

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

KANSAS CORPORATION COMMISSION RECEIVED
 OIL & GAS CONSERVATION DIVISION
 WELL PLUGGING RECORD MAY 30 2006
 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

KCC WICHITA

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: 05-18-06 (Date)

by: Ken Jehlik (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 - 047-21522-00-00

Lease Name: Jones

Well Number: 1

Spot Location (QQQQ): 120'S - 80'E - NW-SE - SW
 870

Feet from North / South Section Line

1730 Feet from East / West Section Line

Sec. 20 Twp. 24 S. R. 16 East West

County: Edwards

Date Well Completed: D & A

Plugging Commenced: 05-19-06

Plugging Completed: 05-19-06

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'	419'	8 5/8" new 23#	408.42'	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 well with 145 sacks of 60/40 Poz, 6% gel.

1st plug @ 1060' with 50 sacks. 2nd plug @ 450' with 50 sacks. 3rd plug @ 60' with 20 sacks to surface.

Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks. Plug down @ 12:30 pm on 05-19-06 by Allied Cementing (tkr #23147)

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

Address: PO Box 276, Ellinwood, KS 67526

Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc.

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 24 day of May, 2006

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

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

PRT

RECEIVED
MAY 30 2006
KCC WICHITA

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: BLUMINO PETROLEUM (JONES #1)

Plugging received from KCC representative:

Name: KEN JEHLIK Date 5-18-06 Time 2:30 P.M

1st plug @ 1060 ft. 50 sx. Stands: 18

2nd plug @ 450 ft. 50 sx. Stands: 7 1/2

3rd plug @ 60 ft. 20 sx. Stands: 1

4th plug @ _____ ft. _____ sx. Stands: _____

5th plug @ _____ ft. _____ sx. Stands: _____

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 145 sx.

Type of cement 60/40 Poz - 6% GEL

Plug down @ 12:30 P.M 5-19-06

Call KCC When Completed:

Name: RICHARD LACEY Date 5-19-06 Time 12:30 P.M

RECEIVED
MAY 30 2006
KCC WICHITA

SOUTHWIND DRILLING, INC.
RIG #2

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

DRILLING REPORT

Jones #1

Location: 870' FSL & 1730' FWL
API#: 15-047-21522-00-00

Section 20-24S-16W
Edwards County, Kansas

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

COMMENCED: 05-10-06
COMPLETED: 05-19-06

TOTAL DEPTH: Driller: 4440'
Logger: 4439'

Ground Elevation: 2087'
KB Elevation: 2096'

LOG:

0'	-	420'	Sand
420'	-	1348'	Redbed
1348'	-	1657'	Shale
1657'	-	2225'	Shale/Lime
2225'	-	2440'	Shale
2440'	-	4440'	Shale/Lime
		4440'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 9 joints of 23# new 8 5/8" surface casing. Tally @ 408.42'. Set @ 419'. Cement with 275 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 2:45 am on 05-11-06 by Allied Cementing (tk# 24141)

Production casing – 5 1/2"

None – plugged well

DEVIATION SURVEYS

1 1/2 degree (s)	@	420'
1/2 degree (s)	@	4320'
1/2 degree (s)	@	4440'

MORNING DRILLING REPORT				Fax to: Klee Watchous @ 316-719-2728			
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		Jones #1	
Rig #2 Phone Numbers		N USE		LOCATION		870' FSL & 1730' FWL Sec. 20-24S-16W Edwards County, KS	
620-617-5921	Rig Cellular (Dog house)	Yes		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-617-5920	Geologist Trailer Cellular	Yes		ELEVATION			
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	G.L. 2087'	K.B. 2096'	API# 15-047-21522-00-00	

Driving Directions: From Belpre on Hwy 50: 1/2 mile West, North into

Day 1 Date 05-10-06 Wednesday Survey @ 420' = 1 1/2 degree

Moved Rig #2 on location

Spud @ 3:30 pm

Ran 3.50 hours drilling (.50 drill rat hole, 3.00 drill 12 1/4"). Down 20.50 hours (8.00 move/rig up, .25 CTCH, .50 trip, .25 survey, 1.25 connection, 6.00 run casing/cement, 4.25 wait on cement)

Mud properties: spud mud

Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00

Wt. on bit: 15,000, 120 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'

1" fuel = 34.50 gals.

Fuel usage: 69.00 gals (25" used "2) Start @ 27"

Ran 9 joints of 23# new 8 5/8" surface casing. Tally @ 408.42'. Set @ 419'. Cement with 275 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 2:45 am on 05-11-06 by Allied Cementing (tk# 24141)

RECEIVED

MAY 30 2006

KCC WICHITA

Day 2 Date 05-11-06 Thursday

7:00 am - Waiting on cement @ 420'

Ran 12.75 hours drilling. Down 11.25 hours (3.75 wait on cement, .50 drill plug, .50 rig check, 2.50 connection, 3.50 rig repair, .50 jet)

Mud properties: wt. 9.5, vis. 28

Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00

Wt. on bit: 20,000, 80 RPM, 675# pump pressure

12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'

7 7/8" bit #1 (in @ 420') = 12.75 hrs. - 1237'

Fuel usage: 241.50 gals (82" used 7") 25" + 64" delivered = 89"

Day 3 Date 05-12-06 Friday

7:00 am - Drilling @ 1657'

Ran 19.50 hours drilling. Down 4.50 hours (.50 rig check, 2.50 connection, .50 lost circulation/mix mud @ 1752'-1802', .25 rig repair, .75 CFS @ 2225')

Mud properties: wt. 9.5, vis. 33

Daily Mud Cost = \$2,326.00. Mud Cost to Date = \$2,326.00

Wt. on bit: 25,000, 80 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'

7 7/8" bit #1 (in @ 420') = 32.25 hrs. - 2020'

Fuel usage: 276.00 gals (74" used 8")

MORNING DRILLING REPORT				Fax to: Klee Watchous @ 316-719-2728			
Southwind Drilling, Inc. P.O. Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jones #1	
Rig #2 Phone Numbers				LOCATION		870' FSL & 1730' FWL Sec. 20-24S-16W Edwards County, KS	
620-617-5921		Rig Cellular (Dog house)		N USE		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000	
620-617-5920		Geologist Trailer Cellular		Yes		ELEVATION	
620-450-7682		Tool Pusher Cellular		Yes		G.L. 2087' K.B. 2096' API# 15-047-21522-00-00	
				LeWayne Tresner			

Driving Directions: From Belpre on Hwy 50: ½ mile West, North into

Day Date 05-13-06 Saturday

7:00 am – Drilling @ 2440'
 Ran 21.50 hours drilling. Down 2.50 hours (.75 rig check, 1.50 connection, .25 jet)
 Mud properties: wt. 9.6, vis. 35
 Daily Mud Cost = \$2,496.00. Mud Cost to Date = \$4,822.00
 Wt. on bit: 30,000, 80 RPM, 600# pump pressure
 12 ¼" bit #1 (in @ 0'out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420') = 53.75 hrs. - 2547'

Fuel usage: 345.00 gals (64" used 10")

Day Date 05-14-06 Sunday

7:00 am – Drilling @ 2967'
 Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, 1.50 connection, .25 jet, .25 rig repair, 1.25 displace @ 3409')
 Mud properties: wt. 8.8, vis. 48
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$4,822.00
 Wt. on bit: 30,000, 80 RPM, 650# pump pressure
 12 ¼" bit #1 (in @ 0'out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420') = 73.75 hrs. - 2547'

Fuel usage: 345.00 gals (54" used 10")

Day Date 05-15-06 Monday

7:00 am – Drilling @ 3525'
 Ran 21.50 hours drilling. Down 2.50 hours (.75 rig check, 1.00 connection, .75 CFS @ 3890')
 Mud properties: wt. 8.8, vis. 48, water loss 8.0
 Daily Mud Cost = \$2,290.00. Mud Cost to Date = \$7,112.00
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 12 ¼" bit #1 (in @ 0'out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420') = 95.25 hrs. - 3540'

Fuel usage: 345.00 gals (44" used 10")

RECEIVED
 MAY 30 2006
 KCC WICHITA

MORNING DRILLING REPORT				Fax to: Klee Watchous @ 316-719-2728			
Southwind Drilling, Inc. P.O. Box 276 112 North Main Ellinwood, KS 67526		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Jones #1	
Rig #2 Phone Numbers		N USE		LOCATION		870' FSL & 1730' FWL Sec. 20-24S-16W Edwards County, KS	
620-617-5921	Rig Cellular (Dog house)	Yes		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-617-5920	Geologist Trailer Cellular	Yes		ELEVATION			
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	G.L. 2087'	K.B. 2096'	API# 15-047-21522-00-00	

Driving Directions: From Belpre on Hwy 50: 1/2 mile West, North into

Day 7 Date 05-16-06 Tuesday

7:00 am - Drilling @ 3960'
 Ran 19.50 hours drilling. Down 4.50 hours (.75 rig check, 2.75 rig repair, .75 connection, .25 jet)
 Mud properties: wt. 9.3, vis. 46, water loss 8.8
 Daily Mud Cost = \$380.00. Mud Cost to Date = \$7,492.00
 Wt. on bit: 30,000, 80 RPM, 800# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420') = 114.75 hrs. - 3878'

RECEIVED
MAY 30 2006
KCC WICHITA

Fuel usage: 414.00 gals (32" used 12")

Day 8 Date 05-17-06 Wednesday Survey @ 4320' = 1/2 degree
Pipe strap = 3.34 long to board

DST #1 (4273'-4320')
LKC formation
Recovered 20' mud

7:00 am - Drilling @ 4298'
 Ran 6.00 hours drilling. Down 18.00 hours (.25 rig check, .25 connection, 1.00 CFS @ 4320', 1.00 CFS @ 4335', 1.00 CFS @ 4371', 8.75 trip, 2.00 CTCH, .25 survey, 3.50 DST #1)
 Mud properties: wt. 9.3, vis. 44, water loss 10.4
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$7,492.00
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420' out @ 4320') = 115.25 hrs. - 3900'
 7 7/8" bit #2 (in @ 4320') = 5.50 hrs. - 53'

Fuel usage: 241.50 gals (25" used 7")

Day 9 Date 05-18-06 Thursday Survey @ 4440' = 1/2 degree

RTD = 4440'
LTD = 4439'

7:00 am - Drilling @ 4373'
 Ran 4.50 hours drilling. Down 19.50 hours (.25 rig check, .25 jet, 1.00 CFS @ 4440', .25 survey, 3.50 trip, 5.50 log, 2.75 lay down pipe, 1.00 nipple down, 5.00 wait on cementers)
 Mud properties: wt. 9.3, vis. 45, water loss 10.5
 Daily Mud Cost = \$0.00. **Total Mud Cost = \$7,492.00**
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 420') = 3.00 hrs - 420'
 7 7/8" bit #1 (in @ 420' out @ 4320') = 115.25 hrs. - 3900'
 7 7/8" bit #2 (in @ 4320' out @ 4440') = 10.00 hrs. - 120'

Fuel usage: 172.50 gals (50" used 5") 25" + 30" delivered = 55"

MORNING DRILLING REPORT				Fax to: Klee Watchous @ 316-719-2728			
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		Jones #1
Rig #2 Phone Numbers			N USE		LOCATION		870' FSL & 1730' FWL Sec. 20-24S-16W Edwards County, KS
620-617-5921	Rig Cellular (Dog house)	Yes			Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000		
620-617-5920	Geologist Trailer Cellular	Yes			ELEVATION		
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner		G.L. 2087'	K.B. 2096'	API# 15-047-21522-00-00

Driving Directions: From Belpre on Hwy 50: ½ mile West, North into

Day 10 Date 05-19-06 Friday

7:00 am – Waiting on cementers @ 4440'

Ran 0.00 hours drilling. Down 16.00 hours (3.50 wait on cementers, 2.00 plug well, 10.50 tear down/move rig)

Fuel usage: 69.00 gals. (48" used 2")

Plugged well with 145 sacks of 60/40 Poz, 6% gel. 1st plug @ 1060' with 50 sacks. 2nd plug @ 450' with 50 sacks. 3rd plug @ 60' with 20 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks. Plug down @ 12:30 pm on 05-19-06 by Allied Cementing (tk# 23147).

RECEIVED
MAY 30 2006
KCC WICHITA

MAY 30 2006

KCC WICHITA

ALLIED CEMENTING CO., INC. 23147

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

SERVICE POINT:
Medicine Lake, KS

DATE <i>19MAY06</i>	SEC <i>20</i>	TWP. <i>24S</i>	RANGE <i>16W</i>	CALLED OUT <i>8:00 AM</i>	ON LOCATION <i>10:00 AM</i>	JOB START <i>10:45 AM</i>	JOB FINISH <i>12:30 PM</i>
LEASE <i>Jones</i>	WELL# <i>1</i>	LOCATION <i>Belpae, KS, Kew, Ninto</i>			COUNTY <i>Edwards</i>	STATE <i>KS</i>	
OLD OR NEW (Circle one)							

CONTRACTOR *Southwind #2*

TYPE OF JOB *Rotary Plug*

HOLE SIZE *7 7/8* T.D.

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE *4K* DEPTH *1060*

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT *Fresh H²O & Natie mud*

EQUIPMENT

PUMP TRUCK CEMENTER *D. Felix*

352 HELPER *M. Coley*

BULK TRUCK

356 DRIVER *D. Franklin*

BULK TRUCK

_____ DRIVER _____

REMARKS:

Pipe set at 1060', Pump 8 1/2 Bags Fresh H²O mix 50sx cement, Disp. 3 Bags Fresh, and 9 Bags Nat. Pull Pipe to 450' Pump 7 Bags Fresh Ahead, mix 50sx cement, Disp. 2K Bags Fresh H²O, Pull Pipe to 60' mix 20sx cement, Pump 15sx cement in flat hole.

CHARGE TO: *Palomino Petroleum*

STREET _____

CITY _____ STATE _____ ZIP _____

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.

SIGNATURE *Dwayne Jones*

OWNER *Palomino Petro*

CEMENT

AMOUNT ORDERED *145sx 60:40:6*

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

LEWYNE TRESNER
PRINTED NAME