

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: D & A Docket #: _____
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)
The plugging proposal was approved on: 06-25-07 (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 - 135-24667-00-00
Lease Name: Seib-Lewis
Well Number: 1
Spot Location (QQQQ): 80'N - 160'E - C - E/2 - 2560
SWSENE

Feet from North / South Section Line

Feet from East / West Section Line
Sec. 27 Twp. 20 S. R. 21 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 06-25-07
Plugging Completed: 06-25-07

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'	222'	8 5/8" new 20#	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 225 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.
1st plug @ 1485' with 50 sacks. 2nd plug @ 600' with 80 sacks. 3rd plug @ 260' with 50 sacks.
4th plug @ 60' with 20 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.
Job complete @ 10:00 pm on 06-25-07 by Allied Cementing (tk #30459)

Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350
Address: PO Box 276, Ellinwood, KS 67526

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KANSAS CORPORATION COMMISSION
JUN 29 2007
CONSERVATION DIVISION
WICHITA, KS

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

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Seib-Lewis #1

Location: 2560' FNL & 1160' FEL
API#: 15-135-24667-00-00

Section 27-20S-21W
Ness County, Kansas

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

COMMENCED: 06-17-07
COMPLETED: 06-25-07

TOTAL DEPTH: Driller: 4500'
Logger: 4499'

Ground Elevation: 2184'
KB Elevation: 2194'

LOG:

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 210'. Set @ 222'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 4:45 pm on 06-17-07 by Allied Cementing (tk #30561).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

3/4 degree (s) @ 225'
3/4 degree (s) @ 4386'

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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		Seib-Lewis #1	
			LOCATION		2560' FNL & 1160' FEL Sec. 27-20S-21W 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)		ELEVATION	G.L. 2184'	K.B. 2194'	API# 15-135-24667-00-00
620-794-2078	Geologist Trailer Cellular					
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Bazine & Hwy. 96: 4 miles East on Hwy 96, 11 1/2 miles South, West into.

Day	1	Date	06-17-07	Sunday	Survey @ 225' = 3/4 degree
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Moved Rig #1 on location

Spud @ 10:30 am

Ran 9.00 hours drilling (.75 drill rat hole, 3.25 drill 12 1/4", 5.00 drill 7 7/8"). Down 15.00 hours (2.75 mix mud, .75 connection, .50 CTCH, .25 survey, .25 trip, .75 run casing, .25 circulate, .25 cement, 8.00 wait on cement, .25 drill plug, 1.00 connection)

Mud properties: spud mud

Daily Mud Cost = \$794.75. Mud Cost to Date = \$794.75

Wt. on bit: 35,000, 80 RPM, 600# pump pressure

12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 5.00 hrs. - 500'

1" fuel = 37.75 gals.

Fuel usage: 151.00 gals (20" used 4") Start @ 24"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 210'. Set @ 222'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 4:45 pm on 06-17-07 by Allied Cementing (tk #30561).

Day	2	Date	06-18-07	Monday
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7:00 am - Drilling @ 725'

Ran 18.50 hours drilling. Down 5.50 hours (.75 rig check, 1.25 jet, 3.50 connection)

Mud properties: freshwater

Daily Mud Cost = \$0.00. Mud Cost to Date = \$794.75

Wt. on bit: 30,000, 80 RPM, 750# pump pressure

12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 23.50 hrs. - 1953'

Fuel usage: 264.25 gals (79" used 7") 20" + 66" delivered = 86"

Day	3	Date	06-19-07	Tuesday
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7:00 am - Drilling @ 2178'

Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, 1.00 rig repair, .75 jet, 1.50 connection)

Mud properties: freshwater

Daily Mud Cost = \$928.36. Mud Cost to Date = \$1,723.11

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

12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 43.50 hrs. - 2560'

Fuel usage: 415.25 gals (68" 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		Seib-Lewis #1	
			LOCATION		2560' FNL & 1160' FEL Sec. 27-20S-21W 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. 2184'	K.B. 2194'	API# 15-135-24667-00-00

Driving Directions: From Bazine & Hwy. 96: 4 miles East on Hwy 96, 11 1/2 miles South, West into.

