

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: 10-13-06 (Date)
by: Richard Lacey (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 - 135-24546-00-00
Lease Name: Hopper
Well Number: #2
Spot Location (QQQQ): 80'S - 25'E - NE-NW - NW
410 Feet from North / South Section Line
1015 Feet from East / West Section Line
Sec. 11 Twp. 18 S. R. 24 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 10-14-06
Plugging Completed: 10-14-06

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'	224'	8 5/8" new 24#	212'	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 producing 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 225 sacks of 60/40 Poz, 6% gel, 1/4# floesal per sack.
1st plug @ 1690' with 50 sacks. 2nd plug @ 900' with 80 sacks. 3rd plug @ 260' with 50 sacks.
4th plug @ 60' with 20 sacks to surface. Plug rathole with 15 sacks. Plug mouse hole with 10 sacks.
Job complete @ 11:30 pm on 10-14-06 by Allied Cementing (tk # 26244).

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OCT 20 2006
CONSERVATION DIVISION
WICHITA, KS

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 19 day of October, 20 06
Renee Kasselmann My Commission Expires: 7-15-09
Notary Public

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

PKT

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Hopper #2

Location: 410' FNL & 1015' FWL
API#: 15-135-24546-00-00

Section 11-18S-24W
Ness County, Kansas

OWNER: : Palomino Petroleum, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMMENCED: 10-06-06
COMPLETED: 10-14-06

TOTAL DEPTH: Driller: 4500'
Logger: 4502'

Ground Elevation: 2353'
KB Elevation: 2363'

LOG :

0'	-	295'	Sand
295'	-	1000'	Shale
1000'	-	1655'	Sand/Shale
1655'	-	1693'	Anhydrite
1693'	-	2227'	Lime
2227'	-	3185'	Shale
3185'	-	3425'	Shale/Lime
3425'	-	4376'	Shale
4376'	-	4500'	Lime/Shale
		4500'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 24# new 8 5/8" surface casing. Tally @ 212'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 8:30 pm on 10-06-06 by Allied Cementing (tk# 26326).

Production casing – 5 1/2"

None – plugged well

DEVIATION SURVEYS

½ degree (s)	@	227'
1 degree (s)	@	4376'

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MORNING DRILLING REPORT				Fax to: 316-799-2728			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Hopper #2	
				LOCATION		410' FNL & 1015' FWL Sec. 11-18S-24W Ness County, KS	
Rig #1 Phone Numbers				Palomino Petroleum, Inc.			
620-794-2075	Rig Cellular (Dog house)	IN USE	Yes	4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular	Yes					
620-617-7324	Tool Pusher Cellular	Yes	Doug Roberts	ELEVATION	G.L. 2353'	K.B. 2363'	API# 15-135-24546-00-00

Driving Directions: From Ness City: 4 miles North on Hwy 283, 2 ¾ miles West, South into.

Day 1 Date 10-06-06 Friday Survey @ 227' = ½ degree

Moved Rig #1 on location

Spud @ 3:00 pm

Ran 4.25 hours drilling (.75 drill rat hole, 2.50 drill 12 ¼", 1.00 drill 12 ¼"). Down 19.75 hours (7.25 move/rig up, 1.50 connection, .25 jet, .25 CTCH, .25 survey, .25 trip, .50 run casing, .25 circulate, .25 cement, 8.00 wait on cement, .25 drill plug, .75 rig repair)

Mud properties: spud mud

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

Wt. on bit: 35,000, 80 RPM, 600# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'

7 7/8" bit #1 (in @ 227') = 1.00 hrs. - 68'

1" fuel = 37.75 gals.

Fuel usage: 151.00 gals. (11" used "4) start @ 15"

Ran 5 joints of 24# new 8 5/8" surface casing. Tally @ 212'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 8:30 pm on 10-06-06 by Allied Cementing (tk# 26326).

Day 2 Date 10-07-06 Saturday

7:00 am - Drilling @ 295'

Ran 18.25 hours drilling. Down 19.75 hours (1.00 rig check, 3.25 connection, 1.50 jet.)

