unit W#1H-12H, 14H	Gonzales	0.001142	\$ 33,000.00	2018
Hagen EF W#1H	Gonzales	0.000408	\$ 130.00	2018
Hagen EF W#2H	Gonzales	0.000408	\$ 130.00	2018
Lord A Unit W#2H-10H	Gonzales	0.000376	\$ 3,160.00	2018
Merritt Sount Unit W#1H-4H	Gonzales	0.000111	\$ 420.00	2018
Preston A Unit W#4H-8H, 9-10HR	Gonzales	0.000224	\$ 2,250.00	2018
Sallis Bouldin Unit W#8H, 9H	Gonzales	0.000068	\$ 110.00	2018
Hagen Ranch Unit	Gonzales	0.002088	\$ 1,390.00	2017
Steen Unit W#1H, 2H, 4H, 6H, 8H	Gonzales	0.00046534	\$ 318.00	2017
CR 298 UNIT W#1H	Gonzales	0.00031862	\$ 836.00	2017
Hill Unit W#1H-9H	Gonzales	0.00041608	\$ 4,478.00	2017
Four K Partners	McMullen	0.003684	\$ 105,270.00	2018
Corn Louise Unit W#4	Robertson	0.000341	\$ 745.00	2018
McLean A W#2	Robertson	0.000407	\$ 968.00	2018
McLean E W#1	Robertson	0.000407	\$ 796.00	2018
McLean E W#2	Robertson	0.000407	\$ 1,716.00	2018
McLean E W#6	Robertson	0.000407	\$ 920.00	2018
McLean F W#1	Robertson	0.000407	\$ 662.00	2018
Halbert Trust Gas Unit #1	San Augustine	0.011522	\$ 390.00	2018
Halbert Trust Gas Unit #2H	San Augustine	0.011522	\$ 13,180.00	2018
Lyons GU #1H	San Augustine	0.002237	\$ 350.00	2018
Sunrise Gas Unit #1H	San Augustine	0.001065	\$ 120.00	2018
Guadalupe Unit W#1H-12H	Yoakum ISD	0.001142	\$ 21,700.00	2017
Dreyer Unit W#11H-23H	Yoakum ISD	0.000875	\$ 25,340.00	2017
Boothe Unit W#1H-17H	Yoakum ISD	0.000024	\$ 530.00	2017

Fill in this information to identify the case:

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number
(if known) _____

☐ Check if this is an amended filing

Official Form 206D**Schedule D: Creditors Who Have Claims Secured by Property****12/15****Be as complete and accurate as possible.****1. Do any creditors have claims secured by debtor's property?**

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List Creditors Who Have Secured Claims**2. List in alphabetical order all creditors who have secured claims.** If a creditor has more than one secured claim, list the creditor separately for each claim.

Column A
Amount of claim
Do not deduct the value of collateral.

Column B
Value of collateral that supports this claim

2.1

Creditor's name
DeWitt County Tax A/C

Creditor's mailing address
115 N. Gonzales St., Suite A

Cuero TX 77954

Creditor's email address, if known

Date debt was incurred _____

Last 4 digits of account number _____

Do multiple creditors have an interest in the same property?

- ☒ No
- ☐ Yes. Specify each creditor, including this creditor, and its relative priority.

Describe debtor's property that is subject to a lien

Mineral Interests / Real Property

Describe the lien

Taxes / Statutory Lien

Is the creditor an insider or related party?

- ☒ No
- ☐ Yes

Is anyone else liable on this claim?

- ☒ No
- ☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

As of the petition filing date, the claim is:

Check all that apply.

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Unknown\$11,020.00**3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.**\$80,000.00

Part 1: Additional Page

Column A
Amount of claim
Do not deduct the
value of collateral.

Column B
Value of collateral
that supports
this claim

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

2.2	Creditor's name Franklin County Tax A/C Creditor's mailing address 208 TX-37 Mt. Vernon TX 75457 Creditor's email address, if known Date debt was incurred _____ Last 4 digits of account number _____ Do multiple creditors have an interest in the same property? ☒ No ☐ Yes. Have you already specified the relative priority? ☐ No. Specify each creditor, including this creditor, and its relative priority. ☐ Yes. The relative priority of creditors is specified on lines _____	Describe debtor's property that is subject to a lien Mineral Interests / Real Property Describe the lien Taxes / Statutory Lien Is the creditor an insider or related party? ☒ No ☐ Yes Is anyone else liable on this claim? ☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply. ☐ Contingent ☐ Unliquidated ☐ Disputed	Unknown	\$150,542.00
2.3	Creditor's name Gonzales County Tax A/C Creditor's mailing address 427 St. George St., Suite 100 Gonzales TX 78629 Creditor's email address, if known Date debt was incurred _____ Last 4 digits of account number _____ Do multiple creditors have an interest in the same property? ☒ No ☐ Yes. Have you already specified the relative priority? ☐ No. Specify each creditor, including this creditor, and its relative priority. ☐ Yes. The relative priority of creditors is specified on lines _____	Describe debtor's property that is subject to a lien Mineral Interests / Real Property Describe the lien Taxes / Statutory Lien Is the creditor an insider or related party? ☒ No ☐ Yes Is anyone else liable on this claim? ☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply. ☐ Contingent ☐ Unliquidated ☐ Disputed	Unknown	\$86,042.00

Part 1: Additional Page

Column A
Amount of claim
Do not deduct the
value of collateral.

Column B
Value of collateral
that supports
this claim

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

2.4	Creditor's name Mary Smith	Describe debtor's property that is subject to a lien Mineral Interests in DeWitt, Gonzales & McMullen C	\$80,000.00	\$270,291.00
	Creditor's mailing address 7530 Old Mill Rd	Describe the lien Non-Purchase Money / Agreement		
	Gates Mill OH 44040	Is the creditor an insider or related party?		
	Creditor's email address, if known	☒ No ☐ Yes		
	Date debt was incurred	Is anyone else liable on this claim?		
	Last 4 digits of account number	☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Do multiple creditors have an interest in the same property?	As of the petition filing date, the claim is: Check all that apply.		
	☒ No	☐ Contingent		
	☐ Yes. Have you already specified the relative priority?	☐ Unliquidated		
	☐ No. Specify each creditor, including this creditor, and its relative priority.	☐ Disputed		
	☐ Yes. The relative priority of creditors is specified on lines _____			

2.5	Creditor's name McMullen County Tax A/C	Describe debtor's property that is subject to a lien Mineral Interests / Real Property	Unknown	\$105,270.00
	Creditor's mailing address 503 River St.	Describe the lien Taxes / Statutory Lien		
	Tilden TX 78072	Is the creditor an insider or related party?		
	Creditor's email address, if known	☒ No ☐ Yes		
	Date debt was incurred	Is anyone else liable on this claim?		
	Last 4 digits of account number	☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Do multiple creditors have an interest in the same property?	As of the petition filing date, the claim is: Check all that apply.		
	☒ No	☐ Contingent		
	☐ Yes. Have you already specified the relative priority?	☐ Unliquidated		
	☐ No. Specify each creditor, including this creditor, and its relative priority.	☐ Disputed		
	☐ Yes. The relative priority of creditors is specified on lines _____			

Part 1: Additional Page

Column A
Amount of claim
Do not deduct the
value of collateral.

Column B
Value of collateral
that supports
this claim

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

2.6	Creditor's name Robertson County Tax A/C	Describe debtor's property that is subject to a lien Mineral Interests / Real Property	Unknown	\$5,807.00
	Creditor's mailing address 315 N. Center St.	Describe the lien Taxes / Statutory Lien		
	Franklin TX 77856	Is the creditor an insider or related party? ☒ No ☐ Yes		
	Creditor's email address, if known	Is anyone else liable on this claim? ☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Date debt was incurred	As of the petition filing date, the claim is: Check all that apply. ☐ Contingent ☐ Unliquidated ☐ Disputed		
	Last 4 digits of account number			
	Do multiple creditors have an interest in the same property? ☒ No ☐ Yes. Have you already specified the relative priority? ☐ No. Specify each creditor, including this creditor, and its relative priority. ☐ Yes. The relative priority of creditors is specified on lines _____			
2.7	Creditor's name San Augustine County Tax A/C	Describe debtor's property that is subject to a lien Mineral Interests / Real Property	Unknown	\$14,040.00
	Creditor's mailing address 100 W. Columbia St.	Describe the lien Taxes / Statutory Lien		
	San Augustine TX 75972	Is the creditor an insider or related party? ☒ No ☐ Yes		
	Creditor's email address, if known	Is anyone else liable on this claim? ☒ No ☐ Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)		
	Date debt was incurred	As of the petition filing date, the claim is: Check all that apply. ☐ Contingent ☐ Unliquidated ☐ Disputed		
	Last 4 digits of account number			
	Do multiple creditors have an interest in the same property? ☒ No ☐ Yes. Have you already specified the relative priority? ☐ No. Specify each creditor, including this creditor, and its relative priority. ☐ Yes. The relative priority of creditors is specified on lines _____			

Debtor **Kost Ventures I, Ltd.**

Case number (if known) _____

Part 1: Additional Page

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column A
Amount of claim
Do not deduct the
value of collateral.**Column B**
Value of collateral
that supports
this claim**2.8**Creditor's name
Yoakum County Tax A/CDescribe debtor's property that is
subject to a lien**Unknown****\$47,570.00**Creditor's mailing address
Ave G & Cowboy Way**Mineral Interests / Real Property**

Describe the lien

Taxes / Statutory Lien**Plains TX 79355**

Is the creditor an insider or related party?

☒ No
☐ Yes

Creditor's email address, if known

Is anyone else liable on this claim?

☒ No
☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Date debt was incurred _____

Last 4 digits of account
number _____

As of the petition filing date, the claim is:

Check all that apply.

Do multiple creditors have an interest in
the same property?

- ☒ No
- ☐ Yes. Have you already specified the
relative priority?
- ☐ No. Specify each creditor, including this
creditor, and its relative priority.
- ☐ Yes. The relative priority of creditors is
specified on lines _____

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Fill in this information to identify the case:

Debtor Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 206E/F**Schedule E/F: Creditors Who Have Unsecured Claims****12/15**

Be as complete and accurate as possible. Use Part 1 for creditors with **PRIORITY** unsecured claims and Part 2 for creditors with **NONPRIORITY** unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

- ☒ No. Go to Part 2.
☐ Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or part.

If more space is needed for priority unsecured claims, fill out and attach the Additional Page of Part 1.

Total claim Priority amount

2.1 Priority creditor's name and mailing address

As of the petition filing date, the claim is: Check all that apply.

- ☐ Contingent
☐ Unliquidated
☐ Disputed

Basis for the claim:

Date or dates debt was incurred

Is the claim subject to offset?

Last 4 digits of account number _____

- ☐ No
☐ Yes

Specify Code subsection of **PRIORITY** unsecured claim: 11 U.S.C. § 507(a)(_____)

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If more space is needed for nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

		Amount of claim
3.1 Nonpriority creditor's name and mailing address <u>Coronado Resources 2013, LP</u> <u>c/o Glast Phillips Murray</u> <u>Attn: John S Robertson III</u> <u>14801 Quorum Dr., Suite 500</u> <u>Dallas TX 75254</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award - Reimb for Admin Costs</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$4,404.69</u>
3.2 Nonpriority creditor's name and mailing address <u>Coronado Resources 2013, LP</u> <u>c/o Glast Phillips Murray</u> <u>Attn: John S Robertson III</u> <u>14801 Quorum Dr., Suite 500</u> <u>Dallas TX 75254</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award - Reimb for Arbitrators' Fees</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$9,871.00</u>
3.3 Nonpriority creditor's name and mailing address <u>Coronado Resources 2013, LP</u> <u>c/o Glast Phillips Murray</u> <u>Attn: John S Robertson III</u> <u>14801 Quorum Dr., Suite 500</u> <u>Dallas TX 75254</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Non-Purchase Money</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>Unknown</u>
3.4 Nonpriority creditor's name and mailing address <u>Crandell Addington</u> <u>8626 Tesoro Dr., Suite 801</u> <u>San Antonio TX 78217</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _ Loan	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☐ Contingent ☐ Unliquidated ☐ Disputed Basis for the claim: <u>Non-Purchase Money</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$46,031.53</u>

Part 2: Additional Page

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page. If no additional NONPRIORITY creditors exist, do not fill out or submit this page.

Amount of claim

3.5 Nonpriority creditor's name and mailing address <u>Linnie Carrol Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Dan M Fergus</u> <u>1049 North Third St. #200</u> <u>Abilene TX 79601</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award Damages</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$1,648,834.86</u>
3.6 Nonpriority creditor's name and mailing address <u>Linnie Carrol Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Dan M Fergus</u> <u>1049 North Third St. #200</u> <u>Abilene TX 79601</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award Damages - Suspended</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$67,824.32</u>
3.7 Nonpriority creditor's name and mailing address <u>Linnie Carrol Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Dan M Fergus</u> <u>1049 North Third St. #200</u> <u>Abilene TX 79601</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award - Costs & Trial Expenses</u> Is the claim subject to offset? ☐ No ☒ Yes	<u>\$28,242.23</u>
3.8 Nonpriority creditor's name and mailing address <u>Linnie Carrol Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Dan M Fergus</u> <u>1049 North Third St. #200</u> <u>Abilene TX 79601</u> Date or dates debt was incurred _____ Last 4 digits of account number ____ _	As of the petition filing date, the claim is: <i>Check all that apply.</i> ☒ Contingent ☒ Unliquidated ☒ Disputed Basis for the claim: <u>Arbitration Award - Atty Fees</u> Is the claim subject to offset? ☒ No ☐ Yes	<u>\$110,117.18</u>

Part 2: Additional Page

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page. If no additional NONPRIORITY creditors exist, do not fill out or submit this page.

