

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

Lease: PFANNENSTILE #1 (PALOMENO PETROLEUM)

Plugging received from KCC representative:

Name: MIKE MYERS Date 4-21-07 Time 6:00 P.M

1st plug @ 1920 ft. 50 sx. Stands: 31

2nd plug @ 1200 ft. 80 sx. Stands: 20

3rd plug @ 600 ft. 40 sx. Stands: 10

4th plug @ 270 ft. 50 sx. Stands: 4 1/2

5th plug @ 60 ft. 20 sx. Stands: 1

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 265 sx.

Type of cement 60/40 For 6% gel 1/4" FLOSERL PER SX

Plug down @ 7:00 am ^{on} 4-24-07 By ALICEE Lic # 30614

Call KCC When Completed:

Name: Michelle Pennington Date 04-24-07 Time 8:30 am

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APR 27 2007

CONSERVATION DIVISION
WICHITA, KS

SOUTHWIND DRILLING, INC.
RIG #1

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

DRILLING REPORT

Pfannenstiel #1

Location: 1180' FSL & 1050' FEL
API#: 15-135-24592-00-00

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

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

COMMENCED: 04-16-07
COMPLETED: 04-24-06

TOTAL DEPTH: Driller: 4629'
Logger: 4626'

Ground Elevation: 2525'
KB Elevation: 2535'

LOG:

0'	-	1684'	Shale
1684'	-	1899'	Sand
1899'	-	1929'	Anhydrite
1929'	-	4629'	Shale
		4629'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 6 joints of 20# new 8 5/8" surface casing. Tally @ 243'. Set @ 255'. Cement with 170 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:30 pm on 04-16-07 by Allied Cementing (tk #30610).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

1 degree (s)	@	258'
1 degree (s)	@	4546'

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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		Pffannenstiel #1	
Rig #1 Phone Numbers			LOCATION		1180' FSL & 1050' FEL Sec. 16-16S-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. 2525' K.B. 2535' API# 15-135-24592-00-00	
620-617-7324		Tool Pusher Cellular	Doug Roberts			

Driving Directions: From Ransom: 2 miles West on Hwy 4, 1 3/4 miles North, West into.

Day	1	Date	04-16-07	Monday	Survey @ 258' = 1 degree
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Moved Rig #1 on location

Spud @ 4:30 pm

Ran 2.00 hours drilling (.50 drill rat hole, 1.50 drill 12 1/4"). Down 22.00 hours (9.00 move/rig up, .75 connection, .50 CTCH, .25 survey, .75 trip, .50 wait on cementers, 1.50 run casing, .25 circulate, .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, 120 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'

1" fuel = 37.75 gals.

Fuel usage: 113.25 gals (81" used 3") Start @ 20" + 64" delivered = 84"

Ran 6 joints of 20# new 8 5/8" surface casing. Tally @ 243'. Set @ 255'. Cement with 170 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:30 pm on 04-16-07 by Allied Cementing (tk #30610).

Day	2	Date	04-17-07	Tuesday	Anhydrite (1899'-1929')
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7:00 am - Drilling plug and cement @ 258'

Ran 18.50 hours drilling. Down 5.50 hours (.50 drill plug, .75 rig check, 1.00 jet, 3.25 connection)

Mud properties: freshwater

Daily Mud Cost = \$866.55. Mud Cost to Date = \$866.55

Wt. on bit: 35,000, 80 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'

7 7/8" bit #1 (in @ 258') = 18.50 hrs. - 1812'

Fuel usage: 339.75 gals (72" used 9")

Day	3	Date	04-18-07	Wednesday
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7:00 am - Drilling @ 2070'

Ran 19.00 hours drilling. Down 5.00 hours (1.00 rig check, .25 rig repair, 1.50 jet, 2.25 connection)

Mud properties: freshwater

Daily Mud Cost = \$956.57. Mud Cost to Date = \$1,823.12

Wt. on bit: 35,000, 80 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'

7 7/8" bit #1 (in @ 258') = 37.50 hrs. - 2735'

Fuel usage: 415.25 gals (61" 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		Pfannenstiel #1	
Rig #1 Phone Numbers			LOCATION		1180' FSL & 1050' FEL Sec. 16-16S-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				
620-617-7324		Tool Pusher Cellular	Doug Roberts	ELEVATION	G.L. 2525'	K.B. 2535'
				API# 15-135-24592-00-00		

Driving Directions: From Ransom: 2 miles West on Hwy 4, 1 3/4 miles North, West into.