Mud properties: spud mud

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

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'

7 7/8" bit #1 (in @ 227') = 19.25 hrs. - 2000'

Fuel usage: 264.25 gals. (70" used 7") 11" + 66" delivered = 77"

Day 3 Date 10-08-06 Sunday Anhydrite (1655-1693')

7:00 am - Drilling @ 2227'

Ran 19.00 hours drilling. Down 5.00 hours (.75 rig check, 1.25 jet, 3.00 connection)

Mud properties: freshwater

Daily Mud Cost = \$562.00. Mud Cost to Date = \$562.00

Wt. on bit: 35,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'

7 7/8" bit #1 (in @ 227') = 38.25 hrs. - 2733'

Fuel usage: 377.50 gals. (60" used 10")

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Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Hopper #2	
				LOCATION		410' FNL & 1015' FWL Sec. 11-18S-24W Ness County, KS	
Rig #1 Phone Numbers				Palomino Petroleum, Inc.			
620-794-2075	Rig Cellular (Dog house)	IN USE	Yes	4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular	IN USE	Yes				
620-617-7324	Tool Pusher Cellular	IN USE	Yes	Doug Roberts	ELEVATION	G.L. 2353'	K.B. 2363'
				API# 15-135-24546-00-00			

Driving Directions: From Ness City: 4 miles North on Hwy 283, 2 ¾ miles West, South into.

Day 4 Date 10-09-06 Monday

7:00 am – Drilling @ 2960'
 Ran 14.50 hours drilling. Down 9.50 hours (.50 rig check, 7.00 rig repair/trip for washed out pipe, 1.25 connection, .25 jet, .50 rig repair)
 Mud properties: freshwater
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$562.00
 Wt. on bit: 35,000, 80 RPM, 900# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
 7 7/8" bit #1 (in @ 227') = 52.75 hrs. - 3198'

Fuel usage: 377.50 gals. (50" used 10")

Day 5 Date 10-10-06 Tuesday

7:00 am – Drilling @ 3425'
 Ran 19.75 hours drilling. Down 4.25 hours (1.25 rig check, 1.25 jet, 1.25 connection, .50 displace @ 3535')
 Mud properties: wt. 9.0, vis. 48
 Daily Mud Cost = \$4,801.51. Mud Cost to Date = \$5,363.51
 Wt. on bit: 35,000, 80 RPM, 900# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
 7 7/8" bit #1 (in @ 227') = 72.50 hrs. - 3758'

Fuel usage: 415.25 gals. (39" used 11")

Day 6 Date 10-11-06 Wednesday

7:00 am – Drilling @ 3985'
 Ran 21.00 hours drilling. Down 3.00 hours (.75 rig check, 1.25 rig repair, 1.00 connection)
 Mud properties: wt. 9.1, vis. 48
 Daily Mud Cost = \$784.61. Mud Cost to Date = \$6,148.12
 Wt. on bit: 35,000, 80 RPM, 900# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
 7 7/8" bit #1 (in @ 227') = 93.50 hrs. - 4098'

Fuel usage: 453.00 gals. (27" used 12")

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MORNING DRILLING REPORT				Fax to: 316-799-2728			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Hopper #2	
				LOCATION		410' FNL & 1015' FWL Sec. 11-18S-24W Ness County, KS	
Rig #1 Phone Numbers		IN USE		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2075	Rig Cellular (Dog house)	Yes					
620-794-2078	Geologist Trailer Cellular	Yes					
620-617-7324	Tool Pusher Cellular	Yes	Doug Roberts	ELEVATION	G.L. 2353'	K.B. 2363'	API# 15-135-24546-00-00

Day 7 Date 10-12-06 Thursday Survey @ 4376' = 1 degrees

DST #1 (4333'-4376')
Cherokee Sand formation
Recovered 3' oil & 40' oil cut mud

7:00 am – Drilling @ 4325'
Ran 4.25 hours drilling. Down 19.75 hours (.50 rig check, 1.00 rig repair, 1.50 CFS @ 4371', 1.00 CFS @ 4374', .50 CTCH, 12.75 trips, .25 survey, 2.00 DST #1, .25 jet)
Mud properties: wt. 9.2, vis. 52
Daily Mud Cost = \$803.12. Mud Cost to Date = \$6,951.24
Wt. on bit: 35,000, 80 RPM, 900# pump pressure
12 1/4" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
7 7/8" bit #1 (in @ 227') = 97.75 hrs. - 4149'

Fuel usage: 264.25 gals. (20" used 7")

Day 8 Date 10-13-06 Friday DST #2 (4333'-4382')

Cherokee Sand formation
Recovered 5' oil & 25' mud

7:00 am – CTCH @ 4376'
Ran 3.00 hours drilling. Down 21.00 hours (2.75 CTCH, 2.75 CFS @ 4381', 2.00 CFS @ 4393', 1.50 CFS @ 4399', .75 rig repair, 9.25 trips, 2.00 DST #2)
Mud properties: wt. 9.2, vis. 51
Daily Mud Cost = \$0.00. Mud Cost to Date = \$6,951.24
Wt. on bit: 35,000, 80 RPM, 900# pump pressure
12 1/4" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
7 7/8" bit #1 (in @ 227' out @ 4382') = 98.00 hrs. - 4155'
7 7/8" bit #2 (in @ 4382') = 2.75 hrs. - 73'

