

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: 02-09-07 (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 - 135-24604-00-00
Lease Name: Harris-Higbee
Well Number: 1
Spot Location (QQQQ): 60' n + 180' e of Approx - E/2 - E/2 - NE
1260 Feet from North / South Section Line
150 Feet from East / West Section Line
Sec. 10 Twp. 16 S. R. 24 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 02-09-07
Plugging Completed: 02-09-07

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'	218'	8 5/8" new 20#	206'	0'

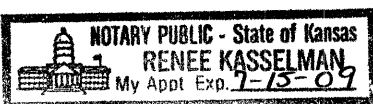
Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plug well with 255 sacks of 60/40 Poz, 6% gel, 1/4# floesal per sack.
1st plug @ 1840' with 50 sacks. 2nd plug @ 1100' with 80 sacks. 3rd plug @ 550' 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 @ 2:45 pm on 02-09-07 by Quality Cement (tk #1340).

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 February, 20 07
Renee Kasselmann My Commission Expires: 07-15
Notary Public

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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202 FEB 21 2007

CONSERVATION DIVISION
WICHITA, KS

PKG

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINO PETROLEUM

Lease: HARRIS - HIGBEE #1

Plugging received from: Richard Lacey Date: 02-09-07 Time: 8:00 A.M.

1st Plug @ 1840 FT. 50 SX Stands: 30
2nd Plug @ 1100 FT. 80 SX Stands: 18
3rd Plug @ 550 FT. 40 SX Stands: 9
4th Plug @ 250 FT. 40 SX Stands: 4
5th Plug @ 60 FT. 20 SX Stands: 1

Mousehole 10 SX
Rathole 15 SX
Total Cement used: 255 SX

Type of cement: 60/40 POZ 690 Gel 1/4# Floseed per SX

Plug down at 2:45 PM 02-09-07 by Quality Oilwell Cementing
ticket # 1340

Call State When Completed:

Name STEVE DURANT Date: 02-09-07 Time: 4:30 PM

60' N 180' E of 1260' FNL 150' FEL
E/2 of E/2 of NE Sec. 10 Twp. 16 R. 24 NESS COUNTY

API # 15-135-24604
ELEU: 2448 GL 2458 KB
RTD = 4570 LTD 4568

8 5/8 @ 218'

FORMATION @ TD MISSISSIPPI
ANHYDRITE 1817 to 1849

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QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. **1340**

Date	29-07	Sec.	10	Twp.	16	Range	24	Called Out	On Location	Job Start	Finish	
Lease	Harris-Higbee	Well No.	1		Location			Wichita, 15 mi. Colne SW	Ness	County	KS	State
Contractor	Southwind Drilling Rig 1						Owner					
Type Job	Day Hole Plug						To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.					
Hole Size	7 7/8		T.D.		4570							
Csg.			Depth		Charge To							
Tbg. Size			Depth		To Petroleum Petroleum							
Drill Pipe			Depth		Street							
Tool			Depth		City							
Cement Left in Csg.			Shoe Joint		State							
Press Max.			Minimum		The above was done to satisfaction and supervision of owner agent or contractor.							
Meas Line			Displace		CEMENT							
Perf.												
EQUIPMENT								Amount Ordered				255 cask 68 Gel 1/16 Flt Seal
Consisting of												
Pumptrk	No.	Cementer	None		Common							
Bulktrk	No.	Helper	None		Poz. Mix							
Bulktrk	No.	Driver	None		Gel.							
Bulktrk	No.	Driver	None		Chloride							
JOB SERVICES & REMARKS								Hulls				
Pumptrk Charge												
Mileage												
Footage												
Total												
Remarks:	1st Plug @ 1840' 50' ex							Sales Tax				
	2nd " " 1100' 80' ex							Handling				
	3rd " " 550' 40' ex							Mileage				
	4th " " 250' 40' ex							Sub Total				
	5th " " 60' 20' ex											Total
	Messe Hole 10' ex 1st Hole 15' ex							Floating Equipment & Plugs: 1 Day Hole Plug				
	Thanks							Squeeze Manifold				
	Thanks Good Job!							Rotating Head				
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> <p style="text-align: center; margin: 0;">RECEIVED</p> <p style="text-align: center; margin: 0;">KANSAS CORPORATION COMMISSION</p> <p style="text-align: center; margin: 0;">FEB 21 2007</p> <p style="text-align: center; margin: 0;">CONSERVATION DIVISION</p> <p style="text-align: center; margin: 0;">WICHITA, KS</p> </div>							Tax				
								Discount				
								Total Charge				
X Signature								Doug Rebert				