Day 4 Date 04-19-07 Thursday

7:00 am – Drilling @ 2993'
Ran 19.75 hours drilling. Down 4.25 hours (.75 rig check, .50 rig repair, 1.25 jet, 1.75 connection)
Mud properties: wt. 8.8, vis. 50
Daily Mud Cost = \$2,167.85. Mud Cost to Date = \$3,990.97
Wt. on bit: 35,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'
7 7/8" bit #1 (in @ 258') = 57.25 hrs. - 3337'

Fuel usage: 415.25 gals (76" used 11") 61" + 26" delivered = 87"

Day 5 Date 04-20-07 Friday

7:00 am – Drilling @ 3595'
Ran 21.75 hours drilling. Down 2.25 hours (.75 rig check, .25 jet, 1.25 connection)
Mud properties: wt. 9.1, vis. 50
Daily Mud Cost = \$2,298.03. Mud Cost to Date = \$6,289.00
Wt. on bit: 35,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'
7 7/8" bit #1 (in @ 258') = 79.00 hrs. - 3878'

Fuel usage: 377.50 gals (66" used 10")

Day 6 Date 04-21-07 Saturday

7:00 am – Drilling @ 4136'
Ran 21.75 hours drilling. Down 2.25 hours (1.00 rig check, .25 jet, 1.00 connection)
Mud properties: wt. 9.2, vis. 58
Daily Mud Cost = \$268.91. Mud Cost to Date = \$6,557.91
Wt. on bit: 35,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'
7 7/8" bit #1 (in @ 258') = 100.75 hrs. - 4199'

Fuel usage: 415.25 gals (55" 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		Pffannenstiel #1	
Rig #1 Phone Numbers			LOCATION		1180' FSL & 1050' FEL Sec. 16-16S-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. 2525' K.B. 2535' API# 15-135-24592-00-00	
620-617-7324		Tool Pusher Cellular	Doug Roberts			

Driving Directions: From Ransom: 2 miles West on Hwy 4, 1 3/4 miles North, West into.

Day 7 Date 04-22-07 Sunday Survey @ **4546' = 1 degree**

DST #1 (4491'-4546')
Mississippi formation
Recovered 20' mud

7:00 am – Drilling @ 4457'
Ran 6.25 hours drilling. Down 17.75 hours (.25 rig check, 1.50 CFS @ 4536', 1.00 CFS @ 4542', 1.00 CFS @ 4546', 10.75 trip, 1.00 CTCH, .25 survey, 2.00 DST #1)
Mud properties: wt. 9.3, vis. 51
Daily Mud Cost = \$1,890.65. Mud Cost to Date = \$8,448.56
Wt. on bit: 35,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'
7 7/8" bit #1 (in @ 258') = 107.00 hrs. - 4288'

Fuel usage: 264.25 gals (48" used 7")

Day 8 Date 04-23-07 Monday

RTD = 4629'
LTD = 4626'

7:00 am – Tripping in with bit after DST #1 @ 4546'
Ran 3.00 hours drilling. Down 21.00 hours (1.00 CTCH, 1.50 CFS @ 4559', 1.50 CFS @ 4629', 5.25 trip, 2.75 log, .25 rig check, 3.75 lay down pipe, 1.50 nipple down, 3.50 plug)
Mud properties: wt. 9.3, vis. 51
Daily Mud Cost = \$432.84. **Total Mud Cost = \$8,881.40**
Wt. on bit: 35,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 258') = 1.50 hrs. - 258'
7 7/8" bit #1 (in @ 258' out @ 4629') = 110.00 hrs. - 4371'

Fuel usage: 151.00 gals (44" used 4")

Plug well with 265 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.
1st plug @ 1920' with 50 sacks. 2nd plug @ 1200' with 80 sacks. 3rd plug @ 600' with 40 sacks.
4th plug @ 270' with 50 sacks. 5th plug @ 60 with 20 sacks to surface. Plug rat hole with 15 sacks.
Plug mouse hole with 10 sacks. Job complete @ 7:00 am on 04-24-07 by Allied Cementing (tk #30614).

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