

OCT 18 2004

RECEIVED

Form CP-4
December 2003
Type or Print on this Form
Form must be Signed
All blanks must be Filled

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING RECORD
K.A.R. 82-3-117

Notice: Fill out COMPLETELY
and return to Conservation Division
at the address below within
60 days from plugging date.

Lease Operator: K & N Petroleum, Inc.

Address: 513 West 6th, Ellinwood, KS 67526

Phone: (620) 564-3422 Operator License #: 3208

Type of Well: Gas D & A Docket #: _____
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)

The plugging proposal was approved on: 10-12-04 (Date)

by: Steve Durrant (KCC District Agent's Name)

Is ACO-1 filed? Yes No If not, is well log attached? Yes No

Producing Formation(s): List All (If needed attach another sheet)

Depth to Top: _____ Bottom: _____ T.D. _____
Depth to Top: _____ Bottom: _____ T.D. _____
Depth to Top: _____ Bottom: _____ T.D. _____

API Number: 15-047-21497-00-00

Lease Name: Fisher

Well Number: #1

Spot Location (QQQQ): 100'N - C - NE - NE

560 Feet from North / South Section Line

660 Feet from East / West Section Line

Sec. 27 Twp. 25 S. R. 17 East West

County: Edwards

Date Well Completed: D & A

Plugging Commenced: 10-13-04

Plugging Completed: 10-13-04

Show depth and thickness of all water, oil and gas formations.

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
*see attached drilling report		0'	377'	8 5/8" used 23#	365.52'	0'

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugged hole with 125 sacks of 60/40 Poz, 6% gel.

1st plug @ 1150' with 50 sacks, 2nd plug @ 390' with 50 sacks, 3rd plug @ 40' with 10 sacks to surface.

Plug rat hole with 15 sacks.

Name of Plugging Contractor: Allied Cementing Southwind Drilling License #: n/a 33350

Address: PO Box 31, Russell, KS 67665

Name of Party Responsible for Plugging Fees: Ed Nemnich

State of Kansas County, Barton, ss.

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on above-described well, being first duly

sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

(Signature) Todd E. Morgenstern

(Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 14 day of October, 20 04

Renee Kasselmann My Commission Expires: 7-15-05
Notary Public

bm

OCT 18 2004

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

RECEIVED

Lease: FISHER #1Plugging received from: STEVE DURRANT Date: 10-12-04 Time: 4:101st Plug @ 1150 FT. 50 SX Stands: 192nd Plug @ 390 FT. 50 SX Stands: 6 1/23rd Plug @ 40 FT. 10 SX Stands: _____4th Plug @ _____ FT. _____ SX Stands: _____5th Plug @ _____ FT. _____ SX Stands: _____

Mousehole _____ SX

Rathole 15 SXTotal Cement used: 125 SXType of cement: 60/40 POZ, 6% GELPlug down at 3:30 P.M.; 10-13-04 BY ALLED TICKET NO. -17674

Call State When Completed:

Name RICHARD LACEY WAS ON LOCATION Date: 10-13-04 Time: 3:30

ALLIED CEMENTING CO., INC.

17674

Federal Tax I.D.# ~~██████████~~

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Dr Band

DATE <u>10-13-04</u>	SEC. <u>27</u>	TWP. <u>25</u>	RANGE <u>17</u>	CALLED OUT <u>11:00 AM</u>	ON LOCATION <u>1:00 PM</u>	JOB START <u>2:15 PM</u>	JOB FINISH <u>3:30 PM</u>
LEASE <u>Fisher</u>		WELL # <u>1</u>	LOCATION <u>Belvue 95 to DE 4W, 2N, W/S</u>		COUNTY <u>Edwards</u>	STATE <u>Ka</u>	
OLD OR NEW (Circle one)							

CONTRACTOR ██████████

TYPE OF JOB Rotary Plug

HOLE SIZE 7 7/8 T.D. 4510'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 1150'

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Same

CEMENT AMOUNT ORDERED 125 lbs 60/40, 670 lbs

EQUIPMENT

PUMP TRUCK CEMENTER Turn D

181 HELPER Don Demitt

BULK TRUCK DRIVER Steve T

342 DRIVER _____

BULK TRUCK DRIVER _____

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

KANSAS CORPORATION COMMISSION _____ @ _____

OCT 18 2004 _____ @ _____

RECEIVED _____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

REMARKS:

Mixed - 50 lbs @ 1150'

50 lbs @ 390'

10 lbs @ 40'

15 lbs in Rockhole

██████████

TOTAL _____

CHARGE TO: KON Petroleum Inc.

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB 1150'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

MANIFOLD _____ @ _____

1.875 Ampole Plug _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE X Daniel Kren

X DANIEL KREN
PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

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SOUTHWIND DRILLING, INC.