3.9	Nonpriority creditor's name and mailing address	As of the petition filing date, the claim is: <i>Check all that apply.</i>	Amount of claim
	<u>Linnie Carrol Young</u>	☒ Contingent	<u>\$5,087.41</u>
	<u>c/o Fergus & Fergus LLP</u>	☒ Unliquidated	
	<u>Attn: Dan M Fergus</u>	☒ Disputed	
	<u>1049 North Third St. #200</u>	Basis for the claim:	
	<u>Abilene TX 79601</u>	<u>Arbitration Award - Reimb of Admin Expenses</u>	
	Date or dates debt was incurred _____	Is the claim subject to offset?	
	Last 4 digits of account number _____	☒ No	
		☐ Yes	

3.10	Nonpriority creditor's name and mailing address	As of the petition filing date, the claim is: <i>Check all that apply.</i>	Amount of claim
	<u>Linnie Carrol Young</u>	☒ Contingent	<u>\$9,871.00</u>
	<u>c/o Fergus & Fergus LLP</u>	☒ Unliquidated	
	<u>Attn: Dan M Fergus</u>	☒ Disputed	
	<u>1049 North Third St. #200</u>	Basis for the claim:	
	<u>Abilene TX 79601</u>	<u>Arbitration Award - Reimb for Arbitrator Fees, Exp</u>	
	Date or dates debt was incurred _____	Is the claim subject to offset?	
	Last 4 digits of account number _____	☒ No	
		☐ Yes	

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

	Name and mailing address	On which line in Part 1 or Part 2 is the related creditor (if any) listed?	Last 4 digits of account number, if any
4.1	<u>Attorney General of the U.S.</u> <u>950 Pennsylvania Ave NW</u> <u>Washington DC 20530-0001</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____
4.2	<u>Internal Revenue Service</u> <u>Centralized Insolvency Office</u> <u>P.O. Box 7346</u> <u>Philadelphia PA 19101-7346</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____
4.3	<u>Linnie Carroll Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Joshua R Stein</u> <u>3100 Edloe St., Suite 335</u> <u>Houston TX 77027</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____
4.4	<u>Linnie Carroll Young</u> <u>c/o Fergus & Fergus LLP</u> <u>Attn: Douglas C. Kittelson</u> <u>6116 N. Central Expy</u> <u>Dallas TX 75206</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____
4.5	<u>United States Attorney's Office</u> <u>Attn: Gary Wright / BKCY Division</u> <u>601 NW Loop 410, Suite 600</u> <u>San Antonio TX 78216</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____
4.6	<u>United States Trustee</u> <u>615 E. Houston, Suite 533</u> <u>San Antonio TX 78205</u>	Line _____ ☒ Not listed. Explain: Notice Only	_____

Debtor Kost Ventures I, Ltd. Case number (if known) _____

Part 4: **Total Amounts of the Priority and Nonpriority Unsecured Claims**

5. Add the amounts of priority and nonpriority unsecured claims.

Total of claim amounts

5a. Total claims from Part 1 5a. \$0.00

5b. Total claims from Part 2 5b. + \$1,930,284.22

5c. Total of Parts 1 and 2 5c. \$1,930,284.22
Lines 5a + 5b = 5c.

Fill in this information to identify the case:

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) _____ Chapter 11

☐ Check if this is an amended filing

Official Form 206G

Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, numbering the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

- ☒ No. Check this box and file this form with the court with the debtor's other schedules. There is nothing else to report on this form.
- ☐ Yes. Fill in all of the information below even if the contracts or leases are listed on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B).

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

Fill in this information to identify the case:

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number
(if known) _____

☐ Check if this is an amended filing

Official Form 206H

Schedule H: Codebtors

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Does the debtor have any codebtors?

- ☒ No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
- ☐ Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: **Codebtor**

Column 2: **Creditor**

Name

Mailing address

Name

Check all schedules that apply:

Fill in this information to identify the case:Debtor Name Kost Ventures I, Ltd.United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known): _____

☐ Check if this is an amended filing

Official Form 206Sum

Summary of Assets and Liabilities for Non-Individuals

12/15

Part 1: Summary of Assets**1. Schedule A/B: Assets--Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from Schedule A/B.....	\$270,291.00
1b. Total personal property: Copy line 91A from Schedule A/B.....	\$130,017.07
1c. Total of all property Copy line 92 from Schedule A/B.....	\$400,308.07

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, Amount of claim, from line 3 of Schedule D.....	\$80,000.00
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of Schedule E/F.....	\$0.00
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of Schedule E/F.....	+ \$1,930,284.22
4. Total liabilities Lines 2 + 3a + 3b.....	\$2,010,284.22

Fill in this information to identify the case and this filing:

Debtor Name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number
(if known) _____

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets--Real and Personal Property* (Official Form 206A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☒ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *A Summary of Assets and Liabilities for Non-Individuals* (Official Form 206-Summary)
- ☐ Amended Schedule _____
- ☒ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 07/19/2018
MM / DD / YYYY

X /s/ Lou Kost, Jr.
Signature of individual signing on behalf of debtor

Lou Kost, Jr.
Printed name
Pres of Kost Ventures, Inc., Gen Partner
Position or relationship to debtor

Fill in this information to identify the case:

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) _____

☐ Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy

04/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income**1. Gross revenue from business**

☐ None

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year

Sources of revenue
Check all that apply.

Gross revenue
(before deductions and exclusions)

From the beginning of the fiscal year to filing date:

From 01/01/2018 to
MM / DD / YYYY

Filing date

☒ Operating a business
☐ Other _____

\$337,635.00

For prior year:

From 01/01/2017 to
MM / DD / YYYY

12/31/2017
MM / DD / YYYY

☒ Operating a business
☐ Other _____

\$565,975.00

For the year before that:

From 01/01/2016 to
MM / DD / YYYY

12/31/2016
MM / DD / YYYY

☒ Operating a business
☐ Other _____

\$454,128.00

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

☒ None

Part 2: List Certain Transfers Made Before Filing for Bankruptcy**3. Certain payments or transfers to creditors within 90 days before filing this case**

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

☐ None

Creditor's name and address	Dates	Total amount or value	Reasons for payment or transfer Check all that apply
3.1. Santoyo Moore & Wehmeyer PC	04/17/2018	\$75,840.86	
Creditor's name	05/02/2018		☐ Secured debt
12400 San Pedro Ave, Suite 300	06/06/2018		☐ Unsecured loan repayments
Street	06/21/2018		☐ Suppliers or vendors
	07/17/2018		☒ Services
San Antonio TX 78217			☐ Other _____
City State ZIP Code			

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or co-signed by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. Insiders include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

☐ None

	Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.1.	Kost Ventures, Inc	07/19/2017	\$2,600.00	Partnership distributions
	Insider's name	08/16/2017		
	8626 Tesoro Drive, Suite 801	09/21/2017		
	Street	10/30/2017		
		11/20/2017		
	San Antonio TX 78217	12/05/2017		
	City State ZIP Code	01/02/2018		
	Relationship to debtor	02/01/2018		
	General Partner	03/05/2018		
		04/05/2018		
		05/02/2018		
		06/06/2018		
		06/28/2018		
4.2.	Lou Kost, Jr.	\$330,455.00	Partnership Distributions	Bonuses
	Insider's name	07/19/2017		
	8626 Tesoro Dr., Suite 801	08/16/2017		
	Street	08/16/2017		
		09/21/2017		
	San Antoino TX 78217	09/21/2017		
	City State ZIP Code	09/28/2017		
	Relationship to debtor	11/01/2017		
	Ltd Partner / President of GP	11/01/2017		
		11/21/2017		
		12/05/2017		
		12/05/2017		
		01/02/2018		
		01/02/2018		
		02/01/2018		
		02/01/2018		
		03/05/2018		
		03/05/2018		
		04/05/2018		
		04/05/2018		
		05/02/2018		
		05/02/2018		
		06/06/2018		
		06/06/2018		
		06/07/2018		
		06/28/2018		
		06/28/2018		
		06/29/2018		

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
 Name

	Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.3.	Garret Kost	03/21/2018	\$19,500.00	Consulting Fees
	Insider's name	04/05/2018		
	8626 Tesoro Dr., Suite 801	05/02/2018		
	Street	06/06/2018		
		06/28/2018		
	San Antonio TX 78217			
	City State ZIP Code			

Relationship to debtor

Son of President of GP

	Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.4.	Garret Taylor Kost Heritage Trust	07/19/2017	\$60,000.00	Partnership distributions
	Insider's name	08/16/2017		
	8626 Tesoro Dr., Suite 801	09/21/2017		
	Street	11/20/2017		
		12/05/2017		
	San Antonio TX 78217	01/02/2018		
	City State ZIP Code	02/01/2018		
	Relationship to debtor	03/05/2018		
	Limited Partner	04/05/2018		
		05/02/2018		
		06/06/2018		
		06/28/2018		

	Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.5.	Kellie Kost Taylor Heritage Trust	07/19/2017	\$60,000.00	Partnership Distributions
	Insider's name	08/16/2017		
	8626 Tesoro Dr., Suite 801	09/21/2017		
	Street	11/20/2017		
		12/05/2017		
	San Antonio TX 78217	01/02/2018		
	City State ZIP Code	02/01/2018		
	Relationship to debtor	03/05/2018		
	Limited Partner	04/05/2018		
		05/02/2018		
		06/06/2018		
		06/28/2018		

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

☒ None

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
Name

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

☒ None

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity--within 1 year before filing this case.

☐ None

Case title	Nature of case	Court or agency's name and address	Status of case
7.1. Linnie Carroll Young v. Phoenix Fund, Inc., et al.	Arbitration	<u>American Arbitration Association</u> Name <u>18756 Stone Oak Pkwy, Suite 200</u> Street	☐ Pending ☐ On appeal ☒ Concluded
Case number <u>02-17-0002-2200</u>		<u>San Antoino TX 78258</u> City State ZIP Code	
7.2. Linnie Young v Phoenix Fund, Inc., et al.	Breach of contract	<u>25th Judicial Dist Court - Gonzales Co</u> Name <u>101 E. Court St., Room 203</u> Street	☒ Pending ☐ On appeal ☐ Concluded
Case number <u>26,479</u>		<u>Seguin TX 78155</u> City State ZIP Code	

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

☒ None

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

☒ None

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

☒ None

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

☐ None

	Who was paid or who received the transfer?	If not money, describe the property transferred	Dates	Total amount or value
11.1.	Pulman Cappuccio & Pullen LLP		6/28/18	\$20,000.00
	Address			
	2161 NW Military Hwy, Suite 400			
	Street			
	San Antonio TX 78213			
	City State ZIP Code			
	Email or website address			
	www.pulmanlaw.com			
	Who made the payment, if not debtor?			

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device.
 Do not include transfers already listed on this statement.

☒ None

13. Transfers not already listed on this statement

List any transfers of money or other property--by sale, trade, or any other means--made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

☐ None

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1.	Kost Venture, Inc.	23,975 shares of Phoenix Biotechnology, Inc.	6/22/17	
	Address			
	8626 Tesoro Dr., Suite 801			
	Street			
	San Antonio TX 78217			
	City State ZIP Code			
	Relationship to debtor			
	General Partner			

Debtor Kost Ventures I, Ltd. Case number (if known) _____

Name

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.2.	<u>Kellie Kost Trust</u>	<u>113,590 shares of Phoenix Biotechnology, Inc.</u>	<u>6/22/17</u>	_____
	Address			
	<u>8626 Tesoro Dr., Suite 801</u>			
	Street			

	<u>San Antonio</u>	<u>TX</u>	<u>78217</u>	
	City	State	ZIP Code	
	Relationship to debtor			

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.3.	<u>Garrett Taylor Kost Heritage Trust</u>	<u>267,476 shares of Phoenix Biotechnology, Inc.</u>	<u>6/22/17</u>	_____
	Address			
	<u>8626 Tesoro Dr., Suite 801</u>			
	Street			

	<u>San Antonio</u>	<u>TX</u>	<u>78217</u>	
	City	State	ZIP Code	
	Relationship to debtor			
	<u>Limited Partner</u>			
	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.4.	<u>Kelli Kost Taylor Heritage Trust</u>	<u>162,626 shares of Phoenix Biotechnology, Inc.</u>	<u>6/22/17</u>	_____
	Address			
	<u>8626 Tesoro Dr., Suite 801</u>			
	Street			

	<u>San Antonio</u>	<u>TX</u>	<u>78217</u>	
	City	State	ZIP Code	
	Relationship to debtor			
	<u>Limited Partner</u>			
	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.5.	<u>George William Worth Heritage Trust</u>	<u>8,723 shares of Phoenix Biotechnology, Inc.</u>	<u>6/22/17</u>	_____
	Address			
	<u>8626 Tesoro Dr., Suite 801</u>			
	Street			

	<u>San Antonio</u>	<u>TX</u>	<u>78217</u>	
	City	State	ZIP Code	
	Relationship to debtor			

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
Name

	Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.6.	Kost Family Limited Partnership Address 8626 Tesoro Dr., Suite 801 Street San Antonio TX 78217 City State ZIP Code Relationship to debtor	104,850 shares of Phoenix Biotechnology, Inc.	6/22/17	
13.7.	LK Investments, Inc. Address 8626 Tesoro Dr., Suite 801 Street San Antonio TX 78217 City State ZIP Code Relationship to debtor	318,746 shares of Biotechnology, Inc.	6/22/17	

Part 7: Previous Locations

14. Previous addresses
List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.
☒ Does not apply

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies
Is the debtor primarily engaged in offering services and facilities for:
☐ diagnosing or treating injury, deformity, or disease, or
☐ providing any surgical, psychiatric, drug treatment, or obstetric care?
☒ No. Go to Part 9.
☐ Yes. Fill in the information below.

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?
☒ No.
☐ Yes. State the nature of the information collected and retained _____
Does the debtor have a privacy policy about that information?
☐ No.
☐ Yes.

Debtor Kost Ventures I, Ltd. Case number (if known) _____
Name

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b) or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- ☒ No. Go to Part 10.
☐ Yes. Does the debtor serve as plan administrator?
 ☐ No. Go to Part 10.
 ☐ Yes. Fill in below:

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts, certificates of deposit, and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

- ☒ None

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

- ☒ None

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

- ☒ None

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

- ☒ None

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law?

Include settlements and orders.

- ☒ No
☐ Yes. Provide details below.

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- ☒ No
☐ Yes. Provide details below.

