

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

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

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

Lease Operator: Palomino Petroleum, Inc.

Address: 4924 SE 84th, Newton, KS 67114

Phone: (316) 799 - 1000 Operator License #: 30742

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

The plugging proposal was approved on: 09-13-05 (Date)

by: Pat Staab (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 - 009-24863-00-00

Lease Name: Jacobs

Well Number: 1

Spot Location (QQQQ): 10'E - W/2 - NE - SE 1980 Feet from North / South Section Line

980 Feet from East / West Section Line

Sec. 29 Twp. 16 S. R. 12 East West

County: Barton

Date Well Completed: D & A

Plugging Commenced: 09-14-05

Plugging Completed: 09-15-05

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

Table with 7 columns: Oil, Gas or Water Records (Formation, Content) and Casing Record (Surface Conductor & Production) (From, To, Size, Put In, Pulled Out). Row 1: *see attached drilling report, 0', 392', 8 5/8" new 23#, 381.71', 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.

Plug well with 165 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.

1st plug @ 3346' with 25 sacks. 2nd plug @ 822' with 25 sacks. 3rd plug @ 452' with 90 sacks.

4th plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. No mouse hole. Plug down @ 12:45 am on 09-15-05 by Allied Cementing (tk# 17572)

Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350

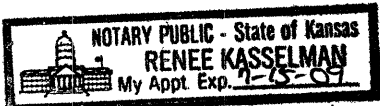
Address: PO Box 276, Ellinwood, KS 67526

Name of Party Responsible for Plugging Fees: Klee Watchous

State of Kansas County, Barton, ss.

Todd E. Morgestern, 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. Morgestern

(Address) PO Box 276, Ellinwood, KS 67526

SUBSCRIBED and SWORN TO before me this 16 day of September, 20 05

Renee Kasselmann My Commission Expires: 7-15-09 Notary Public

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Handwritten signature/initials

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

Lease: JACOBS #1

Plugging received from: PAT Staab Date: 9-13-05 Time: 8:25 A.M.

1st Plug @ 3346 FT. 25 SX Stands: 55

2nd Plug @ 822 FT. 25 SX Stands: 13 1/2

3rd Plug @ 452 FT. 90 SX Stands: 7 1/2

4th Plug @ 40 FT. 10 SX Stands: 1

5th Plug @ _____ FT. _____ SX Stands: _____

Mousehole NONE SX

Rathole 15 SX

Total Cement used: 165 SX

Type of cement: 60/40 POZ, 6% GEL, 1/4" FLO SEAL PER SK.

Plug down at 12:45 A.M. 9-15-05 BY ALLIED - T.NO. - 17572

Call State When Completed:

Name Bruce Bayse Date: 9-15-05 Time: 8:55 am

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ALLIED CEMENTING CO., INC. 17572

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT: Alford Bend

DATE <u>9-14-05</u>	SEC. <u>29</u>	TWP. <u>16</u>	RANGE <u>12 W</u>	CALLED OUT <u>4:30 PM</u>	ON LOCATION <u>9 AM</u>	JOB START <u>10 AM</u>	JOB FINISH <u>1:30 PM</u>
LEASE <u>Jacobs</u>	WELL # <u>1</u>	LOCATION <u>Beaver 1/2 S W 1/4</u>			COUNTY <u>Barton</u>	STATE <u>M.S.</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Southwind Rig #2
 TYPE OF JOB Rotary Plug
 HOLE SIZE _____ T.D. 3455 #
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 3346 #
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED 165 # @ 62 gal 1/4 # Plug Per Sk.

