

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: 10-31-06 (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) KCC per 11-16-06 log + RSD's per Driller 3650'
Depth to Top: _____ Bottom: _____ T.D. _____
Depth to Top: _____ Bottom: _____ T.D. _____
Depth to Top: _____ Bottom: _____ T.D. _____

API Number: 15 - 185-23402-00-00
Lease Name: Dewey-Diamond
Well Number: 1
Spot Location (QQQQ): 60'E - N/2 - S/2 - S/2
990 Feet from North / South Section Line
2580 Feet from East / West Section Line
Sec. 8 Twp. 21 S. R. 13 East West
County: Stafford
Date Well Completed: D & A
Plugging Commenced: 11-01-06
Plugging Completed: 11-01-06

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'	332'	8 5/8" new 23#	321.61'	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 195 sacks of 60/40 Poz, 6% gel.

1st plug @ 3625' with 50 sacks. 2nd plug @ 810' with 50 sacks. 3rd plug @ 360' with 50 sacks.

4th plug @ 60' with 20 sacks to surface. Plug rathole with 15 sacks. Plug mouse hole with 10 sacks.

Plug down @ 12:00 pm on 11-01-06 by Quality Cement (tk # 1145).

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 8 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

RECEIVED
NOV 09 2006
KCC WICHITA per

SOUTHWIND DRILLING, INC.

RIG #2

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

DRILLING REPORT

Dewey-Diamond #1

Location: 990' FSL & 2580' FEL
API#: 15-185-23402-00-00

Section 8-21S-13W
Stafford County, Kansas

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

COMMENCED: 10-21-06
COMPLETED: 11-01-06

TOTAL DEPTH: Driller: 3650'
Logger: 3649'

Ground Elevation: 1899'
KB Elevation: 1908'

LOG:

0'	-	1299'	Redbed/Shale
1299'	-	1826'	Shale/Lime
1826'	-	2055'	Shale
2055'	-	3650'	Lime/Shale
		3650'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 8 joints of 23# new 8 5/8" surface casing. Tally @ 321.61'. Set @ 332'. Cement with 300 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 am on 10-22-06 by Allied Cementing (tk #22686).

Production casing – 5 1/2"

None- plugged the well

DEVIATION SURVEYS

3/4 degree (s)	@	335'
1 degree (s)	@	2800'
3/4 degree (s)	@	3404'
3/4 degree (s)	@	3622'

RECEIVED
/ 0-9 2006
KCC WICHITA

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		Dewey-Diamond #1	
				LOCATION		990' FSL & 2580' FEL Sec. 8-21S-13W Stafford County, KS	
Rig #2 Phone Numbers N USE				Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-617-5921	Rig Cellular (Dog house)	Yes					
620-617-5920	Geologist Trailer Cellular	No					
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner	ELEVATION	G.L. 1899'	K.B. 1908'	API# 15-185-23402-00-00

Driving Directions: From Barton/Stafford County line on Hwy281: 2 miles South, 1 1/2 miles West, North into.

Day 1 Date 10-21-06 Saturday Survey @ 335' = 3/4 degree

Moved Rig #2 on location

Spud @ 5:00 pm

Ran 5.25 hours drilling (.50 drill rat hole, 4.75 drill 12 1/4"). Down 18.75 hours (9.50 rig up, 1.00 connection, .25 CTCH, .25 survey, .25 bit trip, .50 trip to run casing, 7.00 run casing/cement)

Mud properties: wt. 9.7, vis. 38

Daily Mud Cost = \$243.75 Mud Cost to Date = \$243.75

Wt. on bit: 15,000 120 RPM, 550# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

1" fuel = 34.50 gals.

Fuel usage: 172.50 gals (25" used 5") start @ 30"

Day 2 Date 10-22-06 Sunday

7:00 am - Reaming @ 335'

Ran 10.25 hours drilling. Down 13.75 hours (1.00 ream, .50 trip, 1.75 run casing/cement, 8.00 wait on cement, .25 drill plug, 1.50 connection, .50 jet, .25 rig check)

Mud properties: wt. 9.4, vis. 28

Daily Mud Cost = \$0.00 Mud Cost to Date = \$243.75

Wt. on bit: 20,000 80 RPM, 350# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

7 7/8" bit #1 (in @ 335') = 10.25 hrs. - 964'

Fuel usage: 207.00 gals (19" used 6")

Ran 8 joints of 23# new 8 5/8" surface casing. Tally @ 321.61'. Set @ 332'. Cement with 300 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 am on 10-22-06 by Allied Cementing (tk #22686).