24. Has the debtor notified any governmental unit of any release of hazardous material?

- ☒ No
☐ Yes. Provide details below.

Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

- ☐ None

25.1.	Business name and address <u>US Shale Energy I, LLC</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street <u>San Antonio</u> <u>TX</u> <u>78217</u> City State ZIP Code	Describe the nature of the business <u>Non participating royalty owner</u>	Employer Identification number Do not include Social Security number or ITIN. EIN: <u>4</u> <u>5</u> - <u>2</u> <u>2</u> <u>7</u> <u>8</u> <u>7</u> <u>6</u> <u>0</u> Dates business existed From <u>5/2011</u> To <u>Present</u>
25.2.	Business name and address <u>US Shale Energy II, LLC</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street <u>San Antonio</u> <u>TX</u> <u>78217</u> City State ZIP Code	Describe the nature of the business <u>Non participating royalty owner</u>	Employer Identification number Do not include Social Security number or ITIN. EIN: <u>4</u> <u>5</u> - <u>5</u> <u>0</u> <u>8</u> <u>6</u> <u>3</u> <u>0</u> <u>7</u> Dates business existed From <u>4/2012</u> To <u>Present</u>
25.3.	Business name and address <u>US Shale Energy III, LLC</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street <u>San Antonio</u> <u>TX</u> <u>78217</u> City State ZIP Code	Describe the nature of the business <u>Non participating royalty owner</u>	Employer Identification number Do not include Social Security number or ITIN. EIN: <u>4</u> <u>6</u> - <u>3</u> <u>0</u> <u>3</u> <u>8</u> <u>6</u> <u>4</u> <u>9</u> Dates business existed From <u>6/2013</u> To <u>Present</u>

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
Name

25.4. **Business name and address** **Describe the nature of the business** **Employer Identification number**
US Shale Energy IV, LLC **Non participating royalty owner** Do not include Social Security number or ITIN.
Name
8626 Tesoro Dr., Suite 801
Street
EIN: 4 6 - 5 5 5 5 9 7 4

San Antonio **TX** **78217**
City State ZIP Code

Dates business existed
From 4/2014 To Present

25.5. **Business name and address** **Describe the nature of the business** **Employer Identification number**
US Shale Energy V, LLC **Non participating royalty owner** Do not include Social Security number or ITIN.
Name
8626 Tesoro Dr., Suite 801
Street
EIN: 8 1 - 1 8 7 2 3 1 9

San Antonio **TX** **78217**
City State ZIP Code

Dates business existed
From 4/2016 To Present

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

☐ None

Name and address **Dates of service**
26a.1. **Sarah Duncan** From _____ To Present
Name
8626 Tesoro Dr., Suite 801
Street

San Antonio **TX** **78217**
City State ZIP Code

Name and address **Dates of service**
26a.2. **Calvetti Ferguson, PC** From _____ To Present
Name
Attn: Sandra Schieffer, CPA
Street
250 W. Nottingham, Suite 100

San Antonio **TX** **78209**
City State ZIP Code

Name and address **Dates of service**
26a.3. **Carlos Torres** From _____ To Present
Name
8626 Tesoro Dr., Suite 801
Street

San Antonio **TX** **78217**
City State ZIP Code

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

☐ None

Name and address **Dates of service**
26b.1. **Calvetti Ferguson PC** From _____ To Present
Name
Attn: Sandra Schieffer, CPA
Street
250 W. Nottingham, Suite 100

San Antonio **TX** **78209**
City State ZIP Code

Debtor **Kost Ventures I, Ltd.** Case number (if known) _____
Name

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

☐ None

Name and address

If any books of account and records are unavailable, explain why

26c.1. **Sarah Duncan**
Name
8626 Tesoro Dr., Suite 801
Street

San Antonio TX 78217
City State ZIP Code

Name and address

If any books of account and records are unavailable, explain why

26c.2. **Calvetti Ferguson, PC**
Name
Attn: Sandra Schieffer, CPA
Street
250 W. Nottingham, Suite 100

San Antonio TX 78209
City State ZIP Code

Name and address

If any books of account and records are unavailable, explain why

26c.3. **Carlos Torres**
Name
8626 Tesoro Dr., Suite 801
Street

San Antonio TX 78217
City State ZIP Code

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

☐ None

Name and address

26d.1. **Texas Capital Bank**
Name
745 E. Mulberry, Suite 350
Street

San Antonio TX 78212
City State ZIP Code

Debtor Kost Ventures I, Ltd. Case number (if known) _____
Name

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

- ☒ No.
☐ Yes. Give the details about the two most recent inventories.

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position and nature of any interest	% of interest, if any
Kost Ventures, Inc.	8626 Tesoro Dr., Suite 801 San Antonio, TX 78217	General Partner	1%
Lou Kost, Jr.	8626 Tesoro Dr., Suite 801 San Antonio, TX 78217	President of GP	49%

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- ☒ No
☐ Yes. Identify below.

Name	Address	Position and nature of any interest	Period during which position or interest was held
------	---------	-------------------------------------	---

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- ☐ No
☒ Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1. <u>Kost Ventures, Inc.</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street <u>San Antonio TX 78217</u> City State ZIP Code Relationship to debtor <u>General Partner</u>	\$2,600.00	07/19/2017 08/16/2017 09/21/2017 10/30/2017 11/20/2017 12/05/2017 01/02/2018 02/01/2018 03/05/2018 04/05/2018 05/02/2018 06/06/2018 06/28/2018	Partnership Distributions

Debtor Kost Ventures I, Ltd. Case number (if known) _____
 Name

	Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.2.	<u>Lou Kost, Jr.</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street	\$330,455.00	07/19/2017 08/16/2017 08/16/2017 09/21/2017 09/21/2017 09/28/2017 11/01/2017 11/01/2017 11/21/2017 12/05/2017 12/05/2017 01/02/2018 01/02/2018 02/01/2018 02/01/2018 03/05/2018 03/05/2018 04/05/2018 04/05/2018 05/02/2018 05/02/2018 06/06/2018 06/06/2018 06/07/2018 06/28/2018 06/28/2018 06/29/2018	Partnership Distrib & Mgmt Fees
	<u>San Antonio TX 78217</u> City State ZIP Code			
	<u>Relationship to debtor</u> <u>Limited Partner / Pres of GP</u>			

	Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.3.	<u>Garrett Kost</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street	\$19,500.00	03/21/2018 04/05/2018 05/02/2018 06/06/2018 06/28/2018	Consulting Fees
	<u>San Antonio TX 78217</u> City State ZIP Code			
	<u>Relationship to debtor</u> <u>Son of President of GP</u>			

	Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.4.	<u>Garrett Taylor Kost Heritage Trust</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street	\$60,000.00	07/19/2017 08/16/2017 09/21/2017 11/20/2017 12/05/2017 01/02/2018 02/01/2018 03/05/2018 04/05/2018 05/02/2018 06/06/2018 06/28/2018	Partnership Distributions
	<u>San Antonio TX 78217</u> City State ZIP Code			
	<u>Relationship to debtor</u> <u>Limited Partner</u>			

Debtor Kost Ventures I, Ltd. Case number (if known) _____
Name

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.5. <u>Kellie Kost Taylor Heritage Trust</u> Name <u>8626 Tesoro Dr., Suite 801</u> Street	\$60,000.00	07/19/2017 08/16/2017 09/21/2017 11/20/2017 12/05/2017 01/02/2018 02/01/2018 03/05/2018 04/05/2018 05/02/2018 06/06/2018 06/28/2018	Partnership Distributions
<u>San Antonio TX 78217</u> City State ZIP Code			
Relationship to debtor <u>Limited Partner</u>			

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

- ☒ No
☐ Yes. Identify below.

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

- ☒ No
☐ Yes. Identify below.

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both.
18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 07/19/2018
MM / DD / YYYY

X /s/ Lou Kost, Jr. Printed name Lou Kost, Jr.
Signature of individual signing on behalf of the debtor

Position or relationship to debtor Pres of Kost Ventures, Inc., Gen Partner

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- ☒ No
☐ Yes

Fill in this information to identify the case:

Debtor name Kost Ventures I, Ltd.

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number _____
(if known)

☐ Check if this is an amended filing

Official Form 204**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders****12/15**

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claims resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	Linnie Carrol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award Damages	Contingent Unliquidated Disputed			\$1,648,834.86
2	Linnie Carrol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award - Atty Fees	Contingent Unliquidated Disputed			\$110,117.18
3	Linnie Carrol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award Damages - Suspended	Contingent Unliquidated Disputed			\$67,824.32
4	Crandell Addington 8626 Tesoro Dr., Suite 801 San Antonio, TX 78217		Non-Purchase Money				\$46,031.53
5	Linnie Carrol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award - Costs & Trial Expenses	Contingent Unliquidated Disputed			\$28,242.23

Debtor

Kost Ventures I, Ltd.

Name

Case number (if known)

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
6	Linnie Carol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award - Reimb for Arbitrator Fees, Exp	Contingent Unliquidated Disputed			\$9,871.00
7	Coronado Resources 2013, LP c/o Glast Phillips Murray Attn: John S Robertson III 14801 Quorum Dr., Suite 500		Arbitration Award - Reimb for Arbitrators' Fees	Contingent Unliquidated Disputed			\$9,871.00
8	Linnie Carol Young c/o Fergus & Fergus LLP Attn: Dan M Fergus 1049 North Third St. # 200 Abilene, TX 79601		Arbitration Award - Reimb of Admin Expenses	Contingent Unliquidated Disputed			\$5,087.41
9	Coronado Resources 2013, LP c/o Glast Phillips Murray Attn: John S Robertson III 14801 Quorum Dr., Suite 500		Arbitration Award - Reimb for Admin Costs	Contingent Unliquidated Disputed			\$4,404.69
10	Coronado Resources 2013, LP c/o Glast Phillips Murray Attn: John S Robertson III 14801 Quorum Dr., Suite 500		Non-Purchase Money	Contingent Unliquidated Disputed			\$0.00

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

IN RE: **Kost Ventures I, Ltd.**

CASE NO

CHAPTER **11**

VERIFICATION OF CREDITOR MATRIX

The above named Debtor hereby verifies that the attached list of creditors is true and correct to the best of his/her knowledge.

Date 7/19/2018

Signature /s/ Lou Kost, Jr.
Lou Kost, Jr.
Pres of Kost Ventures, Inc., Gen Partner

Date _____

Signature _____

Attorney General of the U.S.
950 Pennsylvania Ave NW
Washington DC 20530-0001

Mary Smith
7530 Old Mill Rd
Gates Mill, OH 44040

Coronado Resources 2013, LP
c/o Glast Phillips Murray
Attn: John S Robertson III
14801 Quorum Dr., Suite 500
Dallas, TX 75254

McMullen County Tax A/C
503 River St.
Tilden, TX 78072

Crandell Addington
8626 Tesoro Dr., Suite 801
San Antonio, TX 78217

Robertson County Tax A/C
315 N. Center St.
Franklin, TX 77856

DeWitt County Tax A/C
115 N. Gonzales St., Suite A
Cuero, TX 77954

San Augustine County Tax A/C
100 W. Columbia St.
San Augustine, TX 75972

Franklin County Tax A/C
208 TX-37
Mt. Vernon, TX 75457

United States Attorney's Office
Attn: Gary Wright / BKCY Divisi
601 NW Loop 410, Suite 600
San Antonio, TX 78216

Gonzales County Tax A/C
427 St. George St., Suite 100
Gonzales, TX 78629

United States Trustee
615 E. Houston, Suite 533
San Antonio, TX 78205

Internal Revenue Service
Centralized Insolvency Office
P.O. Box 7346
Philadelphia, PA 19101-7346

Yoakum County Tax A/C
Ave G & Cowboy Way
Plains, TX 79355

Linnie Carrol Young
c/o Fergus & Fergus LLP
Attn: Dan M Fergus
1049 North Third St. #200
Abilene, TX 79601

Linnie Carroll Young
c/o Fergus & Fergus LLP
Attn: Douglas C. Kittelson
6116 N. Central Expy
Dallas, TX 75206

Linnie Carroll Young
c/o Fergus & Fergus LLP
Attn: Joshua R Stein
3100 Edloe St., Suite 335
Houston, TX 77027

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

IN RE:
Kost Ventures I, Ltd.

CHAPTER 11

DEBTOR(S)

CASE NO

LIST OF EQUITY SECURITY HOLDERS

Registered Name of Holder of Security Last Known Address or Place of Business	Class of Security	Number Registered	Kind of Interest Registered
Garrett Taylor Kost Heritage Trust 8626 Tesoro Dr., Suite 801 San Antonio, TX 78217			25% / Limited Partner
Kellie Kost Taylor Heritage Trust 8626 Tesoro Dr., Suite 801 San Antonio, TX 78217			25% / Limited Partner
Kost Ventures, Inc. 8626 Tesoro Dr., Suite 801 San Antonio, TX 78217			1% / General Partner
Lou Kost, Jr. 8626 Tesoro Dr., Suite 801 San Antonio, TX 78217			49% / Limited Partner

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the Pres of Kost Ventures, Inc., Gen Partner of the Partnership
named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date: 7/19/2018

Signature: /s/ Lou Kost, Jr.
Lou Kost, Jr.
Pres of Kost Ventures, Inc., Gen Partner

**RESOLUTION BY PRESIDENT OF KOST VENTURES, INC., GENERAL PARTNER
OF KOST VENTURES I, LTD.**

The undersigned, being the President of Kost Ventures, Inc., the general partner of Kost Ventures I, Ltd. ("KVI"), a limited partnership existing under and by virtue of the laws of the State of Texas, hereby authorizes, approves, consents to, and adopts the following resolutions:

WHEREAS, management of KVI has had the opportunity to fully consider each of the strategic alternatives available to KVI; and

WHEREAS, in the judgment of management, it is desirable and in the best interest of KVI, its creditors, and other interested parties that a petition be filed on behalf of KVI seeking relief under the provisions of chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"); and

NOW, THEREFORE, BE IT

RESOLVED that Lou Kost, Jr. (the "Designated Officer"), the President of KVI's general partner, Kost Ventures, Inc., acting alone or with one or more Designated Officers, is hereby authorized, directed and empowered, on behalf of and in the name of KVI, to execute and verify a petition in the name of KVI under chapter 11 of the Bankruptcy Code ("Chapter 11") and to cause the same to be filed in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, in such form and at such time as the Designated Officer executing said petition shall determine; and be it

RESOLVED FURTHER, that the Designated Officers, or any one of them be and each hereby is, further authorized, directed, and empowered to file all petitions, schedules, lists and other motions, papers or documents, and to take any and all action that they deem necessary or proper to obtain such relief, including, without limitation, any action necessary to maintain the ordinary course operations of KVI; and be it

RESOLVED FURTHER, that the Designated Officers, or anyone of them be and each hereby is, authorized, directed and empowered on behalf of and in the name of KVI to employ and retain the law firm of Pulman, Cappuccio & Pullen, LLP (“PC&P”), as general restructuring counsel for KVI in the Chapter 11 case to represent and assist KVI in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the rights and obligations of KVI, including filing pleadings; and in connection therewith, the Designated Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the Chapter 11 case and cause to be filed an appropriate application for authority to retain the services of PC&P; and be it

RESOLVED FURTHER, that KVI, as debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, be and it hereby is, authorized and directed to obtain the use of cash collateral, in such amounts and on such terms as may be agreed upon by a Designated Officer, including the grant of replacement liens, as is reasonably necessary for the conduct of the affairs of KVI; and be it

RESOLVED FURTHER, that in addition to the specific authorizations hereto conferred upon the Designated Officers of KVI’s general partner, Kost Ventures, Inc., or their designees, shall be, and each of them, acting alone, hereby is, authorized, directed and empowered, in the name of, and on behalf of, KVI, to take or cause to be taken any and all such further actions, to execute and deliver any and all such agreements, certificates, instruments and other documents and to pay all expenses, including filing fees, in each case as shall be necessary or desirable to fully carry out the intent and accomplish the purposes of the resolutions adopted herein; and be it

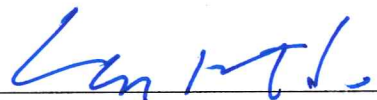
RESOLVED FURTHER, that all acts lawfully done or actions lawfully taken by any of the Designated Managers of KVI’s general partner, Kost Ventures, Inc., or by PC&P to seek relief on behalf of KVI under Chapter 11 or in connection with the Chapter 11 bankruptcy case, or any

matter related thereto, be and hereby are adopted, ratified, confirmed and approved in all respects as the acts and deeds of KVI; and be it

RESOLVED FURTHER, that the Designated Officers be, and each of them hereby is, authorized and empowered, with full power of delegations, for and in the name and on behalf of KVI to amend, supplement or otherwise modify from time to time the terms of any documents, certificates, instruments, agreements, or other writings referred to in the foregoing resolutions.

IN WITNESS WHEREOF, this *Resolution by President of Kost Ventures, Inc., General Partner of Kost Ventures I, Ltd.* is executed as of this 19th day of July, 2018.

KOST VENTURES I, LTD.,
a Texas limited partnership

By: 

Name: Lou Kost, Jr.

Title: President of Kost Ventures, Inc., the
general partner of Kost Ventures I, Ltd.

3:05 PM

07/16/18

Accrual Basis

Kost Ventures I, Ltd.
Profit & Loss
January 1 through July 16, 2018

	Jan 1 - Jul 16, 18
Ordinary Income/Expense	
Income	
Royalty	337,635.01
Total Income	337,635.01
Expense	
Consulting	19,500.00
Interest Expense	1,202.95
Professional Fees	
Legal Fees	50,882.34
Professional Fees	154,054.55
Professional Fees - Other	24,646.99
Total Professional Fees	229,583.88
Taxes	3,871.32
Total Expense	254,158.15
Net Ordinary Income	83,476.86
Net Income	83,476.86

Kost Ventures I, Ltd.
Balance Sheet
As of July 16, 2018

	Jul 16, 18
ASSETS	
Current Assets	
Checking/Savings	
Texas Capital Bank	2,668.60
Total Checking/Savings	2,668.60
Accounts Receivable	
Accounts Receivable	
US Shale Energy II LLC	39,988.25
Total Accounts Receivable	39,988.25
Total Accounts Receivable	39,988.25
Other Current Assets	
Distribution Rec - KV Inc	13,542.39
Total Other Current Assets	13,542.39
Total Current Assets	56,199.24
Other Assets	
Investments	
Kost Holdings Ltd	-328.00
U S Shale Energy II LLC	-249,510.43
U S Shale Energy III LLC	-48,663.81
U S Shale Energy IV LLC	-66,407.52
U S Shale Energy LLC	
Neg Basis Adj	182,775.00
U S Shale Energy LLC - Other	-274,987.98
Total U S Shale Energy LLC	-92,212.98
U S Shale Energy V LLC	
Neg Basis Adj	16,685.00
U S Shale Energy V LLC - Other	-48,839.33
Total U S Shale Energy V LLC	-32,154.33
Total Investments	-489,277.07
Undeveloped Mineral Leases	13,936.96
Total Other Assets	-475,340.11
TOTAL ASSETS	-419,140.87
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
TCB	46,031.53
Total Accounts Payable	46,031.53
Total Current Liabilities	46,031.53
Total Liabilities	46,031.53
Equity	
Partner Distributions	
Garrett Taylor Kost Heritage Tr	-60,000.00
Kellie Kost Taylor Heritage Tr	-60,000.00
Kost Ventures Inc	-2,400.00
Lou Kost Jr	-117,600.00
Total Partner Distributions	-240,000.00

3:05 PM

07/16/18

Accrual Basis

Kost Ventures I, Ltd.

Balance Sheet

As of July 16, 2018

	Jul 16, 18
Partner Equity	
Garrett Taylor Kost Heritage Tr	-44,716.34
Kellie Kost Taylor Heritage Tru	-44,710.38
Kost Ventures Inc	-1,804.77
Lou Kost Jr	-90,357.04
Total Partner Equity	-181,588.53
Retained Earnings	-127,060.73
Net Income	83,476.86
Total Equity	-465,172.40
TOTAL LIABILITIES & EQUITY	-419,140.87

CALVETTI FERGUSON
250 W. NOTTINGHAM DRIVE SUITE 100
SAN ANTONIO, TX 78209

KOST VENTURES I LTD
8626 TESORO DR SUITE 801
SAN ANTONIO, TX 78217

|||||



July 3, 2018

Kost Ventures I Ltd
8626 Tesoro Dr Suite 801
San Antonio, TX 78217

Kost Ventures I Ltd:

We have prepared and enclosed your 2017 Partnership return for the year ended December 31, 2017.

This return has qualified for electronic filing. After you have reviewed your return for completeness and accuracy, please sign, date, and return Form 8879-PE to our office. We will then submit your electronic return to the IRS. Return federal Form 8879-PE to us by September 17, 2018.

No payment is required with this return when filed.

Attached are Schedules K-1 for all partners indicating their share of income, deductions and credits to be reported on their respective tax returns. These schedules should be immediately forwarded to each of the partners.

A copy of the return is enclosed for your files. We suggest that you retain this copy indefinitely.

Regards,

A handwritten signature in blue ink that reads 'Sarita Akin'. The signature is fluid and cursive, with the first name 'Sarita' being more prominent than the last name 'Akin'.

Sarita Akin

2017 TAX RETURN FILING INSTRUCTIONS

U.S. RETURN OF PARTNERSHIP INCOME

FOR THE YEAR ENDING

December 31, 2017

Prepared for	Kost Ventures I Ltd 8626 Tesoro Dr Suite 801 San Antonio, TX 78217
Prepared by	CALVETTI FERGUSON 250 W. NOTTINGHAM DRIVE SUITE 100 SAN ANTONIO, TX 78209
To be signed and dated by	A general partner
Amount of tax	Not applicable
Mail tax return to	This return has qualified for electronic filing. After you have reviewed your return for completeness and accuracy, please sign, date and return Form 8879-PE to our office. We will then submit your electronic return to the IRS.
Forms to be distributed to partners	Enclosed are copies of Schedule K-1 to be distributed to the partners.
Return must be mailed on or before	Return federal Form 8879-PE to us by September 17, 2018.
Special Instructions	Do not mail the paper copy of the return to the IRS.

Two-Year Comparison - Partnership

2017

Name of partnership	Employer identification number
KOST VENTURES I LTD	68-0497127

Description	Prior Year	Current Year	Increase (Decrease)
NUMBER OF PARTNERS	4.	4.	0.
TRADE OR BUSINESS INCOME OR LOSS:			
INCOME:			
INCOME (LOSS) FROM PASSTHROUGHS	1,818.	0.	-1,818.
NET GAIN (LOSS) FROM FORM 4797	19,584.	0.	-19,584.
TOTAL INCOME (LOSS)	21,402.	0.	-21,402.
DEDUCTIONS:			
TOTAL DEDUCTIONS	0.	0.	
ORDINARY INCOME (LOSS)	21,402.	0.	-21,402.
SCHEDULE K:			
INCOME (LOSS):			
ORDINARY TRADE/BUSINESS INCOME/LOSS	21,402.	0.	-21,402.
INTEREST INCOME	0.	5.	5.
ROYALTY INCOME	454,128.	617,466.	163,338.
NET LONG-TERM CAPITAL GAIN/LOSS	0.	199,460.	199,460.
NET SECTION 1231 GAIN/LOSS	354,838.	0.	-354,838.
DEDUCTIONS:			
DEDUCTIONS RELATED TO PORTFOLIO INC	538,882.	895,530.	356,648.
INVESTMENT INTEREST:			
INVESTMENT INCOME	454,128.	617,471.	163,343.
INVESTMENT EXPENSES	538,882.	895,530.	356,648.
ADJUSTMENTS AND TAX PREFERENCES:			
DEPRECIATION ADJUSTMENT	-140.	0.	140.
OTHER:			
NONDEDUCTIBLE EXPENSES	0.	48,463.	48,463.

Two-Year Comparison - Partnership

2017

Name of partnership	Employer identification number
KOST VENTURES I LTD	68-0497127

Description	Prior Year	Current Year	Increase (Decrease)
DISTRIBUTIONS OF MONEY	389,000.	240,000.	-149,000.
OTHER ITEMS AND AMOUNTS	63,946.	86,681.	22,735.
SCHEDULE M-1:			
NET INCOME (LOSS) PER BOOKS	251,687.	-127,062.	-378,749.
OTHER BOOK EXPENSES NOT ON SCH K	39,799.	48,463.	8,664.
TOTAL- NET BOOK INC THROUGH EXPENSE	291,486.	-78,599.	-370,085.
INCOME (LOSS)	291,486.	-78,599.	-370,085.
SCHEDULE M-2:			
CAPITAL AT BEGINNING OF YEAR	95,726.	-41,587.	-137,313.
NET INCOME (LOSS) PER BOOKS	251,687.	-127,062.	-378,749.
TOTAL- BEGINNING CAP THROUGH INCR	347,413.	-168,649.	-516,062.
CASH DISTRIBUTIONS	389,000.	240,000.	-149,000.
TOTAL- CASH CONT THROUGH OTHER DECR	389,000.	240,000.	-149,000.
CAPITAL BALANCE AT END OF YEAR	-41,587.	-408,649.	-367,062.

Federal & Texas

Form **8879-PE**

Department of the Treasury
Internal Revenue Service

IRS e-file Signature Authorization for Form 1065

▶ Return completed Form 8879-PE to your ERO. (Don't send to the IRS.)

▶ Go to www.irs.gov/Form8879PE for the latest information.

For calendar year 2017, or tax year beginning , 2017, ending , 20

OMB No. 1545-0123

2017

Name of partnership

KOST VENTURES I LTD

Employer identification number

68-0497127

Part I Tax Return Information (Whole dollars only)

1	Gross receipts or sales less returns and allowances (Form 1065, line 1c)	1	
2	Gross profit (Form 1065, line 3)	2	
3	Ordinary business income (loss) (Form 1065, line 22)	3	
4	Net rental real estate income (loss) (Form 1065, Schedule K, line 2)	4	
5	Other net rental income (loss) (Form 1065, Schedule K, line 3c)	5	

Part II Declaration and Signature Authorization of Partner or Member (Be sure to get a copy of the partnership's return)

Under penalties of perjury, I declare that I am a partner or member of the above partnership and that I have examined a copy of the partnership's 2017 electronic return of partnership income and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the partnership's electronic return of partnership income. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the partnership's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission and (b) the reason for any delay in processing the return. I have selected a personal identification number (PIN) as my signature for the partnership's electronic return of partnership income.

Partner or Member's PIN: check one box only

☒ I authorize **CALVETTI FERGUSON** to enter my PIN **22009**
ERO firm name Don't enter all zeros

as my signature on the partnership's 2017 electronically filed return of partnership income.

☐ As a partner or member of the partnership, I will enter my PIN as my signature on the partnership's 2017 electronically filed return of partnership income.

Partner or member's signature ▶

SIGN HERE

Title ▶ **PRESIDENT OF GP**

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **77040**
Don't enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return of partnership income for the partnership indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ Date ▶ **7/6/2018**

**ERO Must Retain This Form - See Instructions
Don't Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-PE** (2017)

LHA

**Application for Automatic Extension of Time To File Certain
Business Income Tax, Information, and Other Returns**
► **File a separate application for each return.**
► **Go to www.irs.gov/Form7004 for instructions and the latest information.**

OMB No. 1545-0233

**Print
or
Type**

Name

KOST VENTURES I LTD

Identifying number

68-0497127

Number, street, and room or suite no. (If P.O. box, see instructions.)

8626 TESORO DR SUITE 801

City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).

SAN ANTONIO, TX 78217

Note: File request for extension by the due date of the return. See instructions before completing this form.

Part I Automatic Extension for Certain Business Income Tax, Information, and Other Returns. See instructions.