EQUIPMENT

PUMP TRUCK # 181 CEMENTER Mike Munsch
 HELPER Robert Burhenn
 BULK TRUCK # 342 DRIVER Steve Turley
 BULK TRUCK # _____ DRIVER _____

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____
 TOTAL _____

REMARKS:

Mix 25 sk at 3346 Displace
Down with mud
mix 25 sk at 822 #
mix 90 sk at 452 #
mix 10 sk at 40 ft with wooden plug
mix 15 sk in Red Hole

SERVICE

DEPTH OF JOB 3346 #
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 TOTAL _____

CHARGE TO: Palomino Pit
 STREET _____
 CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

MANIFOLD _____ @ _____
1-8 # old Hole 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 [Signature]

PRINTED NAME _____

Thank you 9/14

SOUTHWIND DRILLING, INC.
RIG #2

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

DRILLING REPORT

Jacobs #1

Location: 1980' FSL & 980' FEL
API#: 15-009-24863-00-00

Section 29-16S-12W
Barton County, Kansas

OWNER: : Palomino Petroleum, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #2

COMMENCED: 09-06-05
COMPLETED: 09-15-05

TOTAL DEPTH: Driller: 3455'
Log: 3456'

Ground Elevation: 1902'
KB Elevation: 1911'

LOG:

0'	-	395'	Sand/Rock/Clay
395'	-	405'	Redbed
405'	-	810'	Shale/Redbed
810'	-	833'	Anhydrite
833'	-	1400'	Redbed/Shale
1400'	-	3371'	Shale/Lime
3371'	-	3455'	Arbuckle
		3455'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 9 joints of 23# new 8 5/8" surface casing. Tally @ 381.71'. Set @ 392'. Cement with 240 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 pm on 09-06-05 by Allied Cementing (tk# 17565).

Production casing – 5 1/2"

None – plugged well

DEVIATION SURVEYS

¼ degree (s)	@	395'
1 ½ degree (s)	@	3146'
¾ degree (s)	@	3455'

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MORNING DRILLING REPORT				Fax to: Klee Watchous @ 316-799-2728			
Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jacobs #1	
				LOCATION		1980' FSL & 980' FEL Sec. 29-16S-12W Barton County, Kansas	
Rig #2 Phone Numbers		N USE		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000 Klee's mobile: 316-258-8866			
620-617-5921	Rig Cellular (Dog house)	Yes					
620-617-5920	Geologist Trailer Cellular	Yes					
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	ELEVATION	G.L. 1902'	K.B. 1911'	API# 15-009-24863-00-00

Driving Directions: from Beaver: ½ mile South, West into.

Day 1 Date 09-06-05 Tuesday Survey @ **395' = ¼ degree**

Moved Rig #2 on location
Spud @ 3:30 pm
Ran 5.75 hours drilling (1.50 drill rat hole, 3.75 drill 12 ¼", .50 drill 7 7/8"). Down 18.25 hours (7.00 rig up, .25 trip, 1.75 run casing/cement,, 8.00 wait on cement, .50 connection, .25 jet, .25 survey, .25 drill plug)
Mud properties: spud mud
Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00
Wt. on bit: 20,000, 80 RPM, 600# pump pressure
Hours on 12 ¼" bit: 3.25
Hours on 7 7/8" bit #1: .50

1" fuel = 34.50 gals.
Fuel usage: 155.25 gals (44" used 4 ½")

Ran 9 joints of 23# new 8 5/8" surface casing. Tally @ 381.71'. Set @ 392'. Cement with 240 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 pm on 09-06-05 by Allied Cementing (tk# 17565).

Day 2 Date 09-07-05 Wednesday **Anhydrite (810'-833')**

7:00 am – Drilling @ 405'
Ran 19.75 hours drilling. Down 4.25 hours (.50 rig check, .75 rig repair, 1.00 jet, 2.00 connection)
Mud properties: freshwater
Daily Mud Cost = \$1,890.17. Mud Cost to Date = \$1,890.17
Wt. on bit: 25,000, 80 RPM, 700# pump pressure
Hours on 12 ¼" bit: 3.25
Hours on 7 7/8" bit #1: 20.25

Fuel usage: 241.50 gals (37" used 7")

Day 3 Date 09-08-05 Thursday

7:00 am – Drilling @ 1705'
Ran 19.00 hours drilling. Down 5.00 hours (.50 rig check, 2.75 rig repair, .75 connection, 1.00 jet)
Mud properties: freshwater
Daily Mud Cost = \$1,455.69. Mud Cost to Date = \$3,345.86
Wt. on bit: 30,000, 80 RPM, 700# pump pressure
Hours on 12 ¼" bit: 3.25
Hours on 7 7/8" bit #1: 39.25

Fuel usage: 310.50 gals (28" used 9")

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Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jacobs #1	
Rig #2 Phone Numbers		N USE		LOCATION		1980' FSL & 980' FEL Sec. 29-16S-12W Barton County, Kansas	
620-617-5921	Rig Cellular (Dog house)	Yes		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000 Klee's mobile: 316-258-8866			
620-617-5920	Geologist Trailer Cellular	Yes		ELEVATION		G.L. 1902'	K.B. 1911'
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	API# 15-009-24863-00-00			

Driving Directions: from Beaver: 1/2 mile South, West into.

Day 4 Date 09-09-05 Friday

7:00 am – Drilling @ 2295'
 Ran 20.00 hours drilling. Down 4.00 hours (.50 rig check, 1.75 rig repair, 1.00 connection, .25 jet, .50 displace @ 2700')
 Mud properties: wt. 8.9, vis. 47
 Daily Mud Cost = \$433.50. Mud Cost to Date = \$3,379.36
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 3.25
 Hours on 7 7/8" bit #1: 59.25

Fuel usage: 345.00 gals (76" used 10") 28" + 58" delivered = 86"

Day 5 Date 09-10-05 Saturday **Survey @ 3146' = 1 1/2 degree**
Strap = 1.81 long to board

7:00 am – Drilling @ 2860'
 Ran 15.75 hours drilling. Down 8.25 hours (1.00 CFS @ 2957', .50 rig check, .25 rig repair, .50 connection, .50 CFS @ 3120', 1.50 CFS @ 3146', 1.00 CTCH, .75 short trip, 2.00 trips, .25 survey)
 Mud properties: wt. 9.2, vis. 48
 Daily Mud Cost = \$2,019.11. Mud Cost to Date = \$5,398.47
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 Hours on 12 1/4" bit: 3.25
 Hours on 7 7/8" bit #1: 75.00

Fuel usage: 345.00 gals (66" used 10")

Day 6 Date 09-11-05 Sunday **DST #1 (3097'-3146')**
LKC "A" – "C" formation
Recovered 65' mud &
60' water cut mud

DST #2 (3145'-3183')
LKC "D" – "F" formation
Recovered 2' clean oil,
270' mud cut water &
610' salt water

7:00 am – Tripping in with DST #1 @ 3146'
 Ran 5.00 hours drilling. Down 19.00 hours (2.00 CTCH, 1.75 CFS @ 3183', 10.50 trips, .25 rig check, .25 rig repair, 2.00 DST #1, .25 jet, 2.00 DST #2)
 Mud properties: wt. 9.2, vis. 52
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$5,398.47
 Wt. on bit: 30,000, 80 RPM, 750# pump pressure
 Hours on 12 1/4" bit: 3.25
 Hours on 7 7/8" bit #1: 80.00

Fuel usage: 172.50 gals (61" used 5")

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Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jacobs #1	
Rig #2 Phone Numbers		N USE		LOCATION		1980' FSL & 980' FEL Sec. 29-16S-12W Barton County, Kansas	
620-617-5921	Rig Cellular (Dog house)	Yes		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000 Klee's mobile: 316-258-8866			
620-617-5920	Geologist Trailer Cellular	Yes		ELEVATION			
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier	G.L. 1902'	K.B. 1911'	API# 15-009-24863-00-00	

Driving Directions: from Beaver: 1/2 mile South, West into.