Day 3 Date 10-23-06 Monday

7:00 am - Drilling @ 1299'

Ran 20.25 hours drilling. Down 3.75 hours (.75 rig check, 1.50 connection, 1.00 jet, .50 rig repair)

Mud properties: wt. 9.5, vis. 29

Daily Mud Cost = \$2,379.08 Mud Cost to Date = \$2,622.83

Wt. on bit: 20,000 80 RPM, 700# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

7 7/8" bit #1 (in @ 335') = 30.50 hrs. - 1720'

Fuel usage: 310.50 gals (82" used 9") 19" + 72" delivered = 91"

RECEIVED
NOV 09 2006
KCC WICHITA

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		Dewey-Diamond #1		
Rig #2 Phone Numbers N USE				LOCATION		990' FSL & 2580' FEL Sec. 8-21S-13W Stafford 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	No				
620-450-7682			Tool Pusher Cellular	Yes	LeWayne Tresner	ELEVATION		
						G.L. 1899'	K.B. 1908'	API# 15-185-23402-00-00

Driving Directions: From Barton/Stafford County line on Hwy281: 2 miles South, 1 1/2 miles West, North into.

Day 4 Date 10-24-06 Tuesday

7:00 am – Drilling @ 2055'

Ran 21.75 hours drilling. Down 2.25 hours (.75 rig check, .75 connection, .75 jet)

Mud properties: wt. 9.5, vis. 28

Daily Mud Cost = \$1,644.23. Mud Cost to Date = \$4,267.06

Wt. on bit: 25,000 80 RPM, 700# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

7 7/8" bit #1 (in @ 335') = 52.25 hrs. - 2205'

Fuel usage: 345.00 gals (72" used 10")

Day 5 Date 10-25-06 Wednesday Survey @ 2800' = 1 degree
Pipe strap = .44 short to the board

7:00 am – Drilling @ 2540'

Ran 18.25 hours drilling. Down 5.75 hours (.75 rig check, .75 connection, .50 jet, .50 displace @ 2765', 3.00 rig repair/bit trip, .25 survey)

Mud properties: wt. 8.7, vis. 47, water loss 9.2

Daily Mud Cost = \$2,369.20. Mud Cost to Date = \$6,636.26

Wt. on bit: 25,000 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

7 7/8" bit #1 (in @ 335' out @ 2800') = 63.25 hrs. - 2465'

7 7/8" bit #2 (in @ 2800') = 7.25 hrs. - 135'

Fuel usage: 276.00 gals (64" used 8")

Day 6 Date 10-26-06 Thursday

7:00 am – Drilling @ 2935'

Ran 22.50 hours drilling. Down 1.50 hours (.75 rig check, .50 connection, .25 jet)

Mud properties: wt. 89.0, vis. 41, water loss 9.6

Daily Mud Cost = \$1,737.00. Mud Cost to Date = \$8,373.26

Wt. on bit: 25,000 80 RPM, 900# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'

12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'

7 7/8" bit #1 (in @ 335' out @ 2800') = 63.25 hrs. - 2465'

7 7/8" bit #2 (in @ 2800') = 29.75 hrs. - 516'

Fuel usage: 379.50 gals (53" used 11")

RECEIVED
NOV 09 2006
KCC WICHITA

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		Dewey-Diamond #1		
Rig #2 Phone Numbers N USE				LOCATION		990' FSL & 2580' FEL Sec. 8-21S-13W Stafford 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	No	ELEVATION			
620-450-7682			Tool Pusher Cellular	Yes	LeWayne Tresner	G.L. 1899'	K.B. 1908'	API# 15-185-23402-00-00

Driving Directions: From Barton/Stafford County line on Hwy281: 2 miles South, 1 1/2 miles West, North into.