1 Enter the form code for the return listed below that this application is for **09**

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (bankruptcy estate only)	03	Form 1120-PC	21
Form 1041 (estate other than a bankruptcy estate)	04	Form 1120-POL	22
Form 1041 (trust)	05	Form 1120-REIT	23
Form 1041-N	06	Form 1120-RIC	24
Form 1041-QFT	07	Form 1120S	25
Form 1042	08	Form 1120-SF	26
Form 1065	09	Form 3520-A	27
Form 1065-B	10	Form 8612	28
Form 1066	11	Form 8613	29
Form 1120	12	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18	Form 8928	36

Part II All Filers Must Complete This Part

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here ☐
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here ☐
If checked, attach a statement listing the name, address, and employer identification number (EIN) for each member covered by this application.
- 4** If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here ☐
- 5a** The application is for calendar year **2017**, or tax year beginning _____, and ending _____
- b Short tax year.** If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (see instructions - attach explanation)

6 Tentative total tax	6	0.
7 Total payments and credits (see instructions)	7	
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	

LHA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form **7004** (Rev. 12-2017)

1065 Form Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2017, or tax year beginning _____, ending _____,		OMB No. 1545-0123 2017	
A Principal business activity INVESTMENTS B Principal product or service INVESTMENTS C Business code number 523900		Name of partnership KOST VENTURES I LTD Number, street, and room or suite no. If a P.O. box, see the instructions. 8626 TESORO DR SUITE 801 City or town, state or province, country, and ZIP or foreign postal code SAN ANTONIO TX 78217		D Employer identification number 68-0497127 E Date business started 03/22/2002 F Total assets \$ -372,539.	
G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return (6) ☐ Technical termination - also check (1) or (2)					
H Check accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶					
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 4					
J Check if Schedules C and M-3 are attached ☐					

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1	a Gross receipts or sales	1a	
		b Returns and allowances	1b	
		c Balance. Subtract line 1b from line 1a		1c
	2	Cost of goods sold (attach Form 1125-A)		2
	3	Gross profit. Subtract line 2 from line 1c		3
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)		4
	5	Net farm profit (loss) (attach Schedule F (Form 1040))		5
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		6
Deductions (see the instructions for limitations)	7	Other income (loss) (attach statement)		7
	8	Total income (loss). Combine lines 3 through 7		8
	9	Salaries and wages (other than to partners) (less employment credits)		9
	10	Guaranteed payments to partners		10
	11	Repairs and maintenance		11
	12	Bad debts		12
	13	Rent		13
	14	Taxes and licenses		14
	15	Interest		15
	16	a Depreciation (if required, attach Form 4562)	16a	
		b Less depreciation reported on Form 1125-A and elsewhere on return	16b	
		16c		
	17	Depletion (Do not deduct oil and gas depletion.)		17
	18	Retirement plans, etc.		18
19	Employee benefit programs		19	
20	Other deductions (attach statement)		20	
21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20		21	
22	Ordinary business income (loss). Subtract line 21 from line 8		22	0.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge.					
Sign Here	Signature of partner or limited liability company member	Date	May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	SARITA AKIN	EFILED BY CF			9134
	Firm's name ▶	Firm's EIN ▶			
	CALVETTI FERGUSON	5527			
	Firm's address ▶	Firm's EIN ▶			
	250 W. NOTTINGHAM DRIVE SUITE 100	5527			
	SAN ANTONIO, TX 78209	Phone no. 210-536-3200			

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2017)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a ☐ Domestic general partnership b ☒ Domestic limited partnership c ☐ Domestic limited liability company d ☐ Domestic limited liability partnership e ☐ Foreign partnership f ☐ Other					
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?				X	
3 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
4 At the end of the tax year, did the partnership:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below					X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details				Yes	No
					X
6 Does the partnership satisfy all four of the following conditions?					
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$ 1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3					X
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.					
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?					X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X
10 At any time during calendar year 2017, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country.					X

Schedule B Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) ☐		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a Did you make any payments in 2017 that would require you to file Form(s) 1099? See instructions		X
b If "Yes," did you or will you file required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
20 Enter the number of partners that are foreign governments under section 892. ▶		
21 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		X
22 Was the partnership a specified domestic entity required to file Form 8938 for the tax year (See the Instructions for Form 8938)?		X

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶	

Form **1065** (2017)

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3 a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income SEE STATEMENT 1	5	5.
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	617,466.
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	199,460.	
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13 a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶ STMT 2	13d	895,530.	
Self-Employment	14 a Net earnings (loss) from self-employment	14a	0.
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15 a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16 a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive category ▶ e General category ▶ f Other ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other ▶	16k	
	l Total foreign taxes (check one): Paid ☐ Accrued ☐ Other ▶	16l	
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17 a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties - gross income	17d	
	e Oil, gas, and geothermal properties - deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18 a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses SEE STATEMENT 3	18c	48,463.
	19 a Distributions of cash and marketable securities	19a	240,000.
	b Distributions of other property	19b	
	20 a Investment income	20a	617,471.
b Investment expenses	20b	895,530.	
c Other items and amounts (attach statement) STMT 4			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	-78,599.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners	-781.						
b Limited partners			-38,525.				-39,293.

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		14,469.		45,938.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)	STATEMENT 5	39,988.		39,988.
7a Loans to partners (or persons related to partners)		13,542.		13,542.
b Mortgage and real estate loans				
8 Other investments (attach statement)	STATEMENT 6	-123,523.		-485,944.
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets	13,937.		13,937.	
b Less accumulated depletion		13,937.		13,937.
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)	750.		750.	
b Less accumulated amortization	750.		750.	
13 Other assets (attach statement)				
14 Total assets		-41,587.		-372,539.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)	STATEMENT 7			36,110.
18 All nonrecourse loans				
19a Loans from partners (or persons related to partners)				
b Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts		-41,587.		-408,649.
22 Total liabilities and capital		-41,587.		-372,539.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. The partnership may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books	-127,062.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$	
STMT 9 48,463.		8 Add lines 6 and 7	
a Depreciation \$	48,463.	9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-78,599.
b Travel and entertainment \$			
5 Add lines 1 through 4	-78,599.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	-41,587.	6 Distributions: a Cash	240,000.
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-127,062.	8 Add lines 6 and 7	240,000.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	-408,649.
5 Add lines 1 through 4	-168,649.		

Royalty Income (Loss)

1 Show the kind and location of each rental property.

A U S SHALE ENERGY II LLCB U S SHALE ENERGY III LLCC U S SHALE ENERGY LLCD U S SHALE ENERGY V LLC**Royalty Income**

		A	B	C	D	
2	Gross royalty income (loss)	2	32,361.	26,186.	470,046.	2,339.
Expenses						
3	Advertising	3				
4	Auto and travel	4				
5	Cleaning and maintenance	5				
6	Commissions	6				
7	Insurance	7				
8	Legal and other professional fees	8				
9	Interest	9				
10	Repairs	10				
11	Taxes	11				
12	Utilities	12				
13	Wages and salaries	13				
14	Depreciation	14				
15	Other (list) ►	15				
						
						
						
16	Total expenses for each property. Add lines 3 through 15	16	0.	0.	0.	0.

17	Total gross royalties. Add gross royalties from line 2, columns A through D	17	569,975.
18	Total expenses. Add total expenses from line 16, columns A through D	18	
19	Net royalty income (loss)	19	569,975.

Royalty Income (Loss)

1 Show the kind and location of each rental property.

A US SHALE ENERGY IV LLC**B** _____**C** _____**D** _____**Royalty Income**

2 Gross royalty income (loss)

Expenses

3 Advertising

4 Auto and travel

5 Cleaning and maintenance

6 Commissions

7 Insurance

8 Legal and other professional fees

9 Interest

10 Repairs

11 Taxes

12 Utilities

13 Wages and salaries

14 Depreciation

15 Other (list) ►

16 Total expenses for each property.

Add lines 3 through 15

17 Total gross royalties. Add gross royalties from line 2, columns A through D

18 Total expenses. Add total expenses from line 16, columns A through D

19 Net royalty income (loss)

Properties**A****B****C****D****39,043.****0.****17****18****19**

**SCHEDULE B-1
(Form 1065)**(Rev. September 2017)
Department of the Treasury
Internal Revenue Service**Information on Partners Owning 50% or
More of the Partnership**

▶ Attach to Form 1065.

▶ Go to www.irs.gov/Form1065 for the latest information.

OMB No. 1545-0123

Name of partnership

Employer identification number

KOST VENTURES I LTD

68-0497127

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
KOST VENTURES INC	2468	CORPORATION	UNITED STATES	100.00
KELLIE KOST TAYLOR, HERITAGE TRUST	5625	TRUST	UNITED STATES	100.00
GARRETT TAYLOR KOST, HERITAGE TRUST	5608	TRUST	UNITED STATES	100.00

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
LOU KOST, JR		UNITED STATES	100.00

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 9-2017)

**SCHEDULE D
(Form 1065)**Department of the Treasury
Internal Revenue Service**Capital Gains and Losses**

▶ Attach to Form 1065 or Form 8865.

▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

▶ Go to www.irs.gov/Form1065 for instructions and the latest information.

OMB No. 1545-0123

2017

Name of partnership

Employer identification number

KOST VENTURES I LTD**68-0497127****Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term capital gain from installment sales from Form 6252, line 26 or 37				4
5 Short-term capital gain or (loss) from like-kind exchanges from Form 8824				5
6 Partnership's share of net short-term capital gain (loss), including specially allocated short-term capital gains (losses), from other partnerships, estates, and trusts				6
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). Enter here and on Form 1065, Schedule K, line 8 or 11; or Form 8865, Schedule K, line 8 or 11				7

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	199,460.			199,460.
11 Long-term capital gain from installment sales from Form 6252, line 26 or 37				11
12 Long-term capital gain or (loss) from like-kind exchanges from Form 8824				12
13 Partnership's share of net long-term capital gain (loss), including specially allocated long-term capital gains (losses), from other partnerships, estates, and trusts				13
14 Capital gain distributions (see instructions)				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Enter here and on Form 1065, Schedule K, line 9a or 11; or Form 8865, Schedule K, line 9a or 11				15 199,460.

Schedule of Mineral Interest Properties - Summary

Identifying Number 68-0497127	
Name	
KOST VENTURES I LTD	

Property Number	Property Description	Gross Income	Royalty Paid	Severance Tax	Operating Expense	IDC Expense	Dry Hole Costs	Depreciation	Section 179 Expense	Amortization	* Overhead Expense	Net Income Before Depletion
1	CHESAPEAKE OPERATING										22,329.	-22,329.
2	EOG RESOURCES INC	34,414.		1,547.							22,380.	10,487.
3	DEVON ENERGY PRODUCTION CO										22,329.	-22,329.
4	GULFMARK ENERGY INC	35.		2.							22,329.	-22,296.
5	MARATHON OIL COMPANY	301.		14.							22,329.	-22,042.
6	EDF TRADING RESOURCES LLC										22,329.	-22,329.
7	SHELL TRADING COMPANY	133.		6.							22,329.	-22,202.
8	COVEY PARK ENERGY LLC	4,385.		123.							22,329.	-18,067.
9	CCI GULF COAST UPSTREAM LLC	84.		7.							22,329.	-22,252.
10	SND OPERATING LLC	394.									22,412.	-22,018.
11	TRUTH RESOURCES LP	215.		10.							22,329.	-22,124.
TOTALS		47,491.		1,855.							314,144.	-268,508.

Property Number	Property Description	% Depletion	% Depletion Limited to Net Income	Daily Production (Barrel)	Quantity Limitation Rate	% Depletion After Quantity Limitation	Cost Depletion	Excess Depletion	Beginning Accum. IDC	Amortized Pref. IDC Expense	* Net Income for Excess IDC Calc.	* Other Expenses	AMT Depreciation Adjustment
1	CHESAPEAKE OPERATING				1.000000								
2	EOG RESOURCES INC	5,162.	5,162.		1.000000	5,162.					5,325.	51.	
3	DEVON ENERGY PRODUCTION CO				1.000000								
4	GULFMARK ENERGY INC	5.			1.000000						-22,296.		
5	MARATHON OIL COMPANY	45.			1.000000						-22,042.		
6	EDF TRADING RESOURCES LLC				1.000000								
7	SHELL TRADING COMPANY	20.			1.000000						-22,202.		
8	COVEY PARK ENERGY LLC	658.			1.000000						-18,067.		
9	CCI GULF COAST UPSTREAM LLC	13.			1.000000						-22,252.		
10	SND OPERATING LLC	59.			1.000000						-22,018.	83.	
11	TRUTH RESOURCES LP	32.			1.000000						-22,124.		
TOTALS		7,124.	5,162.			5,162.					-184,354.	1,532.	

Property Number	Property Description	Beginning Recoverables	Production	Ending Recoverables	Basis	Beginning Accum. Depletion	Adjusted Basis	Cost Depletion Rate	Cost Depletion	* Tentative Depletion	Ending Accum. Depletion	Excess IDC	* Deductions Allocable to Oil and Gas
1	CHESAPEAKE OPERATING												
2	EOG RESOURCES INC									5,162.			23,927.
3	DEVON ENERGY PRODUCTION CO												
4	GULFMARK ENERGY INC												22,331.
5	MARATHON OIL COMPANY												22,343.
6	EDF TRADING RESOURCES LLC												
7	SHELL TRADING COMPANY												22,335.
8	COVEY PARK ENERGY LLC												22,452.
9	CCI GULF COAST UPSTREAM LLC												22,336.
10	SND OPERATING LLC												22,412.
11	TRUTH RESOURCES LP												22,339.
TOTALS										5,162.			226,683.

* "Tentative Depletion" - Greater of "Percentage Depletion" or "Cost Depletion"

* "Net Income for Excess IDC CALC" - has been reduced by "Tentative Depletion" and "Excess IDC" has been added back.

* "Deductions Allocable to Oil and Gas" - adjusted for Excess IDC and AMT Depreciation Adjustment

* "Overhead Expense" - includes Other Expenses

Total excess Intangible Drilling Cost

Less 65% of Net Income for Excess IDC Calculation

Excess Intangible Drilling Cost Preference

Schedule of Mineral Interest Properties - Summary

Identifying Number 68-0497127	
Name	
KOST VENTURES I LTD	

Property Number	Property Description	Gross Income	Royalty Paid	Severance Tax	Operating Expense	IDC Expense	Dry Hole Costs	Depreciation	Section 179 Expense	Amortization	* Overhead Expense	Net Income Before Depletion
12	FORTUNE RESOURCES LLC										22,329.	-22,329.
13	SHERIDAN PRODUCTION	7,418.		146.							23,703.	-16,431.
14	WEATHERLY O&G	112.									22,359.	-22,247.
TOTALS		47,491.		1,855.							314,144.	-268,508.

