

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: 02-16-07 (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: 15-135-24606-00-00
Lease Name: Burrell
Well Number: 1
Spot Location (QQQQ): 150'W - S/2 - SE - SW
330 Feet from North / South Section Line
1830 Feet from East / West Section Line
Sec. 35 Twp. 16 S. R. 25 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 02-18-07
Plugging Completed: 02-18-07

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 @ 1870' with 50 sacks. 2nd plug @ 1130' with 80 sacks. 3rd plug @ 500' 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 @ 4:15 pm on 02-18-07 by Allied Cementing (tkr #26585)

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 21 day of February, 20 07
Renee Kasselmann My Commission Expires: 07-15-09
Notary Public

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

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

P&T

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINO PETROLEUM

Lease: BURRELL #1

Plugging received from: Richard Lacey Date: 02-16-07 Time: 4:00 PM

1st Plug @ 1870 FT. 50 SX Stands: 30

2nd Plug @ 1130 FT. 80 SX Stands: 18

3rd Plug @ 500 FT. 40 SX Stands: 8

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 Grel 1/4" Floseal per SX

Plug down at 4:15 P.M. 02-18-07 by Allied ticket # 26585

Call State When Completed:

Name JIM HOLLAND Date: 2-20-07 Time: 8:45 AM

150' West of S/2 - SE - SW Sec. 35 Twp. 16 R. 25 330' FSL
8 7/8 casing set @ 218' 1830' FWL

API# 15-135-24606

ANHYDRITE = 1842 to

RTD = 4515 LTD = 4513

FORMATION @ TD = MISSISSIPPI

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

26585

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

SERVICE POINT: 213.

DATE <u>2-19-07</u>	SEC <u>35</u>	TWP. <u>16s</u>	RANGE <u>5w</u>	CALLED OUT <u>9 am</u>	ON LOCATION <u>1 pm</u>	JOB START <u>3 pm</u>	JOB FINISH <u>1 pm</u>
LEASE <u>Russell</u>	WELL # <u>1</u>	LOCATION <u>Arnold 1w 2N 3E 4/3</u>	COUNTY <u>Ness</u>	STATE			
OLD OR NEW (Circle one)							

CONTRACTOR South Wind Rig 1

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. 4515 ft

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1870 ft

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Palomino Petr

CEMENT AMOUNT ORDERED 255 # 67 gal

1 # Fluoroc

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Mike M.

120 HELPER J. D. D.

BULK TRUCK DRIVER Don D.

311

BULK TRUCK DRIVER _____

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

REMARKS:

- 50 lb at 1870 ft
- 80 lb at 1170 ft
- 40 lb at 500 ft
- 40 lb at 250 ft
- 20 lb at 60 ft
- 10 lb at m H
- 15 lb at 2 H

CHARGE TO: Palomino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

SERVICE

DEPTH OF JOB 1870 ft

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

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

Thank you
CHZ

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Burrell #1

Location: 330' FSL & 1830' FWL
API#: 15-135-24606-00-00

Section 35-16S-25W
Ness County, Kansas

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

COMMENCED: 02-10-07
COMPLETED: 02-18-07

TOTAL DEPTH: Driller: 4515'
Logger: 4513'

Ground Elevation: 2465'
KB Elevation: 2475'

LOG:

0'	-	221'	Lime/Sand
221'	-	756'	Shale
756'	-	1290'	Sand/Shale
1290'	-	1872'	Shale
1842'	-	1870'	Anhydrite
1870'	-	4513'	Shale
		4513'	RTD

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

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 @ 11:00 pm on 02-10-7 by Allied Cementing (tk #26388).

Production casing - 5 1/2"

None- plugged the well

DEVIATION SURVEYS

3/4 degree (s) @ 221'
3/4 degree (s) @ 4515'

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		Burrell #1
Rig #1 Phone Numbers				LOCATION		330' FSL & 1830' FWL Sec. 35-16S-25W 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		G.L. 2465'	K.B. 2475'	API# 15-135-24606-00-00
		Doug Roberts				

Driving Directions: From Arnold: 1 mile West on Hwy 4, 2 miles South, ½ mile East, North into.

Day	1	Date	02-10-07	Saturday	Survey @ 221' = ¾ degree
-----	---	------	----------	----------	--------------------------

Moved Rig #1 on location

Spud @ 4:15 pm

Ran 2.75 hours drilling (1.00 drill rat hole, 1.75 drill 12 ¼"). Down 21.25 hours (8.00 move/rig up, .25 rig repair, 1.25 connection, .50 CTCH, .25 jet, .25 survey, .25 trip, 1.00 run casing, .25 circulate, .75 wait on cementers, .50 cement, 8.00 wait on cement)

Mud properties: spud mud

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

Wt. on bit: 20,000, 100 RPM, 500# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

1" fuel = 37.75 gals.

Fuel usage: 188.75 gals (80" used 5") Start @ 28" + 57" delivered = 85"

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 @ 11:00 pm on 02-10-7 by Allied Cementing (tk #26388).