Day	7	Date	10-27-06	Friday	Survey @ 3404' = 3/4 degree
-----	---	------	----------	--------	-----------------------------

Pipe strap = 1.67 long to the board

DST #1 (3338'-3404')
LKC formation
Recovered 30' muddy water with
show of oil

7:00 am – Drilling @ 3316'

Ran 9.00 hours drilling. Down 15.00 hours (.25 rig check, 1.00 CFS @ 3361', 1.25 CFS @ 3404', 1.25 CFS @ 3439', 7.75 trip, 1.00 CTCH, .25 survey, 2.00 DST #1, .25 connection)

Mud properties: wt. 9.1, vis. 46, water loss 9.2

Daily Mud Cost = \$645.42. Mud Cost to Date = \$9,018.68

Wt. on bit: 25,000 80 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87')	0.75 hrs. -	87'
12 1/4" bit #2 (in @ 87' out @ 335')	4.00 hrs. -	248'
7 7/8" bit #1 (in @ 335' out @ 2800') =	63.25 hrs. -	2465'
7 7/8" bit #2 (in @ 2800' out @ 3404') =	35.25 hrs. -	604'
7 7/8" bit #3 (in @ 3404') =	3.50 hrs. -	238'

Fuel usage: 241.50 gals (46" used 7")

Day	8	Date	10-28-06	Saturday	Survey @ 3404 = 3/4 degree
-----	---	------	----------	----------	----------------------------

DST # 2 (3459'-3534')
LKC formation
Recovered 40' oil cut mud

7:00 am – Drilling @ 3462'

Ran 10.75 hours drilling. Down 14.25 hours (.25 jet, 1.00 CFS @ 3464', 1.00 CFS @ 3500', 1.25 CFS @ 3534', .25 CTCH, 1.25 CFS @ 3594', 1.00 CFS @ 3604', .75 CFS @ 3612', 5.25 trips, 2.00 DST #2, .25 connection)

Note: 1 hour extra due to time change

Mud properties: wt. 9.2, vis. 53

Daily Mud Cost = \$515.86. Mud Cost to Date = \$9,534.54

Wt. on bit: 25,000 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 87')	0.75 hrs. -	87'
12 1/4" bit #2 (in @ 87' out @ 335')	4.00 hrs. -	248'
7 7/8" bit #1 (in @ 335' out @ 2800') =	63.25 hrs. -	2465'
7 7/8" bit #2 (in @ 2800' out @ 3404') =	35.25 hrs. -	604'
7 7/8" bit #3 (in @ 3404' out @ 3534') =	8.75 hrs. -	130'
7 7/8" bit #4 (in @ 3534') =	5.50 hrs. -	78'

Fuel usage: 310.50 gals (37" used 9")

RECEIVED
NOV 09 2006
KCC WICHITA

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	Dewey-Diamond #1	
			LOCATION	990' FSL & 2580' FEL Sec. 8-21S-13W Stafford County, KS	
Rig #2 Phone Numbers N USE			Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000		
620-617-5921	Rig Cellular (Dog house)	Yes			
620-617-5920	Geologist Trailer Cellular	No			
620-450-7682	Tool Pusher Cellular	Yes	ELEVATION	G.L. 1899'	K.B. 1908' API# 15-185-23402-00-00
		LeWayne Tresner			

Driving Directions: From Barton/Stafford County line on Hwy281: 2 miles South, 1 1/2 miles West, North into.

Day 9 Date 10-29-06 Sunday Survey @ 3622' = 3/4 degree

DST #3 (3537'-3622')
Simpson formation
Recovered ??

DST #4 (3629'-3635')
Arbuckle formation
Recovered 3' mud

7:00 am - Drilling @ 3612'
Ran 1.25 hours drilling. Down 22.75 hours (.50 CFS @ 3612', 1.25 CFS @ 3622', .75 CTCH, 1.25 CFS @ 3630', 1.50 CFS @ 3635', 13.25 trips, .25 survey, 2.00 DST #3, 2.00 DST #4)
Mud properties: wt. 9.1, vis. 58
Daily Mud Cost = \$0.00. Mud Cost to Date = \$9,534.54
Wt. on bit: 25,000 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'
12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'
7 7/8" bit #1 (in @ 335' out @ 2800') = 63.25 hrs. - 2465'
7 7/8" bit #2 (in @ 2800' out @ 3404') = 35.25 hrs. - 604'
7 7/8" bit #3 (in @ 3404' out @ 3534') = 8.75 hrs. - 130'
7 7/8" bit #4 (in @ 3534') = 6.75 hrs. - 101'

Fuel usage: 207.00 gals (31" used 6")

Day 10 Date 10-30-06 Monday DST #5 (3634'-3645')
Arbuckle formation
Recovered ??