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Harris-Higbee #1

Location: 1260' FNL & 150' FEL
API#: 15-135-24604-00-00

Section 10-16S-24W
Ness County, Kansas

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

COMMENCED: 01-31-07
COMPLETED: 02-09-07

TOTAL DEPTH: Driller: 4570'
Logger: 4568'

Ground Elevation: 2448'
KB Elevation: 2458'

LOG:

0'	-	221'	Sand/Clay
221'	-	1817'	Shale
1817'	-	1849'	Anhydrite
1849'	-	3664'	Shale
3664'	-	3839'	Lime/Shale
3839'	-	4570'	Shale
		4570'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 206'. Set @ 218'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 11:45 pm on 01-31-07 by Allied Cementing (tk #26572).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

¼ degree (s) @ 221'

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MORNING DRILLING REPORT			Fax to: Klee Watchous			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991	WELL NAME	Harris-Higbee #1		
Rig #1 Phone Numbers			LOCATION	1260' FNL & 150' FEL Sec. 10-16S-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. 2448'	K.B. 2458'	API# 15-135-24604-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Hwy 4 & Hwy 283 (just East of Ransom): 3 miles North to Road 290, 3 miles West, ½ mile South, West into.

Day 1 Date 01-31-07 Wednesday Survey @ 221' = ¼ degree

Moved Rig #1 on location

Spud @ 6:00 pm

Ran 2.75 hours drilling (.50 drill rat hole, 2.25 drill 12 ¼"). Down 21.25 hours (10.00 move/rig up, .50 rig repair, 1.25 connection, .50 CTCH, .25 survey, .25 trip, .50 run casing, .25 circulate, .50 cement, 7.25 wait on cement)

Mud properties: spud mud

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

Wt. on bit: 20,000, 120 RPM, 500# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

1" fuel = 37.75 gals.

Fuel usage: 75.50 gals (14" used 2") Start @ 16"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 206'. Set @ 218'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 11:45 pm on 01-31-07 by Allied Cementing (tk #26572).

Day 2 Date 02-01-07 Thursday

7:00 am - Waiting on cement @ 221'

Ran 13.50 hours drilling. Down 10.50 hours (.75 wait on cement, .50 drill plug, .50 rig check, 5.75 rig repair, .50 jet, 2.50 connection)

Mud properties: freshwater

Daily Mud Cost = \$824.25. Mud Cost to Date = \$824.25

Wt. on bit: 30,000, 80 RPM, 600# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 13.50 hrs. - 1288'

Fuel usage: 302.00 gals (76" used 8") 14" + 70" delivered = 84"

Day 3 Date 02-02-07 Friday Anhydrite (1817'-1849')

7:00 am - Drilling @ 1509'

Ran 19.25 hours drilling. Down 4.75 hours (.75 rig check, 1.00 jet, 3.00 connection,)

Mud properties: freshwater

Daily Mud Cost = \$881.25. Mud Cost to Date = \$1,705.50

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 32.75 hrs. - 2414'

Fuel usage: 415.25 gals (65" used 11")

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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	WELL NAME	Harris-Higbee #1		
Rig #1 Phone Numbers			LOCATION	1260' FNL & 150' FEL Sec. 10-16S-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. 2448'	K.B. 2458'	API# 15-135-24604-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Hwy 4 & Hwy 283 (just East of Ransom): 3 miles North to Road 290, 3 miles West, ½ mile South, West into.

Day 4 Date 02-03-07 Saturday

7:00 am – Drilling @ 2635'
 Ran 21.00 hours drilling. Down 3.00 hours (1.00 rig check, 1.25 jet, .75 connection)
 Mud properties: freshwater
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$1,705.50
 Wt. on bit: 30,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'
 7 7/8" bit #1 (in @ 221') = 53.75 hrs. - 2959'

Fuel usage: 490.75 gals (52" used 13")

Day 5 Date 02-04-07 Sunday

7:00 am – Drilling @ 3180'
 Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, .50 rig repair, 2.00 jet, .75 connection)
 Mud properties: wt. 8.8, vis. 58, water loss 7.2
 Daily Mud Cost = \$2,997.38. Mud Cost to Date = \$4,702.88
 Wt. on bit: 30,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'
 7 7/8" bit #1 (in @ 221') = 73.75 hrs. - 3444'

Fuel usage: 377.50 gals (42" used 10")