Fuel usage: 188.75 gals. (41" used 5") 20" + 26" delivered = 46"

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Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile) 620-653-7691 (home)		WELL NAME		Hopper #2
				LOCATION		410° FNL & 1015° FWL Sec. 11-18S-24W Ness County, KS
Rig #1 Phone Numbers			IN USE	Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000		
620-794-2075	Rig Cellular (Dog house)	Yes				
620-794-2078	Geologist Trailer Cellular	Yes				
620-617-7324	Tool Pusher Cellular	Yes		Doug Roberts	ELEVATION	G.L. 2353' K.B. 2363' API# 15-135-24546-00-00

Day

9

 Date 10-14-06 Saturday

RTD = 4500
LTD = 4502'

7:00 am – Drilling @ 4455'
Ran 1.25 hours drilling. Down 22.75 hours (.25 rig check, 1.50 CFS @ 4500', 3.75 trips, 3.75 log, 3.50 lay down drill pipe, 2.50 plug well, .50 jet, 7.00 tear down)
Mud properties: wt. 9.3, vis. 50
Daily Mud Cost = \$326.70. **Total Mud Cost = \$7,277.94**
Wt. on bit: 35,000, 80 RPM, 900# pump pressure
12 ¼" bit #1 (in @ 0' out @ 227') = 2.50 hrs. - 227'
7 7/8" bit #1 (in @ 227' out @ 4382') = 98.00 hrs. - 4155'
7 7/8" bit #2 (in @ 4382' out @ 4500') = 4.00 hrs. - 118'

Fuel usage: 113.25 gals. (38" used 3")

Plug well with 225 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.
1st plug @ 1690' with 50 sacks. 2nd plug @ 900' with 80 sacks. 3rd plug @ 260' with 50 sacks. 4th plug @ 60' with 20 sacks. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks. Job complete @ 11:30 pm on 10-14-06 by Allied Cementing (tket #26244)

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SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINO PETROLEUM

Lease: HOPPER #2

Plugging received from: Richard Lacey Date: 10-13-06 Time: 11:30 AM

1st Plug @ 1690 FT. 50 SX Stands: 27

2nd Plug @ 900 FT. 80 SX Stands: 14 1/2

3rd Plug @ 260 FT. 50 SX Stands: 4

4th Plug @ 60 FT. 20 SX Stands: 1

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

Mousehole 10 SX

Rathole 15 SX

Total Cement used: 225 SX

Type of cement: 60/40 Poz 690 Gel 1/4" flo seal per SX

Plug down at 11:30 PM 10-14-06 by Allied Ticker #26244

Call State When Completed:

Name ERIC McLAREN Date: 10-16-06 Time: 8:15 A.M.

NESS COUNTY 80'S & 25'E of NE/NW/NW
SEC. 11 TWP. 18 R. 24

410' FNL
1015' FWL

ANHYDRITE 1655-1694

RTD - 4500 LTD - 4502

FORMATION @ TD - MISSISSIPPI

API # 15-135-24546

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ALLIED CEMENTING CO., INC.

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

SERVICE POINT: 26244
Marion City

DATE <u>10-14-06</u>	SEC. <u>11</u>	TWP. <u>18</u>	RANGE <u>24</u>	CALLED OUT <u>2:00pm</u>	ON LOCATION <u>8:30pm</u>	JOB START <u>9:00pm</u>	JOB FINISH <u>11:30pm</u>
LEASE <u>Hopper</u>	WELL # <u>2</u>	LOCATION <u>Marion city 40234w ss</u>			COUNTY <u>Wash</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Southland Drilling
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7 7/8 T.D. 4500
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED 225 6 7/8 6 7/8 1/4" 720 Seal per spec
 COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 HANDLING _____ @ _____
 MILEAGE 7

EQUIPMENT

PUMP TRUCK CEMENTER Mike
 # 224 HELPER A. Weigand
 BULK TRUCK _____
 # 357 DRIVER Bud
 BULK TRUCK _____
 # _____ DRIVER _____

REMARKS:

<u>50</u>	<u>1690'</u>
<u>80</u>	<u>900</u>
<u>50</u>	<u>260</u>
<u>20</u>	<u>60</u>
<u>15</u>	<u>RH</u>
<u>10</u>	<u>MH</u>

Thanks

CHARGE TO: Palomares
 STREET _____
 CITY _____ STATE _____ ZIP _____

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SERVICE

DEPTH OF JOB 1690
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 7 @ _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 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 Doug Roberts

Doug Roberts
 PRINTED NAME