RIG #1

PO Box 276, Ellinwood, KS 67526
Office Phone 620-564-3800, Fax 620-564-3845

DRILLING REPORT

Fisher #1

Location: 100' N-C-NE-NE
API#: 15-047-21497-00-00

Section 27-25S-17W
Edwards County, Kansas

OWNER: : K & N Petroleum
CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMMENCED: 10-04-04
COMPLETED: 10-13-04

TOTAL DEPTH: Driller: 4510'
Log: 4510'

Ground Elevation: 2107'
KB Elevation: 2117'

LOG:

0'	-	420'	Sand/Redbed
420'	-	1645'	Redbed/Sand & Shale
1645'	-	3295'	Shale
3295'	-	3500'	Shale & Lime
3500'	-	3706'	Shale
3706'	-	4020'	Lime & Shale
4020'	-	4160'	Shale
4160'	-	4273'	Lime & Shale
4273'	-	4510'	Shale
		4510'	LTD & RTD

CASING RECORDSSurface casing – 8 5/8"

Ran 8 joints of new 23# 8 5/8" casing. Tally @ 365.52'. Set @ 377'. Cement with 325 sacks of 70/30 Poz, 2% gel, 3% calcium chloride. Cement did not circulate. Plug down @ 12:30 am on 10-05-04 by Allied Cementing (tk #17434). Cement fell 30' – Cemented with 75 sacks of A-lite, 4% calcium chloride, 2% gel. Plug down @ 1:00 pm on 10-05-04 by Allied Cementing (tk #17625)

Production casing – 5 1/2"

None – plugged well

DEVIATION SURVEYS

1/2 degree (s) @ 380'
3/4 degree (s) @ 3344'
1/4 degree (s) @ 4460'

MORNING DRILLING REPORT				Fax to: Ed Nemnich @ 620-587-2312			
Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Jim Musgrove 620-792-7716 (Office) 620-786-0839 (Mobile)		WELL NAME		Fisher #1	
				LOCATION		100' N-C-NE-NE Sec. 27-25S-17W Edwards County, Kansas	
Rig #1 Phone Numbers		IN USE		K & N Petroleum 513 West 6 th Ellinwood, KS 67526 620-587-3361 Ed Nemnich's Mobile: 620-786-4258			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	ELEVATION	G.L. 2107'	K.B. 2117'	API#15-047-21497-00-00

Driving Directions: From Belpre, South to dead-end, 4 miles West, 1 ¼ miles North.

Day	1	Date	10-04-04	Monday	Survey @ 380' = ½ degree
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Moved Rig #1 on location

Spud @ 5:15 pm on 10-04-04

Ran 3.00 hours (.50 drill rat hole). Down 21.00 hours (9.75 rig up, 1.75 connection, .50 circulate, .50 trip, 1.50 run casing, .50 cement casing, 6.50 wait on casing)

Mud properties: freshwater

Hours on 12 ¼" bit: 2.50

Fuel usage: 128 gals.

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Day	2	Date	10-05-04	Tuesday
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Ran 8 joints of new 23# 8 5/8" casing. Tally @ 365.52'. Set @ 377'. Cement with 325 sacks of 70/30 Poz, 2% gel, 3% calcium chloride. Cement did not circulate. Plug down @ 12:30 am on 10-05-04 by Allied Cementing (tk #17434).

Note: Cement fell 30' – Cemented with 75 sacks of A-lite, 4% calcium chloride, 2% gel. Plug down @ 1:00 pm on 10-05-04 by Allied Cementing (tk #17625)

7:00 am – Waiting on cement @ 380'

Ran 14.25 hours drilling. Down 9.75 hours (1.50 wait on cement-1st time, .50 trip, 1.00 drill plug/cement, 3.50 wait on cements, 1.25 cement again/wait on cement, 1.00 connection, .50 jet, .50 rig check)

Mud properties: freshwater

Wt. on bit 30,000, 80 RPM, 600# pump pressure

Hours on 12 ¼" bit: 2.50

Hours on 7 7/8" bit: 14.25

Fuel usage: 192 gals.

Day	3	Date	10-06-04	Wednesday
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7:00 am – Drilling @ 1645'

Ran 20.75 hours drilling. Down 3.25 hours (.75 rig check, 1.00 jet, 1.25 connection, .25 rig repair)

Mud properties: wt. 9.2, vis. 34

Mud Cost to Date = \$1,125.00

Wt. on bit 30,000, 80 RPM, 700# pump pressure

Hours on 12 ¼" bit: 2.50

Hours on 7 7/8" bit: 35.00

Fuel usage: 288 gals.