Property Number	Property Description	% Depletion	% Depletion Limited to Net Income	Daily Production (Barrel)	Quantity Limitation Rate	% Depletion After Quantity Limitation	Cost Depletion	Excess Depletion	Beginning Accum. IDC	Amortized Pref. IDC Expense	* Net Income for Excess IDC Calc.	* Other Expenses	AMT Depreciation Adjustment
12	FORTUNE RESOURCES LLC				1.000000								
13	SHERIDAN PRODUCTION	1,113.			1.000000						-16,431.	1,374.	
14	WEATHERLY O&G	17.			1.000000						-22,247.	24.	
TOTALS		7,124.	5,162.			5,162.					-184,354.	1,532.	

Property Number	Property Description	Beginning Recoverables	Production	Ending Recoverables	Basis	Beginning Accum. Depletion	Adjusted Basis	Cost Depletion Rate	Cost Depletion	* Tentative Depletion	Ending Accum. Depletion	Excess IDC	* Deductions Allocable to Oil and Gas
12	FORTUNE RESOURCES LLC												
13	SHERIDAN PRODUCTION												23,849.
14	WEATHERLY O&G												22,359.
TOTALS										5,162.			226,683.

* "Tentative Depletion" - Greater of "Percentage Depletion" or "Cost Depletion"

* "Net Income for Excess IDC CALC" - has been reduced by "Tentative Depletion" and "Excess IDC" has been added back.

* "Deductions Allocable to Oil and Gas" - adjusted for Excess IDC and AMT Depreciation Adjustment

* "Overhead Expense" - includes Other Expenses

Total excess Intangible Drilling Cost

Less 65% of Net Income for Excess IDC Calculation

Excess Intangible Drilling Cost Preference

2017 DEPRECIATION AND AMORTIZATION REPORT

OTHER 1

[illegible]

68-0497127

SCHEDULE K	INTEREST INCOME	STATEMENT	1
DESCRIPTION	U.S. BONDS	OTHER	
INTEREST - U S SHALE ENERGY III LLC			5.
TOTAL TO SCHEDULE K, LINE 5			5.

SCHEDULE K	DEDUCTIONS RELATED TO PORTFOLIO INCOME	STATEMENT	2
DESCRIPTION	AMOUNT		
PORTFOLIO DEDUCTIONS RELATED TO ROYALTY INTEREST	315,999.		
ROYALTY DEDUCTIONS - U S SHALE ENERGY II LLC	244,820.		
ROYALTY DEDUCTIONS - U S SHALE ENERGY III LLC	98,864.		
ROYALTY DEDUCTIONS - U S SHALE ENERGY LLC	49,636.		
ROYALTY DEDUCTIONS - U S SHALE ENERGY V LLC	32,750.		
ROYALTY DEDUCTIONS - US SHALE ENERGY IV LLC	153,461.		
TOTAL INCLUDED ON SCHEDULE K, LINE 13D	895,530.		

SCHEDULE K	NONDEDUCTIBLE EXPENSE	STATEMENT	3
DESCRIPTION	AMOUNT		
NONDEDUCTIBLE EXPENSE FROM PASSTHROUGH	48,463.		
TOTAL TO SCHEDULE K, LINE 18C	48,463.		

SCHEDULE K	OTHER ITEMS	STATEMENT	4
DESCRIPTION	AMOUNT		
TENTATIVE DEPLETION FROM OIL AND GAS PRODUCTION	5,162.		
PASSTHROUGH DEPLETION FROM OIL/GAS	81,519.		

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT	5
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
OTHER RECEIVABLES	39,988.	39,988.	
TOTAL TO SCHEDULE L, LINE 6	39,988.	39,988.	

SCHEDULE L	OTHER INVESTMENTS	STATEMENT	6
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
INVESTMENT-KOST HOLDINGS LTD	-328.	-328.	
INVESTMENT-U S SHALE II LLC	-13,554.	-249,510.	
INVESTMENT-U S SHALE LLC	-234,321.	-274,988.	
INVESTMENTS-U S SHALE ENERGY III LLC	51,614.	-48,663.	
INVESTMENTS-U S SHALE ENERGY IV LLC	89,751.	-63,075.	
INVESTMENTS-U S SHALE ENERGY V LLC	-16,685.	-48,840.	
US SHALE ENERGY LLC NEG BASIS ADJ		182,775.	
US SHALE V NEG BASIS ADJ		16,685.	
TOTAL TO SCHEDULE L, LINE 8	-123,523.	-485,944.	

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT	7
DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR	
LOAN - TEXAS COMMERCE BANK		36,110.	
TOTAL TO SCHEDULE L, LINE 17		36,110.	

FORM 1065	PARTNERS' CAPITAL ACCOUNT SUMMARY	STATEMENT	8
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PARTNER NUMBER	BEGINNING CAPITAL	CAPITAL CONTRIBUTED	SCHEDULE M-2 LNS 3, 4 & 7	WITH- DRAWALS	ENDING CAPITAL
1	-404.		-1,266.	2,400.	-4,070.
2	-21,757.		-62,272.	117,600.	-201,629.
3	-9,710.		-31,761.	60,000.	-101,471.
4	-9,716.		-31,763.	60,000.	-101,479.
TOTAL	-41,587.		-127,062.	240,000.	-408,649.

SCHEDULE M-1 EXPENSES RECORDED ON BOOKS NOT DEDUCTED IN RETURN STATEMENT 9

DESCRIPTION	AMOUNT
NONDEDUCTIBLE EXPENSES FROM PASSTHROUGH	48,463.
TOTAL TO SCHEDULE M-1, LINE 4	48,463.

Schedule K-1
(Form 1065)
Department of the Treasury
Internal Revenue Service

2017

For calendar year 2017, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

beginning

ending

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership													
A Partnership's employer identification number 7127													
B Partnership's name, address, city, state, and ZIP code KOST VENTURES I LTD 8626 TESORO DR SUITE 801 SAN ANTONIO, TX 78217													
C IRS Center where partnership filed return E-FILE													
D ☐ Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number 2468													
F Partner's name, address, city, state, and ZIP code KOST VENTURES INC 8626 TESORO DR SUITE 801 SAN ANTONIO, TX 78217													
G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member													
H ☒ Domestic partner ☐ Foreign partner													
I1 What type of entity is this partner? CORPORATION													
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐													
J Partner's share of profit, loss, and capital:													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning</th> <th style="text-align: center;">Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td style="text-align: center;">1.0000000%</td> <td style="text-align: center;">1.0000000%</td> </tr> <tr> <td>Loss</td> <td style="text-align: center;">1.0000000%</td> <td style="text-align: center;">1.0000000%</td> </tr> <tr> <td>Capital</td> <td style="text-align: center;">1.0000000%</td> <td style="text-align: center;">1.0000000%</td> </tr> </tbody> </table>		Beginning	Ending	Profit	1.0000000%	1.0000000%	Loss	1.0000000%	1.0000000%	Capital	1.0000000%	1.0000000%	
	Beginning	Ending											
Profit	1.0000000%	1.0000000%											
Loss	1.0000000%	1.0000000%											
Capital	1.0000000%	1.0000000%											
K Partner's share of liabilities at year end:													
Nonrecourse	\$												
Qualified nonrecourse financing	\$												
Recourse	\$ 36,110.												
L Partner's capital account analysis:													
Beginning capital account	\$ -404.												
Capital contributed during the year	\$												
Current year increase (decrease)	\$ -1,266.												
Withdrawals & distributions	\$(2,400.)												
Ending capital account	\$ -4,070.												
☒ Tax basis ☐ GAAP ☐ Section 704(b) book ☐ Other (explain)													
M Did the partner contribute property with a built-in gain or loss?													
☐ Yes ☒ No													
If "Yes," attach statement (see instructions)													

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) 0.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	17 Alternative min tax (AMT) items
7 Royalties 6,174.	
8 Net short-term capital gain (loss)	18 Tax-exempt income and nondeductible expenses C* 485.
9a Net long-term capital gain (loss) 1,995.	
9b Collectibles (28%) gain (loss)	19 Distributions A 2,400.
9c Unrecaptured sec 1250 gain	20 Other information
10 Net section 1231 gain (loss)	A 6,174. B 8,950.
11 Other income (loss)	T* STMT
12 Section 179 deduction	
13 Other deductions I* STMT	
14 Self-employment earnings (loss)	

*See attached statement for additional information.

For IRS Use Only

SCHEDULE K-1 ROYALTY DEDUCTIONS, BOX 13, CODE I

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
ROYALTY DEDUCTIONS FROM PASSTHROUGH ENTITIES	SEE IRS SCH. K-1 INSTRUCTIONS	5,795.
ROYALTY DEDUCTIONS - CHESAPEAKE OPERATING	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - EOG RESOURCES INC	SEE IRS SCH. K-1 INSTRUCTIONS	239.
ROYALTY DEDUCTIONS - DEVON ENERGY PRODUCTION CO	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - GULFMARK ENERGY INC	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - MARATHON OIL COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - EDF TRADING RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - SHELL TRADING COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - COVEY PARK ENERGY LLC	SEE IRS SCH. K-1 INSTRUCTIONS	224.
ROYALTY DEDUCTIONS - CCI GULF COAST UPSTREAM LLC	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - SND OPERATING LLC	SEE IRS SCH. K-1 INSTRUCTIONS	224.
ROYALTY DEDUCTIONS - TRUTH RESOURCES LP	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - FORTUNE RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	223.
ROYALTY DEDUCTIONS - SHERIDAN PRODUCTION	SEE IRS SCH. K-1 INSTRUCTIONS	238.
ROYALTY DEDUCTIONS - WEATHERLY O&G	SEE IRS SCH. K-1 INSTRUCTIONS	223.
TOTAL TO SCHEDULE K-1, BOX 13, CODE I		8,950.

SCHEDULE K-1 NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
NONDEDUCTIBLE EXPENSES - PASSTHROUGH	SEE IRS SCH. K-1 INSTRUCTIONS	485.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		485.

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PASSTHROUGH DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	815.
TENTATIVE DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	52.
TOTAL TO SCHEDULE K-1, BOX 20, CODE T		867.

DESCRIPTION	AMOUNT	TOTALS
ROYALTY INCOME	6,174.	
LONG-TERM CAPITAL GAIN (LOSS)	1,995.	
SCHEDULE K-1 INCOME SUBTOTAL		8,169.
PORTFOLIO DEDUCTIONS	-8,950.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-8,950.
NET INCOME (LOSS) PER SCHEDULE K-1		-781.
NONDEDUCTIBLE EXPENSES	-485.	
OTHER INCREASES OR DECREASES SUBTOTAL		-485.
TOTAL TO SCHEDULE K-1, ITEM L		-1,266.

ROYALTY DEDUCTIONS FROM THE FOLLOWING PARTNERSHIPS MAYBE LIMITED DUE TO BASIS. THE FOLLOWING IS THE EXPENSE AND THE TAX BASIS ADJUSTED FOR ALL 2017 K-1 ITEMS OTHER THAN THE ROYALTY DEDUCTIONS. PLEASE CONSULT YOUR TAX ADVISOR.

US SHALE ENERGY II, LLC	
ROYALTY EXPENSES	2,448.
BASIS FOR LIMITATION	541.

KOST VENTURES I LTD	68-0497127
US SHALE ENERGY III, LLC	
ROYALTY EXPENSES	989.
BASIS FOR LIMITATION	502.
US SHALE ENERGY IV, LLC	
ROYALTY EXPENSES	1,535.
BASIS FOR LIMITATION	904.
US SHALE ENERGY V, LLC	
ROYALTY EXPENSES	328.
BASIS FOR LIMITATION	6.

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	Report on
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (j)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (j)
5. Interest income	Form 1040, line 8a
6a. Ordinary dividends	Form 1040, line 9a
6b. Qualified dividends	Form 1040, line 9b
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c. Unrecaptured section 1250 gain	See the Partner's Instructions
10. Net section 1231 gain (loss)	See the Partner's Instructions
11. Other income (loss)	See the Partner's Instructions
Code	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Form 1040, line 21 or Form 982
F Other income (loss)	See the Partner's Instructions
12. Section 179 deduction	See the Partner's Instructions
13. Other deductions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Contributions (100%)	
H Investment interest expense	
I Deductions - royalty income	
J Section 59(e)(2) expenditures	
K Deductions - portfolio (2% floor)	Schedule A, line 23
L Deductions - portfolio (other)	Schedule A, line 28
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29
N Educational assistance benefits	See the Partner's Instructions
O Dependent care benefits	Form 2441, line 12
P Preproductive period expenses	See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions
U Qualified production activities income	Form 8903, line 7b
V Employer's Form W-2 wages	Form 8903, line 17
W Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D Low-income housing credit (other) from post-2007 buildings	
E Qualified rehabilitation expenditures (rental real estate)	
F Other rental real estate credits	Form 1040, line 73; check box 4
G Other rental credits	
H Undistributed capital gains credit	
I Biofuel producer credit	
J Work opportunity credit	
K Disabled access credit	See the Partner's Instructions

Code	Report on
L Empowerment zone employment credit	See the Partner's Instructions
M Credit for increasing research activities	
N Credit for employer social security and Medicare taxes	
O Backup withholding	
P Other credits	
16. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	
C Gross income sourced at partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
Other information	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Partner's Instructions
17. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal - gross income	
E Oil, gas, & geothermal - deductions	
F Other AMT items	
18. Tax-exempt income and nondeductible expenses	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions
19. Distributions	
A Cash and marketable securities	See the Partner's Instructions
B Distribution subject to section 737	
C Other property	
20. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G Recapture of low-income housing credit (other)	Form 8611, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest - completed long-term contracts	See Form 8697
K Look-back interest - income forecast method	See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified withdrawals	
T Depletion information - oil and gas	
U Reserved	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Section 108(i) information	
Y Net investment income	
Z Other information	

Summary Schedule of Mineral Interest Information

For calendar year 2017 or tax year beginning _____, 2017, and ending _____, _____.