Day	7	Date	09-12-05	Monday	DST #3 (3225'-3315') <u>LKC "H" - "K" formation</u> <u>Recovered 8' mud</u>
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7:00 am - Drilling @ 3218'
 Ran 10.50 hours drilling. Down 13.50 hours (1.00 CFS @ 3315', 1.00 CTCH, 6.50 trips, 1.00 DST #3, .25 rig check, .25 rig repair, .25 connection, 1.00 CFS @ 3358', 1.50 CFS @ 3366', .75 CFS @ 3371')
 Mud properties: wt. 9.3, vis. 50
 Daily Mud Cost = \$1,086.39. Mud Cost to Date = \$6,484.86
 Wt. on bit: 30,000, 80 RPM, 750# pump pressure
 Hours on 12 1/4" bit: 3.25
 Hours on 7 7/8" bit #1: 90.50

Fuel usage: 276.00 gals (53" used 8")

Day	8	Date	09-13-05	Tuesday	DST #4 (3338'-3378') <u>Arbuckle formation</u> <u>Recovered 5' oil & 5' mud</u>
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DST #5 (3377'-3388')
Arbuckle formation
Recovered 30' oil &
360' mud cut water

7:00 am - CFS @ 3371'
 Ran 1.00 hour drilling. Down 23.00 hours (.75 CFS @ 3371', 1.50 CFS @ 3378', 11.75 trips, 1.75 DST #4, 2.00 CTCH, 1.75 CFS @ 3384', 1.50 CFS @ 3388', 2.00 DST #5)
 Mud properties: wt. 9.1, vis. 54
 Daily Mud Cost = \$121.60. Mud Cost to Date = \$6,606.46
 Wt. on bit: 30,000, 80 RPM, 750# pump pressure
 Hours on 12 1/4" bit: 3.25
 Hours on 7 7/8" bit #1: 91.25
 Hours on 7 7/8" bit #2: .25

Fuel usage: 172.50 gals (47" used 5")

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Southwind Drilling, Inc. PO Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jacobs #1	
				LOCATION		1980' FSL & 980' FEL Sec. 29-16S-12W Barton County, Kansas	
Rig #2 Phone Numbers		N USE		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000 Klee's mobile: 316-258-8866			
620-617-5921	Rig Cellular (Dog house)	Yes		ELEVATION			
620-617-5920	Geologist Trailer Cellular	Yes		G.L. 1902'	K.B. 1911'	API# 15-009-24863-00-00	
620-794-2076	Tool Pusher Cellular	Yes	Darryl Krier				

Driving Directions: from Beaver: 1/2 mile South, West into.

Day	9	Date	09-14-05	Wednesday	Survey @ 3455' = 3/4 degree
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RTD = 3455'
LTD = 3456'

7:00 am – Drilling @ 3390'
 Ran 2.75 hours drilling. Down 21.25 hours (.25 rig check, 1.00 CFS @ 3455', .25 survey, 1.50 trip for log, 3.25 log, 1.50 lay down collars, 1.00 trip to plug, 3.75 wait on cement trucks, 2.50 plug well, 2.25 tear down, 4.00 rig down)
 Mud properties: wt. 9.2, vis. 54
 Daily Mud Cost = \$441.37. **Total Mud Cost = \$7,047.83**
 Wt. on bit: 30,000, 80 RPM, 750# pump pressure
Hours on 12 1/4" bit: 3.25
Hours on 7 7/8" bit #1: 91.25
Hours on 7 7/8" bit #2: 3.00

Fuel usage: 138.00 gals (43" used 4")

Day	10	Date	09-15-05	Thursday
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7:00 am – Moving off location
 Plug well with 165 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack. 1st plug @ 3346' with 25 sacks. 2nd plug @ 822' with 25 sacks. 3rd plug @ 452' with 90 sacks. 4th plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. No mouse hole. Plug down @ 12:45 am on 09-15-05 by Allied Cementing (tk# 17572).

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