MORNING DRILLING REPORT				Fax to: Ed Nemnich @ 620-587-2312			
Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Jim Musgrove 620-792-7716 (Office) 620-786-0839 (Mobile)		WELL NAME		Fisher #1	
				LOCATION		100' N-C-NE-NE Sec. 27-25S-17W Edwards County, Kansas	
Rig #1 Phone Numbers		IN USE		K & N Petroleum 513 West 6 th Ellinwood, KS 67526 620-587-3361 Ed Nemnich's Mobile: 620-786-4258			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	ELEVATION	G.L. 2107'	K.B. 2117'	API#15-047-21497-00-00

Day 4 Date 10-07-04 Thursday

7:00 am - Drilling @ 2381'
 Ran 22.25 hours drilling. Down 1.75 hours (.75 rig check, .25 jet, .75 connection)
 Mud properties: wt. 9.3, vis. 34
 Daily Mud Cost = \$2,740.60 . Mud Cost to Date = \$3,865.60
 Wt. on bit 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 2.50
 Hours on 7 7/8" bit: 57.25

Fuel usage: 288 gals.

Day 5 Date 10-08-04 Friday

7:00 am - Drilling @ 2890'
 Ran 21.50 hours. Down 2.50 hours (.75 rig check, .50 rig repair, .25 jet, 1.00 connection)
 Mud properties: wt. 9.6, vis. 38
 Daily Mud Cost = \$164.40. Mud Cost to Date = \$4,030.00
 Wt. on bit 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 2.50
 Hours on 7 7/8" bit: 78.75

Fuel usage: 320 gals.

Day 6 Date 10-09-04 Saturday Survey @ 3344' = 3/4 degree

7:00 am - Drilling @ 3295'
 Ran 17.25 hours drilling. Down 6.75 hours (4.50 bit trip @ 3344', .50 rig check, .50 jet, 1.25 connection)
 Mud properties: wt. 8.7, vis. 60
 Daily Mud Cost = \$210.00. Mud Cost to Date = \$4,240.00
 Wt. on bit 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 2.50
 Hours on 7 7/8" bit: 96.00

Fuel usage: 224 gals.

Day 7 Date 10-10-04 Sunday

7:00 am - Drilling @ 3706'
 Ran 21.00 hours drilling. Down 3.00 hours (.50 rig check, .25 jet, 1.25 connection, 1.00 CFS @ 4020')
 Mud properties: wt. 9.3, vis. 45, water loss 8.8
 Daily Mud Cost = \$168.00. Mud Cost to Date = \$4,408.00
 Wt. on bit 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 2.50
 Hours on 7 7/8" bit: 117.00

Fuel usage: 352 gals.

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MORNING DRILLING REPORT				Fax to: Ed Nemnich @ 620-587-2312			
Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Jim Musgrove 620-792-7716 (Office) 620-786-0839 (Mobile)		WELL NAME		Fisher #1	
				LOCATION		100' N-C-NE-NE Sec. 27-25S-17W Edwards County, Kansas	
Rig #1 Phone Numbers		IN USE		K & N Petroleum 513 West 6 th Ellinwood, KS 67526 620-587-3361 Ed Nemnich's Mobile: 620-786-4258			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	ELEVATION	G.L. 2107'	K.B. 2117'	API#15-047-21497-00-00

Day 8 Date 10-11-04 Monday

7:00 am – Drilling @ 4160'

Ran 18.50 hours drilling. Down 5.50 hours (.75 rig check, .25 jet, .50 connection, 1.00 CFS @ 4460', 3.00 rig repair)

Mud properties: wt. 9.5, vis. 43, water loss 12.0

Daily Mud Cost = \$0.00. Mud Cost to Date = \$4,408.00

Wt. on bit 30,000, 80 RPM, 700# pump pressure

Hours on 12 1/4" bit: 2.50

Hours on 7 7/8" bit: 135.50

Fuel usage: 320 gals.

KANSAS CORPORATION COMMISSION

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Day 9 Date 10-12-04 Tuesday DST #1 (4406'-4460')

Cherokee

Recovered 60' gas, 5' oil,
& 160' oil gas cut muddy
water

7:00 am – Circulating for samples @ 4460'

Ran 2.25 hours drilling. Down 21.75 hours (11.25 trips, 1.00 CTCH, 2.00 DST #1, .50 circulate, .25 rig check, .25 connection, 1.25 CFS @ 4510', 5.25 log)

Mud properties: wt. 9.5, vis. 45, water loss 12.8

Daily Mud Cost = \$124.00. Total Mud Cost = \$4,532.00

Wt. on bit 30,000, 80 RPM, 700# pump pressure

Hours on 12 1/4" bit: 2.50

Hours on 7 7/8" bit: 137.75

Fuel usage: 160 gals.

Day 10 Date 10-13-04 Wednesday Survey @ 4460' = 1/4 degree

RTD = 4510'

LTD = 4510'

7:00 am – Tearing down loggers

Ran 0.00 hours drilling. Down 24.00 hours (15.50 rig/tear down, 1.50 trips, 1.50 plug hole, 4.00 lay down pipe, 1.50 wait on orders)

Fuel usage: 64 gals.

Plug hole with 125 sacks of 60/40 Poz 6% gel.

1st plug @ 1150' with 50 sacks, 2nd plug @ 390' with 50 sacks, 3rd plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. Plug down @ 3:30 pm on 10-13-04 by Allied Cementing (tk # 17674)