7:00 am - CTCH after DST #4 @ 3635'
Ran .75 hours drilling. Down 23.25 hours (1.50 CTCH, 1.00 CFS @ 3645', 1.50 CFS @ 3650', 9.50 trips, 6.25 rig repair, 2.00 DST #5, 1.25 DST #6, .25 jet)
Mud properties: wt. 9.1, vis. 58
Daily Mud Cost = \$101.01. Total Mud Cost = \$9,635.56
Wt. on bit: 25,000 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 87') 0.75 hrs. - 87'
12 1/4" bit #2 (in @ 87' out @ 335') 4.00 hrs. - 248'
7 7/8" bit #1 (in @ 335' out @ 2800') = 63.25 hrs. - 2465'
7 7/8" bit #2 (in @ 2800' out @ 3404') = 35.25 hrs. - 604'
7 7/8" bit #3 (in @ 3404' out @ 3534') = 8.75 hrs. - 130'
7 7/8" bit #4 (in @ 3534' out @ 3645') = 7.25 hrs. - 111'
7 7/8" bit #5 (in @ 3645' out @ 3650') = .25 hrs. - 5'

Fuel usage: 207.00 gals (25" used 6")

RECEIVED
NOV 09 2006
KCC WICHITA

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		Dewey-Diamond #1
Rig #2 Phone Numbers N USE					LOCATION		990' FSL & 2580' FEL Sec. 8-21S-13W Stafford 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	No			ELEVATION		
620-450-7682	Tool Pusher Cellular	Yes	LeWayne Tresner		G.L. 1899'	K.B. 1908'	API# 15-185-23402-00-00

Driving Directions: From Barton/Stafford County line on Hwy281: 2 miles South, 1 1/2 miles West, North into.

Day	11	Date	10-31-06	Tuesday	DST #6 (3635'-3650')
					<u>Arbuckle formation</u>
					<u>Recovered 2150' saltwater</u>

RTD = 3650'
LTD = 3649'

7:00 am – On bottom with DST #6 @ 3650'
Ran 0.00 hours drilling. Down 24.00 hours (2.50 trips, 1.00 DST #6, 3.00 log, 1.50 lay down pipe, 16.00 wait on cements)

Fuel usage: 103.50 gals (22" used 3")

Day	12	Date	11-01-06	Wednesday
-----	----	------	----------	-----------

7:00 am – Plugging the well @ 3650'
Ran 0.00 hours drilling. Down 16.00 hours (5.00 plug well, 11.00 tear down)

Fuel usage: 69.00 gals (20" used 2")

Plug well with 195 sacks of 60/40 Poz, 6% gel.
1st plug @ 3625' with 50 sacks. 2nd plug @ 810' with 50 sacks. 3rd plug @ 360' with 50 sacks.
4th plug @ 60' with 20 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.
Plug down @ 12:00 pm on 11-01-06 by Quality Cement (tk # 1145).

RECEIVED
NOV 29 2006
KCC WICHITA

**SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS**

Lease: DEWEY - DIAMOND #1 (PALOMINO)

Plugging received from KCC representative:

Name: STEVE DORRANT Date 10-31-06 Time 8:15 A.M.

1 st plug @	<u>3625</u>	ft.	<u>50</u>	sx.	Stands: <u>60</u>
2nd plug @	<u>810</u>	ft.	<u>50</u>	sx.	Stands: <u>13 1/2</u>
3rd plug @	<u>360</u>	ft.	<u>50</u>	sx.	Stands: <u>6</u>
4th plug @	<u>60</u>	ft.	<u>20</u>	sx.	Stands: <u>1</u>
5th plug @	_____	ft.	_____	sx.	Stands: _____

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 195 sx.

Type of cement 60/40 Poz, 6% GEL

Plug down @ 12:00 P.M 11-1-06 By QUALITY, TSC # 1142

Call KCC When Completed:

Name: RICHARD LACEY Date 11-1-06 Time 12:00 P.M.

RECEIVED
NOV 09 2006
KCC WICHITA