Day	2	Date	02-11-07	Sunday	Anhydrite (1842'-1870')
-----	---	------	----------	--------	-------------------------

7:00 am - Drilling plug @ 221'

Ran 17.25 hours drilling. Down 6.75 hours (.50 rig check, 1.25 rig repair, 1.00 jet, 3.25 connection, .75 drill plug)

Mud properties: freshwater

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

Wt. on bit: 30,000, 80 RPM, 700# pump pressure

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 17.25 hrs. - 1645'

Fuel usage: 339.75 gals (71" used 9")

Day	3	Date	02-12-07	Monday
-----	---	------	----------	--------

7:00 am - Drilling @ 1866'

Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, 1.25 jet, 2.00 connection)

Mud properties: freshwater

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

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 37.25 hrs. - 2601'

Fuel usage: 490.75 gals (58" used 13")

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

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		Burrell #1	
Rig #1 Phone Numbers			LOCATION		330' FSL & 1830' FWL Sec. 35-16S-25W 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. 2465' K.B. 2475' API# 15-135-24606-00-00	
620-617-7324		Tool Pusher Cellular	Doug Roberts			

Driving Directions: From Arnold: 1 mile West on Hwy 4, 2 miles South, ½ mile East, North into.

Day 4 Date 02-13-07 Tuesday

7:00 am – Drilling @ 2822'

Ran 20.50 hours drilling. Down 3.50 hours (1.00 rig check, .75 jet, .50 rig repair, 1.25 connection)

Mud properties: freshwater

Daily Mud Cost = \$2,507.12. Mud Cost to Date = \$2,507.12

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 57.75 hrs. - 3061'

Fuel usage: 490.75 gals (45" used 13")

Day 5 Date 02-14-07 Wednesday

7:00 am – Drilling @ 3282'

Ran 21.50 hours drilling. Down 2.50 hours (1.00 rig check, .25 rig repair, .25 jet, 1.00 connection)

Mud properties: wt. 8.9, vis. 51

Daily Mud Cost = \$1,054.50. Mud Cost to Date = \$3,561.62

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 79.25 hrs. - 3549'

Fuel usage: 490.75 gals (32" used 13")

Day 6 Date 02-15-07 Thursday

7:00 am – Drilling @ 3770'

Ran 21.50 hours drilling. Down 2.50 hours (1.00 rig check, .50 rig repair, .25 jet, .75 connection)

Mud properties: wt. 9.2, vis. 46

Daily Mud Cost = \$2,412.80. Mud Cost to Date = \$5,974.42

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 100.75 hrs. - 3922'

Fuel usage: 415.25 gals (21" used 11")

Day 7 Date 02-16-07 Friday

7:00 am – Drilling @ 4143'

Ran 22.00 hours drilling. Down 2.00 hours (1.00 rig check, .25 jet, .75 connection)

Mud properties: wt. 9.2, vis. 54

Daily Mud Cost = \$1,362.93. Mud Cost to Date = \$7,337.35

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221') = 122.75 hrs. - 4188'

Fuel usage: 377.50 gals (37" used 10") 21" + 26" delivered = 47"

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS

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		Burrell #1	
Rig #1 Phone Numbers				LOCATION		330' FSL & 1830' FWL Sec. 35-16S-25W 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		G.L. 2465'		K.B. 2475'	
		Doug Roberts		API# 15-135-24606-00-00			

Driving Directions: From Arnold: 1 mile West on Hwy 4, 2 miles South, ½ mile East, North into.

Day	8	Date	02-17-07	Saturday	Survey @ 4515' = ¾ degree
-----	---	------	----------	----------	---------------------------

RTD = 4515'
LTD = 4513'

7:00 am – Drilling @ 4409'

Ran 5.75 hours drilling. Down 18.25 hours (1.25 CFS @ 4456', 1.25 CFS @ 4459', 1.25 CFS @ 4515', 1.50 CTCH, 5.75 trip, .50 rig check, .25 survey, 5.75 log, .25 rig repair .50 wait on orders)

Mud properties: wt. 9.2, vis. 48

Daily Mud Cost = \$1,635.97. **Total Mud Cost = \$8,973.32**

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

12 ¼" bit #1 (in @ 0' out @ 221') = 1.75 hrs. - 221'

7 7/8" bit #1 (in @ 221' out @ 4515') = 128.50 hrs. - 4294'

Fuel usage: 302.00 gals (29" used 8")

Day	9	Date	02-18-07	Sunday
-----	---	------	----------	--------

7:00 am – Laying down drill pipe to plug the well @ 4515'

Ran 0.00 hours drilling. Down 16.00 hours (2.75 lay down drill pipe, .75 nipple down, .75 trip, 3.00 wait on cementers, 2.00 plug, .50 jet, 6.25 tear down)

Fuel usage: 75.50 gals. (27" used 2")

Plug well with 255 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.

1st plug @ 1870' with 50 sacks. 2nd plug @ 1130' with 80 sacks. 3rd plug @ 500' 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 @ 4:15 pm on 01-18-07 by Allied Cementing (tk # 26585)

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS