

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: 01-20-07 (Date)
by: Steve Pfeifer (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 - 135-24595-00-00
Lease Name: Borger-McCoy
Well Number: 1
Spot Location (QQQQ): 20'S - SE - NE - NW
1010 Feet from North / South Section Line
2310 Feet from East / West Section Line
Sec. 7 Twp. 19 S. R. 24 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 01-21-07
Plugging Completed: 01-21-07

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'	225'	8 5/8" 23#	210"	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 255 sacks of 60/40 Poz, 6% gel, 1/4# floeal per sack.
1st plug @ 1680' with 50 sacks. 2nd plug @ 850' with 80 sacks. 3rd plug @ 425' with 40 sacks.
4th plug @ 250' with 40 sacks. 5th plug @ 60' with 20 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.
Job complete @ 6:45 pm on 01-21-07 by Allied Cementing (tk # 26350).

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.

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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 25 day of January, 20 07
Renee Kasselmann My Commission Expires: 7-15-09
Notary Public

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

PST

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINA PETROLEUM

Lease: BORGER / MCCOY #1

Plugging received from: Steve Pfeifer Date: 1-20-07 Time: 9:30 A.M.

1 st Plug @	<u>1680</u>	FT.	<u>50</u>	SX	Stands: <u>27</u>	9 1/2 - 2 1/2 ^{mud}
2 nd Plug @	<u>850</u>	FT.	<u>80</u>	SX	Stands: <u>14</u>	19 - 8
3 rd Plug @	<u>425</u>	FT.	<u>40</u>	SX	Stands: <u>7</u>	8 - 3
4 th Plug @	<u>250</u>	FT.	<u>40</u>	SX	Stands: <u>4</u>	8 - 2
5 th Plug @	<u>60</u>	FT.	<u>20</u>	SX	Stands: <u>1</u>	3 1/2
Mousehole			<u>10</u>	SX		2
Rathole			<u>15</u>	SX		3
Total Cement used:			<u>255</u>	SX		

Type of cement: 60/40 Poz 6% Gel 1/4 # Flosed per SX

Plug down at 6:45 PM 01-21-07 by Allied Cementing ticket # 26350

Call State When Completed:

Name JIM HOLLAND Date: 01-22-07 Time: 8:30 A.M.

API# 15-195-22397

20' S of SE-NE-NW Sec. 7 Twp. 19S R. 24W
1010' FNL 2810 FWL

RTD = 4500

LTD = 4495 by ELI

ANHYDRITE = 1638-1676

FORMATION @ TD = MISSISSIPPI

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ALLIED CEMENTING CO., INC.

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

SERVICE POINT: **26350**
Nes, Ct. 1

DATE <i>1-2-07</i>	SEC. <i>7</i>	TWP. <i>19</i>	RANGE <i>24</i>	CALLED OUT	ON LOCATION <i>2:00 PM</i>	JOB START <i>3:45 PM</i>	JOB FINISH <i>6:45 PM</i>
LEASE <i>Permit</i>	WELL # <i>1</i>	LOCATION <i>Nes. Ct., 6W, 2S, 2E</i>			COUNTY <i>Ness</i>	STATE <i>KS</i>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<i>S/Slide</i>				

CONTRACTOR *Southwind #1*
 TYPE OF JOB *Katary plug*
 HOLE SIZE *7 1/2"* T.D. *4500'*
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE *4 1/2"* DEPTH *4500'*
 TOOL _____ DEPTH _____
 PRES. MAX *2000 PSI* MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT *Fresh water and mud*

OWNER *Bahama Petroleum*
 CEMENT
 AMOUNT ORDERED *255 ss 60/40 6% Gel*
6E Flu-500

EQUIPMENT
 PUMP TRUCK CEMENTER *Rich H.*
 # *224* HELPER *Jim W.*
 BULK TRUCK
 # *344* DRIVER *Marilyn S.*
 BULK TRUCK
 # _____ DRIVER _____

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

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REMARKS:

1650' - 50 SX
500' - 50 SX
425' - 40 SX
250' - 40 SX
60' - 20 SX
Manschuck - 10 SX
Katary hole - 15 SX
total cement 255 ss 60/40 6% Gel 6E Flu-500'

SERVICE
 DEPTH OF JOB *1680'*
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 _____ @ _____
 _____ @ _____

CHARGE TO: *Bahama Petroleum*
 STREET _____
 CITY _____ STATE _____ ZIP _____

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

THANKS
 SIGNATURE *X Doug Roberts*

X Doug Roberts
 PRINTED NAME

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Borger-McCoy

Location: 1010' FNL & 2310' FWL
API#: 15-135-24595-00-00

Section 7-19S-24W
Ness County, Kansas

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

COMMENCED: 01-12-07
COMPLETED: 01-21-07

TOTAL DEPTH: Driller: 4500'
Logger: 4495'

Ground Elevation: 2358'
KB Elevation: 2368'

LOG:

0'	-	1180'	Sand
1180'	-	1638'	Shale
1638'	-	1676'	Anhydrite
1676'	-	4500'	Shale
		4500'	RTD

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CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 23# new 8 5/8". Tally @ 210'. Set @ 225'. Cement with 160 sacks common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 2:00 pm on 1-13-07 by Allied Cementing (tk #26344).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

¾ degree (s) @ 226'

MORNING DRILLING REPORT			Fax to: Palomino Petroleum, Inc.			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991 (mobile)	WELL NAME	Borger-McCoy #1		
Rig #1 Phone Numbers			LOCATION	1010' FNL & 2310' FWL Sec. 7-19S-24W Ness County, KS		
620-794-2075	Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular		ELEVATION	G.L. 2358'	K.B. 2368'	API# 15-135-24595-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Ness City: 6 miles West, 2 miles South, ½ mile East, South into.

Day 1 Date 01-12-07 Friday

Moved Rig #1 on location

Spud @ 1:30 am on 01-13-07

Ran 5.00 hours drilling (2.50 drill rat hole, 2.50 drill 12 ¼"). Down 19.00 hours (16.00 move/rig up, 2.50 rig repair, .50 connection)

Mud properties: spud mud

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

Wt. on bit: 20,000, 80 RPM, 500# pump pressure

12 ¼" bit #1 (in @ 0') = 2.50 hrs. - 165'

1" fuel = 37.75 gals.

Fuel usage: 264.25 gals (77" used 7") Start @ 25" + 59" delivered = 84"

Day 2 Date 01-13-07 Saturday Survey @ 226' = ¾ degree

7:00 am - Drilling 12 ¼" surface @ 165'

Ran 8.50 hours drilling (200 drill 12 ¼", 6.50 drill 7 7/8"). Down 15.50 hours (1.50 connection, .75 CTCH, .25 survey, .25 trip, .75 run casing, 1.00 cement, 1.75 circulate/wait on cementers, 8.00 wait on cement, .25 drill plug, .25 rig check, .50 rig repair, .25 jet)

Mud properties: freshwater

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

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

12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'

8 5/8 bit # 1 (in @ 226') = 6.50 hrs - 484'

Fuel usage: 264.25 gals (70" used 7")

Ran 5 joints of 23# new 8 5/8". Tally @ 210'. Set @ 225'. Cement with 160 sacks common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 2:00 pm on 1-13-07 by Allied Cementing (tkr #26344).

Day 3 Date 01-14-07 Sunday Anhydrite (1638'-1676')

7:00 am - Drilling @ 710'

Ran 18.75 hours drilling. Down 5.25 hours (1.00 rig check, 1.00 rig repair, 2.50 connection, .75 jet)

Mud properties: freshwater

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 226') = 4.50 hrs. - 226'

8 5/8 bit # 1 (in @ 226') = 25.25 hrs - 1789'

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)	WELL NAME	Borger-McCoy #1		
Rig #1 Phone Numbers			LOCATION	1010' FNL & 2310' FWL Sec. 7-19S-24W Ness County, KS		
620-794-2075	Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular		ELEVATION	G.L. 2358'	K.B. 2368'	API# 15-135-24595-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Ness City: 6 miles West, 2 miles South, ½ mile East, South into.

Day 4 Date 01-15-07 Monday

7:00 am – Drilling @ 2015'
 Ran 19.75 hours drilling. Down 4.25 hours (1.00 rig check, .50 rig repair, .75 jet, 2.00 connection)
 Mud properties: freshwater
 Daily Mud Cost = \$2,549.00. Mud Cost to Date = \$2,549.00
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226') = 45.00 hrs - 2494'

Fuel usage: 490.75 gals (47" used 13")

Day 5 Date 01-16-07 Tuesday

7:00 am – Drilling @ 2720'
 Ran 21.25 hours drilling. Down 2.75 hours (.75 rig check, .25 rig repair, .75 jet, 1.00 connection)
 Mud properties: wt. 9.4, vis. 30
 Daily Mud Cost = \$2,248.09. Mud Cost to Date = \$4,797.09
 Wt. on bit: 35,000, 80 RPM, 600# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226') = 66.25 hrs - 3068'

Fuel usage: 377.50 gals (37" used 10")

Day 6 Date 01-17-07 Wednesday

7:00 am – Drilling @ 3294'
 Ran 17.25 hours drilling. Down 6.75 hours (1.25 rig check, 3.25 rig repair, .50 jet, .75 connection, 1.00 displace @ 3400')
 Mud properties: wt. 8.8, vis. 56
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$4,797.09
 Wt. on bit: 35,000, 80 RPM, 700# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226') = 83.50 hrs - 3504'

Fuel usage: 339.75 gals (65" used 9") 37" + 37" = 74"

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Rig #1 Phone Numbers			LOCATION	1010' FNL & 2310' FWL Sec. 7-19S-24W Ness County, KS		
620-794-2075	Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular		ELEVATION	G.L. 2358'	K.B. 2368'	API# 15-135-24595-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Ness City: 6 miles West, 2 miles South, ½ mile East, South into.

Day 7 Date 01-18-07 Thursday

7:00 am – Drilling @ 3730'
 Ran 22.00 hours drilling. Down 2.00 hours (1.00 rig check, .25 jet, .75 connection)
 Mud properties: wt. 9.1, vis. 48
 Daily Mud Cost = \$2,129.53. Mud Cost to Date = \$6,926.62
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226') = 105.50 hrs - 3893'

Fuel usage: 377.50 gals (55" used 10")

Day 8 Date 01-19-07 Friday

7:00 am – Drilling @ 4119'
 Ran 20.00 hours drilling. Down 4.00 hours (1.00 rig check, .25 rig repair, .75 jet, 1.00 CFS @ 4405', 1.00 connection)
 Mud properties: wt. 9.2, vis. 42
 Daily Mud Cost = \$42.27. Mud Cost to Date = \$6,968.89
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226') = 125.50 hrs - 4179'

Fuel usage: 453.00 gals (43" used 12")

Day 9 Date 01-20-07 Saturday

RTD = 4500'
 LTD = 4495'

7:00 am – CFS @ 4405'
 Ran 3.75 hours drilling. Down 20.25 hours (.25 CFS @ 4405', 1.25 CFS @ 4415', 1.00 CFS @ 4500', 1.25 CTCH, 4.50 trip, .50 rig check, 4.50 log, 1.50 nipple down, 4.50 lay down drill pipe, 1.00 wait on cementers)
 Mud properties: wt. 9.2, vis. 48
 Daily Mud Cost = \$1,517.14. **Total Mud Cost = \$8,486.03**
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out 226') = 4.50 hrs. - 226'
 8 5/8 bit # 1 (in @ 226' out @ 4500') = 129.25 hrs - 4274'

Fuel usage: 302.00 gals (35" used 8")

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Rig #1 Phone Numbers			LOCATION		1010' FNL & 2310' FWL Sec. 7-19S-24W Ness County, KS	
620-794-2075		Rig Cellular (Dog house)	Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2078		Geologist Trailer Cellular	ELEVATION		G.L. 2358' K.B. 2368' API# 15-135-24595-00-00	
620-617-7324		Tool Pusher Cellular	Doug Roberts			

Driving Directions: From Ness City: 6 miles West, 2 miles South, ½ mile East, South into.

Day 10 Date 01-21-07 Sunday

7:00 am – Waiting on cementers @ 4500'

Ran 0.00 hours drilling. Down 24.00 hours (9.75 wait on cementers, 2.00 plug, .50 jet, 3.75 tear down, 8.00 drywatch)

Fuel usage: 113.25 gals. (32" used 3")

Cement with 225 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.

1st plug @ 1680' with 50 sacks. 2nd plug @ 850' with 80 sacks. 3rd plug @ 425' with 40 sacks.

4th plug @ 250' with 40 sacks. 5th plug @ 60' with 20 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks. Job complete @ 6:45 pm on 01-21-07 by Allied Cementing (tk #26350).

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