Identifying Numbers	2468	68-0497127
Name		
KOST VENTURES INC	KOST VENTURES I LTD	

Income and Expenses

Gross income		474.
Ordinary Expenses:		
Royalty paid		
Severance tax	17.	
Operating expenses		
Dry hole costs		
Depreciation		
Amortization		
Overhead expenses (includes overhead depreciation)	3,122.	
Other expenses	16.	
Depletion (non-oil and gas interests)		
Total allowable expenses		3,155.
Net income before separately stated items		-2,681.
Separately Stated Items:		
Section 179 expense		
Intangible drilling costs		
Section 754 depreciation		
Section 754 amortization		
Separately allocated depreciation		
Separately allocated amortization		
Section 704(c) depreciation		
Section 704(c) amortization		
Total separately stated items		-2,681.
Net income		

Oil and Gas Depletion Information

Total cost depletion	
Total percentage depletion available	52.

Tentative Depletion

Working Interest:		
Cost depletion		
% depletion		
Royalty Interest:		
Cost depletion		
% depletion	52.	
Allowable tentative depletion (before 65% limitation)		52.

Preference Information

Excess percentage depletion from non-oil and gas interests	
Gross income from oil, gas and geothermal properties	474.
Deductions allocable to oil, gas and geothermal properties (excluding tax preference depreciation)	2,263.
Excess intangible drilling cost	

Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service

2017

For calendar year 2017, or tax year

☐ Final K-1☐ Amended K-1

OMB No. 1545-0123

beginning

ending

Partner's Share of Income, Deductions, Credits, etc.

▶ See separate instructions.

Part I Information About the Partnership													
A Partnership's employer identification number 68-0497127													
B Partnership's name, address, city, state, and ZIP code KOST VENTURES I LTD 8626 TESORO DR SUITE 801 SAN ANTONIO, TX 78217													
C IRS Center where partnership filed return E-FILE													
D ☐ Check if this is a publicly traded partnership (PTP)													
Part II Information About the Partner													
E Partner's identifying number													
F Partner's name, address, city, state, and ZIP code LOU KOST, JR 8626 TESORO DR SUITE 801 SAN ANTONIO, TX 78217													
G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member													
H ☒ Domestic partner ☐ Foreign partner													
I1 What type of entity is this partner? <u>INDIVIDUAL</u>													
I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐													
J Partner's share of profit, loss, and capital:													
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	Beginning	Ending											
Profit	49.0000000%	49.0000000%											
Loss	49.0000000%	49.0000000%											
Capital	49.0000000%	49.0000000%											
K Partner's share of liabilities at year end:													
Nonrecourse	\$												
Qualified nonrecourse financing	\$												
Recourse	\$ 0.												
L Partner's capital account analysis:													
Beginning capital account	\$ -21,757.												
Capital contributed during the year	\$												
Current year increase (decrease)	\$ -62,272.												
Withdrawals & distributions	\$(117,600.)												
Ending capital account	\$ -201,629.												
☒ Tax basis ☐ GAAP ☐ Section 704(b) book ☐ Other (explain)													
M Did the partner contribute property with a built-in gain or loss?													
☐ Yes ☒ No													
If "Yes," attach statement (see instructions)													

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items	
1 Ordinary business income (loss) 0.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income 3.	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties 302,562.	18 Tax-exempt income and nondeductible expenses C* 23,747.
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss) 97,735.	
9b Collectibles (28%) gain (loss)	19 Distributions A 117,600.
9c Unrecaptured sec 1250 gain	20 Other information
10 Net section 1231 gain (loss)	A 302,565. B 438,825.
11 Other income (loss)	T* STMT
12 Section 179 deduction	
13 Other deductions I* STMT	
14 Self-employment earnings (loss) A 0.	
*See attached statement for additional information.	

For IRS Use Only

SCHEDULE K-1

ROYALTY DEDUCTIONS, BOX 13, CODE I

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
ROYALTY DEDUCTIONS FROM PASSTHROUGH ENTITIES	SEE IRS SCH. K-1 INSTRUCTIONS	283,971.
ROYALTY DEDUCTIONS - CHESAPEAKE OPERATING	SEE IRS SCH. K-1 INSTRUCTIONS	10,942.
ROYALTY DEDUCTIONS - EOG RESOURCES INC	SEE IRS SCH. K-1 INSTRUCTIONS	11,726.
ROYALTY DEDUCTIONS - DEVON ENERGY PRODUCTION CO	SEE IRS SCH. K-1 INSTRUCTIONS	10,942.
ROYALTY DEDUCTIONS - GULFMARK ENERGY INC	SEE IRS SCH. K-1 INSTRUCTIONS	10,943.
ROYALTY DEDUCTIONS - MARATHON OIL COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	10,949.
ROYALTY DEDUCTIONS - EDF TRADING RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	10,942.
ROYALTY DEDUCTIONS - SHELL TRADING COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	10,945.
ROYALTY DEDUCTIONS - COVEY PARK ENERGY LLC	SEE IRS SCH. K-1 INSTRUCTIONS	11,003.
ROYALTY DEDUCTIONS - CCI GULF COAST UPSTREAM LLC	SEE IRS SCH. K-1 INSTRUCTIONS	10,946.
ROYALTY DEDUCTIONS - SND OPERATING LLC	SEE IRS SCH. K-1 INSTRUCTIONS	10,983.
ROYALTY DEDUCTIONS - TRUTH RESOURCES LP	SEE IRS SCH. K-1 INSTRUCTIONS	10,947.
ROYALTY DEDUCTIONS - FORTUNE RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	10,942.
ROYALTY DEDUCTIONS - SHERIDAN PRODUCTION	SEE IRS SCH. K-1 INSTRUCTIONS	11,687.
ROYALTY DEDUCTIONS - WEATHERLY O&G	SEE IRS SCH. K-1 INSTRUCTIONS	10,957.
TOTAL TO SCHEDULE K-1, BOX 13, CODE I		438,825.

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
NONDEDUCTIBLE EXPENSES - PASSTHROUGH	SEE IRS SCH. K-1 INSTRUCTIONS	23,747.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		23,747.

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PASSTHROUGH DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	39,945.
TENTATIVE DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	2,529.
TOTAL TO SCHEDULE K-1, BOX 20, CODE T		42,474.

DESCRIPTION	AMOUNT	TOTALS
INTEREST INCOME	3.	
ROYALTY INCOME	302,562.	
LONG-TERM CAPITAL GAIN (LOSS)	97,735.	
SCHEDULE K-1 INCOME SUBTOTAL		400,300.
PORTFOLIO DEDUCTIONS	-438,825.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-438,825.
NET INCOME (LOSS) PER SCHEDULE K-1		-38,525.
NONDEDUCTIBLE EXPENSES	-23,747.	
OTHER INCREASES OR DECREASES SUBTOTAL		-23,747.
TOTAL TO SCHEDULE K-1, ITEM L		-62,272.

US SHALE ENERGY II, LLC	
ROYALTY EXPENSES	119,962.
BASIS FOR LIMITATION	26,504.

KOST VENTURES I LTD	68-0497127
US SHALE ENERGY III, LLC	
ROYALTY EXPENSES	48,443.
BASIS FOR LIMITATION	24,599.
US SHALE ENERGY IV, LLC	
ROYALTY EXPENSES	75,196.
BASIS FOR LIMITATION	44,290.
US SHALE ENERGY V, LLC	
ROYALTY EXPENSES	16,047.
BASIS FOR LIMITATION	292.

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	Report on
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (j)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (j)
5. Interest income	Form 1040, line 8a
6a. Ordinary dividends	Form 1040, line 9a
6b. Qualified dividends	Form 1040, line 9b
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c. Unrecaptured section 1250 gain	See the Partner's Instructions
10. Net section 1231 gain (loss)	See the Partner's Instructions
11. Other income (loss)	See the Partner's Instructions
Code	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Form 1040, line 21 or Form 982
F Other income (loss)	See the Partner's Instructions
12. Section 179 deduction	See the Partner's Instructions
13. Other deductions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Contributions (100%)	Schedule E, line 19
H Investment interest expense	See the Partner's Instructions
I Deductions - royalty income	Schedule A, line 23
J Section 59(e)(2) expenditures	Schedule A, line 28
K Deductions - portfolio (2% floor)	Schedule A, line 1 or Form 1040, line 29
L Deductions - portfolio (other)	See the Partner's Instructions
M Amounts paid for medical insurance	Form 2441, line 12
N Educational assistance benefits	See the Partner's Instructions
O Dependent care benefits	See the Partner's Instructions
P Preproductive period expenses	See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions
U Qualified production activities income	Form 8903, line 7b
V Employer's Form W-2 wages	Form 8903, line 17
W Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D Low-income housing credit (other) from post-2007 buildings	
E Qualified rehabilitation expenditures (rental real estate)	
F Other rental real estate credits	Form 1040, line 73; check box 4
G Other rental credits	
H Undistributed capital gains credit	See the Partner's Instructions
I Biofuel producer credit	
J Work opportunity credit	
K Disabled access credit	

Code	Report on
L Empowerment zone employment credit	See the Partner's Instructions
M Credit for increasing research activities	
N Credit for employer social security and Medicare taxes	
O Backup withholding	
P Other credits	
16. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	
C Gross income sourced at partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
Other information	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Partner's Instructions
17. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal - gross income	
E Oil, gas, & geothermal - deductions	
F Other AMT items	
18. Tax-exempt income and nondeductible expenses	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions
19. Distributions	
A Cash and marketable securities	See the Partner's Instructions
B Distribution subject to section 737	
C Other property	
20. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G Recapture of low-income housing credit (other)	Form 8611, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest - completed long-term contracts	See Form 8697
K Look-back interest - income forecast method	See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified withdrawals	
T Depletion information - oil and gas	
U Reserved	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Section 108(i) information	
Y Net investment income	
Z Other information	

Summary Schedule of Mineral Interest Information

For calendar year 2017 or tax year beginning _____, 2017, and ending _____, _____.

Identifying Numbers	68-0497127
Name	
LOU KOST, JR	KOST VENTURES I LTD

Income and Expenses

Gross income		23,274.
Ordinary Expenses:		
Royalty paid		
Severance tax	912.	
Operating expenses		
Dry hole costs		
Depreciation		
Amortization		
Overhead expenses (includes overhead depreciation)	153,191.	
Other expenses	751.	
Depletion (non-oil and gas interests)		
Total allowable expenses		154,854.
Net income before separately stated items		-131,580.
Separately Stated Items:		
Section 179 expense		
Intangible drilling costs		
Section 754 depreciation		
Section 754 amortization		
Separately allocated depreciation		
Separately allocated amortization		
Section 704(c) depreciation		
Section 704(c) amortization		
Total separately stated items		-131,580.
Net income		

Oil and Gas Depletion Information

Total cost depletion	
Total percentage depletion available	2,529.

Tentative Depletion

Working Interest:		
Cost depletion		
% depletion		
Royalty Interest:		
Cost depletion		
% depletion	2,529.	
Allowable tentative depletion (before 65% limitation)		2,529.

Preference Information

Excess percentage depletion from non-oil and gas interests	
Gross income from oil, gas and geothermal properties	23,274.
Deductions allocable to oil, gas and geothermal properties (excluding tax preference depreciation)	111,086.
Excess intangible drilling cost	

SCHEDULE K-1

ROYALTY DEDUCTIONS, BOX 13, CODE I

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
ROYALTY DEDUCTIONS FROM PASSTHROUGH ENTITIES	SEE IRS SCH. K-1 INSTRUCTIONS	144,882.
ROYALTY DEDUCTIONS - CHESAPEAKE OPERATING	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - EOG RESOURCES INC	SEE IRS SCH. K-1 INSTRUCTIONS	5,980.
ROYALTY DEDUCTIONS - DEVON ENERGY PRODUCTION CO	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - GULFMARK ENERGY INC	SEE IRS SCH. K-1 INSTRUCTIONS	5,583.
ROYALTY DEDUCTIONS - MARATHON OIL COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	5,586.
ROYALTY DEDUCTIONS - EDF TRADING RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - SHELL TRADING COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	5,584.
ROYALTY DEDUCTIONS - COVEY PARK ENERGY LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,612.
ROYALTY DEDUCTIONS - CCI GULF COAST UPSTREAM LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,583.
ROYALTY DEDUCTIONS - SND OPERATING LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,602.
ROYALTY DEDUCTIONS - TRUTH RESOURCES LP	SEE IRS SCH. K-1 INSTRUCTIONS	5,585.
ROYALTY DEDUCTIONS - FORTUNE RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - SHERIDAN PRODUCTION	SEE IRS SCH. K-1 INSTRUCTIONS	5,963.
ROYALTY DEDUCTIONS - WEATHERLY O&G	SEE IRS SCH. K-1 INSTRUCTIONS	5,589.
TOTAL TO SCHEDULE K-1, BOX 13, CODE I		223,877.

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
NONDEDUCTIBLE EXPENSES - PASSTHROUGH	SEE IRS SCH. K-1 INSTRUCTIONS	12,115.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		12,115.

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PASSTHROUGH DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	20,379.
TENTATIVE DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	1,291.
TOTAL TO SCHEDULE K-1, BOX 20, CODE T		21,670.

DESCRIPTION	AMOUNT	TOTALS
INTEREST INCOME	1.	
ROYALTY INCOME	154,365.	
LONG-TERM CAPITAL GAIN (LOSS)	49,865.	
SCHEDULE K-1 INCOME SUBTOTAL		204,231.
PORTFOLIO DEDUCTIONS	-223,877.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-223,877.
NET INCOME (LOSS) PER SCHEDULE K-1		-19,646.
NONDEDUCTIBLE EXPENSES	-12,115.	
OTHER INCREASES OR DECREASES SUBTOTAL		-12,115.
TOTAL TO SCHEDULE K-1, ITEM L		-31,761.

US SHALE ENERGY II, LLC	
ROYALTY EXPENSES	61,205.
BASIS FOR LIMITATION	13,522.

KOST VENTURES I LTD	68-0497127
US SHALE ENERGY III, LLC	
ROYALTY EXPENSES	24,716.
BASIS FOR LIMITATION	12,550.
US SHALE ENERGY IV, LLC	
ROYALTY EXPENSES	38,365.
BASIS FOR LIMITATION	22,596.
US SHALE ENERGY V, LLC	
ROYALTY EXPENSES	8,188.
BASIS FOR LIMITATION	149.

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	Report on
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (j)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (j)
5. Interest income	Form 1040, line 8a
6a. Ordinary dividends	Form 1040, line 9a
6b. Qualified dividends	Form 1040, line 9b
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c. Unrecaptured section 1250 gain	See the Partner's Instructions
10. Net section 1231 gain (loss)	See the Partner's Instructions
11. Other income (loss)	See the Partner's Instructions
Code	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Form 1040, line 21 or Form 982
F Other income (loss)	See the Partner's Instructions
12. Section 179 deduction	See the Partner's Instructions
13. Other deductions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Contributions (100%)	
H Investment interest expense	
I Deductions - royalty income	
J Section 59(e)(2) expenditures	
K Deductions - portfolio (2% floor)	Schedule A, line 23
L Deductions - portfolio (other)	Schedule A, line 28
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29
N Educational assistance benefits	See the Partner's Instructions
O Dependent care benefits	Form 2441, line 12
P Preproductive period expenses	See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions
U Qualified production activities income	Form 8903, line 7b
V Employer's Form W-2 wages	Form 8903, line 17
W Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D Low-income housing credit (other) from post-2007 buildings	
E Qualified rehabilitation expenditures (rental real estate)	
F Other rental real estate credits	Form 1040, line 73; check box 4
G Other rental credits	
H Undistributed capital gains credit	
I Biofuel producer credit	
J Work opportunity credit	
K Disabled access credit	See the Partner's Instructions

Code	Report on
L Empowerment zone employment credit	See the Partner's Instructions
M Credit for increasing research activities	
N Credit for employer social security and Medicare taxes	
O Backup withholding	
P Other credits	
16. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	
C Gross income sourced at partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
Other information	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Partner's Instructions
17. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal - gross income	
E Oil, gas, & geothermal - deductions	
F Other AMT items	
18. Tax-exempt income and nondeductible expenses	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions
19. Distributions	
A Cash and marketable securities	See the Partner's Instructions
B Distribution subject to section 737	
C Other property	
20. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G Recapture of low-income housing credit (other)	Form 8611, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest - completed long-term contracts	See Form 8697
K Look-back interest - income forecast method	See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified withdrawals	
T Depletion information - oil and gas	
U Reserved	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Section 108(i) information	
Y Net investment income	
Z Other information	

Summary Schedule of Mineral Interest Information

For calendar year 2017 or tax year beginning _____, 2017, and ending _____, _____.

Identifying Numbers	5625	68-0497127
Name		
KELLIE KOST TAYLOR		
HERITAGE TRUST	KOST VENTURES I LTD	

Income and Expenses

Gross income		11,872.
Ordinary Expenses:		
Royalty paid		
Severance tax	464.	
Operating expenses		
Dry hole costs		
Depreciation		
Amortization		
Overhead expenses (includes overhead depreciation)	78,149.	
Other expenses	382.	
Depletion (non-oil and gas interests)		
Total allowable expenses		78,995.
Net income before separately stated items		-67,123.
Separately Stated Items:		
Section 179 expense		
Intangible drilling costs		
Section 754 depreciation		
Section 754 amortization		
Separately allocated depreciation		
Separately allocated amortization		
Section 704(c) depreciation		
Section 704(c) amortization		
Total separately stated items		-67,123.
Net income		

Oil and Gas Depletion Information

Total cost depletion		
Total percentage depletion available		1,291.

Tentative Depletion

Working Interest:		
Cost depletion		
% depletion		
Royalty Interest:		
Cost depletion		
% depletion	1,291.	
Allowable tentative depletion (before 65% limitation)		1,291.

Preference Information

Excess percentage depletion from non-oil and gas interests		
Gross income from oil, gas and geothermal properties		11,872.
Deductions allocable to oil, gas and geothermal properties (excluding tax preference depreciation)		56,667.
Excess intangible drilling cost		

SCHEDULE K-1

ROYALTY DEDUCTIONS, BOX 13, CODE I

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
ROYALTY DEDUCTIONS FROM PASSTHROUGH ENTITIES	SEE IRS SCH. K-1 INSTRUCTIONS	144,883.
ROYALTY DEDUCTIONS - CHESAPEAKE OPERATING	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - EOG RESOURCES INC	SEE IRS SCH. K-1 INSTRUCTIONS	5,982.
ROYALTY DEDUCTIONS - DEVON ENERGY PRODUCTION CO	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - GULFMARK ENERGY INC	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - MARATHON OIL COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	5,585.
ROYALTY DEDUCTIONS - EDF TRADING RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - SHELL TRADING COMPANY	SEE IRS SCH. K-1 INSTRUCTIONS	5,583.
ROYALTY DEDUCTIONS - COVEY PARK ENERGY LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,613.
ROYALTY DEDUCTIONS - CCI GULF COAST UPSTREAM LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,584.
ROYALTY DEDUCTIONS - SND OPERATING LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,603.
ROYALTY DEDUCTIONS - TRUTH RESOURCES LP	SEE IRS SCH. K-1 INSTRUCTIONS	5,584.
ROYALTY DEDUCTIONS - FORTUNE RESOURCES LLC	SEE IRS SCH. K-1 INSTRUCTIONS	5,582.
ROYALTY DEDUCTIONS - SHERIDAN PRODUCTION	SEE IRS SCH. K-1 INSTRUCTIONS	5,961.
ROYALTY DEDUCTIONS - WEATHERLY O&G	SEE IRS SCH. K-1 INSTRUCTIONS	5,590.
TOTAL TO SCHEDULE K-1, BOX 13, CODE I		223,878.

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 18, CODE C

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
NONDEDUCTIBLE EXPENSES - PASSTHROUGH	SEE IRS SCH. K-1 INSTRUCTIONS	12,116.
TOTAL TO SCHEDULE K-1, BOX 18, CODE C		12,116.

DESCRIPTION	PARTNER FILING INSTRUCTIONS	AMOUNT
PASSTHROUGH DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	20,380.
TENTATIVE DEPLETION FROM OIL/GAS	SEE IRS SCH. K-1 INSTRUCTIONS	1,290.
TOTAL TO SCHEDULE K-1, BOX 20, CODE T		21,670.

DESCRIPTION	AMOUNT	TOTALS
INTEREST INCOME	1.	
ROYALTY INCOME	154,365.	
LONG-TERM CAPITAL GAIN (LOSS)	49,865.	
SCHEDULE K-1 INCOME SUBTOTAL		204,231.
PORTFOLIO DEDUCTIONS	-223,878.	
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-223,878.
NET INCOME (LOSS) PER SCHEDULE K-1		-19,647.
NONDEDUCTIBLE EXPENSES	-12,116.	
OTHER INCREASES OR DECREASES SUBTOTAL		-12,116.
TOTAL TO SCHEDULE K-1, ITEM L		-31,763.

US SHALE ENERGY II, LLC	
ROYALTY EXPENSES	61,205.
BASIS FOR LIMITATION	13,522.

KOST VENTURES I LTD	68-0497127
US SHALE ENERGY III, LLC	
ROYALTY EXPENSES	24,716.
BASIS FOR LIMITATION	12,550.
US SHALE ENERGY IV, LLC	
ROYALTY EXPENSES	38,365.
BASIS FOR LIMITATION	22,597.
US SHALE ENERGY V, LLC	
ROYALTY EXPENSES	8,187.
BASIS FOR LIMITATION	149.

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	Report on
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (j)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (j)
5. Interest income	Form 1040, line 8a
6a. Ordinary dividends	Form 1040, line 9a
6b. Qualified dividends	Form 1040, line 9b
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)
9c. Unrecaptured section 1250 gain	See the Partner's Instructions
10. Net section 1231 gain (loss)	See the Partner's Instructions
11. Other income (loss)	See the Partner's Instructions
Code	
A Other portfolio income (loss)	See the Partner's Instructions
B Involuntary conversions	See the Partner's Instructions
C Sec. 1256 contracts & straddles	Form 6781, line 1
D Mining exploration costs recapture	See Pub. 535
E Cancellation of debt	Form 1040, line 21 or Form 982
F Other income (loss)	See the Partner's Instructions
12. Section 179 deduction	See the Partner's Instructions
13. Other deductions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions
B Cash contributions (30%)	
C Noncash contributions (50%)	
D Noncash contributions (30%)	
E Capital gain property to a 50% organization (30%)	
F Capital gain property (20%)	Form 4952, line 1
G Contributions (100%)	
H Investment interest expense	Schedule E, line 19
I Deductions - royalty income	See the Partner's Instructions
J Section 59(e)(2) expenditures	Schedule A, line 23
K Deductions - portfolio (2% floor)	Schedule A, line 28
L Deductions - portfolio (other)	Schedule A, line 1 or Form 1040, line 29
M Amounts paid for medical insurance	See the Partner's Instructions
N Educational assistance benefits	See the Partner's Instructions
O Dependent care benefits	Form 2441, line 12
P Preproductive period expenses	See the Partner's Instructions
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions
R Pensions and IRAs	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions
U Qualified production activities income	Form 8903, line 7b
V Employer's Form W-2 wages	Form 8903, line 17
W Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A Net earnings (loss) from self-employment	Schedule SE, Section A or B
B Gross farming or fishing income	See the Partner's Instructions
C Gross non-farm income	See the Partner's Instructions

15. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B Low-income housing credit (other) from pre-2008 buildings	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D Low-income housing credit (other) from post-2007 buildings	
E Qualified rehabilitation expenditures (rental real estate)	
F Other rental real estate credits	Form 1040, line 73; check box 4
G Other rental credits	
H Undistributed capital gains credit	See the Partner's Instructions
I Biofuel producer credit	
J Work opportunity credit	
K Disabled access credit	

Code	Report on
L Empowerment zone employment credit	See the Partner's Instructions
M Credit for increasing research activities	
N Credit for employer social security and Medicare taxes	
O Backup withholding	
P Other credits	
16. Foreign transactions	
A Name of country or U.S. possession	Form 1116, Part I
B Gross income from all sources	
C Gross income sourced at partner level	
Foreign gross income sourced at partnership level	
D Passive category	Form 1116, Part I
E General category	
F Other	
Deductions allocated and apportioned at partner level	
G Interest expense	Form 1116, Part I
H Other	Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income	
I Passive category	Form 1116, Part I
J General category	
K Other	
Other information	
L Total foreign taxes paid	Form 1116, Part II
M Total foreign taxes accrued	Form 1116, Part II
N Reduction in taxes available for credit	Form 1116, line 12
O Foreign trading gross receipts	Form 8873
P Extraterritorial income exclusion	Form 8873
Q Other foreign transactions	See the Partner's Instructions
17. Alternative minimum tax (AMT) items	
A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss	
C Depletion (other than oil & gas)	
D Oil, gas, & geothermal - gross income	
E Oil, gas, & geothermal - deductions	
F Other AMT items	
18. Tax-exempt income and nondeductible expenses	
A Tax-exempt interest income	Form 1040, line 8b
B Other tax-exempt income	See the Partner's Instructions
C Nondeductible expenses	See the Partner's Instructions
19. Distributions	
A Cash and marketable securities	See the Partner's Instructions
B Distribution subject to section 737	
C Other property	
20. Other information	
A Investment income	Form 4952, line 4a
B Investment expenses	Form 4952, line 5
C Fuel tax credit information	Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E Basis of energy property	See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G Recapture of low-income housing credit (other)	Form 8611, line 8
H Recapture of investment credit	See Form 4255
I Recapture of other credits	See the Partner's Instructions
J Look-back interest - completed long-term contracts	See Form 8697
K Look-back interest - income forecast method	See Form 8866
L Dispositions of property with section 179 deductions	See the Partner's Instructions
M Recapture of section 179 deduction	
N Interest expense for corporate partners	
O Section 453(l)(3) information	
P Section 453A(c) information	
Q Section 1260(b) information	
R Interest allocable to production expenditures	
S CCF nonqualified withdrawals	
T Depletion information - oil and gas	
U Reserved	
V Unrelated business taxable income	
W Precontribution gain (loss)	
X Section 108(i) information	
Y Net investment income	
Z Other information	

Summary Schedule of Mineral Interest Information

For calendar year 2017 or tax year beginning _____, 2017, and ending _____, _____.

Identifying Numbers	5608	68-0497127
Name		
GARRETT TAYLOR KOST		
HERITAGE TRUST	KOST VENTURES I LTD	

Income and Expenses

Gross income		11,871.
Ordinary Expenses:		
Royalty paid		
Severance tax	462.	
Operating expenses		
Dry hole costs		
Depreciation		
Amortization		
Overhead expenses (includes overhead depreciation)	78,150.	
Other expenses	383.	
Depletion (non-oil and gas interests)		
Total allowable expenses		78,995.
Net income before separately stated items		-67,124.
Separately Stated Items:		
Section 179 expense		
Intangible drilling costs		
Section 754 depreciation		
Section 754 amortization		
Separately allocated depreciation		
Separately allocated amortization		
Section 704(c) depreciation		
Section 704(c) amortization		
Total separately stated items		-67,124.
Net income		

Oil and Gas Depletion Information

Total cost depletion		
Total percentage depletion available		1,290.

Tentative Depletion

Working Interest:		
Cost depletion		
% depletion		
Royalty Interest:		
Cost depletion		
% depletion	1,290.	
Allowable tentative depletion (before 65% limitation)		1,290.

Preference Information

Excess percentage depletion from non-oil and gas interests		
Gross income from oil, gas and geothermal properties		11,871.
Deductions allocable to oil, gas and geothermal properties (excluding tax preference depreciation)		56,667.
Excess intangible drilling cost		