Day 6 Date 02-05-07 Monday

7:00 am – Drilling @ 3665'
 Ran 22.25 hours drilling. Down 1.75 hours (.75 rig check, 1.00 connection)
 Mud properties: wt. 9.0, vis. 48, water loss 7.2
 Daily Mud Cost = \$972.31. Mud Cost to Date = \$5,675.19
 Wt. on bit: 30,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'
 7 7/8" bit #1 (in @ 221') = 96.00 hrs. - 3879'

Fuel usage: 377.50 gals (58" used 10") 42" + 26" = 68"

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Rig #1 Phone Numbers			LOCATION		1260' FNL & 150' FEL Sec. 10-16S-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			
620-617-7324	Tool Pusher Cellular	Doug Roberts	G.L. 2448'	K.B. 2458'	API# 15-135-24604-00-00	

Driving Directions: From Hwy 4 & Hwy 283 (just East of Ransom): 3 miles North to Road 290, 3 miles West, ½ mile South, West into.

Day 7 Date 02-06-07 Tuesday

7:00 am – Drilling @ 4100'

Ran 14.00 hours drilling. Down 10.00 hours (1.75 rig check, .50 rig repair, .50 connection, 7.25 bit trip),

Mud properties: wt. 9.0, vis. 48, water loss 7.2

Daily Mud Cost = \$851.60. Mud Cost to Date = \$6,526.79

Wt. on bit: 30,000, 80 RPM, 850# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

7 7/8" bit #1 (in @ 221' out @ 4062') = 109.25 hrs. - 3841'

7 7/8" bit #2 (in @ 4062') = .75 hrs. - 225'

Fuel usage: 377.50 gals (48" used 10")

Day 8 Date 02-07-07 Wednesday

7:00 am – Drilling @ 4287'

Ran 17.50 hours drilling. Down 6.50 hours (.75 rig repair, .25 jet, .75 CFS @ 4437', 1.75 CFS @ 4474', 3.00 trip)

Mud properties: wt. 9.3, vis. 53, water loss 7.2

Daily Mud Cost = \$263.79. Mud Cost to Date = \$6,790.58

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

7 7/8" bit #1 (in @ 221' out @ 4062') = 109.25 hrs. - 3841'

7 7/8" bit #2 (in @ 4062') = 18.25 hrs. - 412'

Fuel usage: 415.25 gals (37" used 11")

Day 9 Date 02-08-07 Thursday DST #1 (4397'-4474')

Cherokee formation

Recovered 110' mud

RTD = 4570'

LTD = 4568'

7:00 am – Tripping in with DST #1 @ 4474'

Ran 3.00 hours drilling. Down 21.00 hours (11.75 trip, 2.00 DST #1, .25 jet, .25 connection, 3.25 log, 2.50 CTCH, 1.00 lay down pipe)

Mud properties: wt. 9.3, vis. 53, water loss 7.2

Daily Mud Cost = \$0.00. **Total Mud Cost = \$6,790.58**

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 2.25 hrs. - 221'

7 7/8" bit #1 (in @ 221' out @ 4062') = 109.25 hrs. - 3841'

7 7/8" bit #2 (in @ 4062' out @ 4570') = 21.25 hrs. - 508'

Fuel usage: 264.25 gals (30" used 7")

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			LOCATION		1260' FNL & 150' FEL Sec. 10-16S-24W Ness County, KS	
Rig #1 Phone Numbers			Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000			
620-794-2075	Rig Cellular (Dog house)					
620-794-2078	Geologist Trailer Cellular					
620-617-7324	Tool Pusher Cellular	Doug Roberts	ELEVATION	G.L. 2448'	K.B. 2458'	API# 15-135-24604-00-00

Driving Directions: From Hwy 4 & Hwy 283 (just East of Ransom): 3 miles North to Road 290, 3 miles West, ½ mile South, West into.

Day 10 Date 02-09-07 Friday

7:00 am – Laying down drill pipe @ 4570'
Ran 0.00 hours drilling. Down 24.00 hours (4.50 lay down pipe, 1.00 trip, 2.25 plug, .50 nipple down, 7.75 tear down, 8.00 drywatch)

Plug well with 255 sacks of 60/40 Poz, 2% gel, ¼# floseal per sack.
1st plug @ 1840' with 50 sacks. 2nd plug @ 1100' with 80 sacks. 3rd plug @ 550' 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 @ 2:45 pm on 02-09-07 By Quality Cementing (tk #1340).

Fuel usage: 75.50 gals (28" used 2")

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