Day 4 Date 06-20-07 Wednesday

7:00 am – Drilling @ 2785'
Ran 20.75 hours drilling. Down 3.25 hours (.75 rig check, 1.25 jet, 1.25 connection)
Mud properties: freshwater
Daily Mud Cost = \$1,922.10. Mud Cost to Date = \$3,645.21
Wt. on bit: 35,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'
7 7/8" bit #1 (in @ 225') = 64.25 hrs. - 3165'

Fuel usage: 453.00 gals (56" used 12")

Day 5 Date 06-21-07 Thursday

7:00 am – Drilling @ 3390'
Ran 20.50 hours drilling. Down 3.50 hours (.75 rig check, .50 jet, 1.50 connection, .75 displace @ 3408')
Mud properties: wt. 9.1, vis. 49
Daily Mud Cost = \$1,416.62. Mud Cost to Date = \$5,061.83
Wt. on bit: 30,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'
7 7/8" bit #1 (in @ 225') = 84.75 hrs. - 3750'

Fuel usage: 339.75 gals (47" used 9")

Day 6 Date 06-22-07 Friday

7:00 am – Drilling @ 3975'
Ran 18.50 hours drilling. Down 5.50 hours (.75 rig check, 3.75 rig repair, 1.00 connection)
Mud properties: wt. 9.0, vis. 49
Daily Mud Cost = \$679.04. Mud Cost to Date = \$5,740.87
Wt. on bit: 35,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'
7 7/8" bit #1 (in @ 225') = 103.25 hrs. - 4054'

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

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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	Seib-Lewis #1		
Rig #1 Phone Numbers			LOCATION	2560' FNL & 1160' FEL Sec. 27-20S-21W 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. 2184'	K.B. 2194'	API# 15-135-24667-00-00
620-617-7324	Tool Pusher Cellular	Doug Roberts				

Driving Directions: From Bazine & Hwy. 96: 4 miles East on Hwy 96, 11 1/2 miles South, West into.

Day	7	Date	06-23-07	Saturday	DST #1 (4310'-4383')
					Mississippi formation
					Recovered 25' oil spotted mud
					Survey @ 4386' = 1/4 degree

7:00 am – Drilling @ 4279'

Ran 6.00 hours drilling. Down 18.00 hours (9.50 trip, .25 rig check, .50 rig repair, 2.00 DST #1, 1.25 CFS @ 4374', 1.25 CFS @ 4379', 1.75 CFS @ 4386, 1.50 CTCH)

Mud properties: wt. 9.2, vis. 48

Daily Mud Cost = \$0.00. Mud Cost to Date = \$5,740.87

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

12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 109.25 hrs. - 4161'

Fuel usage: 339.75 gals (28" used 9")

Day	8	Date	06-24-07	Sunday	DST #1 (4310'-4393')
					Mississippi formation
					Recovered 30' mud

RTD = 4500'

7:00 am – Tripping in with bit after DST #1 @ 4386'

Ran 5.75 hours drilling. Down 18.25 hours (1.50 rig repair, 9.25 trip, 3.00 CTCH, 1.50 rig repair, 2.00 DST #2, .50 connection, .50 rig check)

Mud properties: wt. 9.2, vis. 48

Daily Mud Cost = \$728.60. Total Mud Cost = \$6,469.47

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

12 1/4" bit #1 (in @ 0' out @ 225') = 3.25 hrs. - 225'

7 7/8" bit #1 (in @ 225' out @ 4500') = 115.00 hrs. - 4275'

Fuel usage: 264.25 gals (21" used 7")

Day	9	Date	06-25-07	Monday
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7:00 am – Tripping out with bit for log @ 4500'

Ran 0.00 hours drilling. Down 24.00 hours (3.50 trip, .75 wait on loggers, 4.25 log, 4.50 lay down pipe, .25 rig check, 1.75 plug, .50 jet, 8.50 tear down)

Fuel usage: 151.00 gals (17" used 4")

Plug well with 225 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.

1st plug @ 1485' with 50 sacks. 2nd plug @ 600' with 80 sacks. 3rd plug @ 260' with 50 sacks.

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

Job complete @ 10:00 pm on 06-25-07 by Allied Cementing (tk #30459).

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CONSERVATION DIVISION
WICHITA KS

SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

PALOMINO PETROLEUM

Lease: SEIB - LEWIS #1

Plugging received from: Steve Pfeifer Date: 6-25-07 Time: 9:00 AM

1st Plug @ 1485 FT. 50 SX Stands: 24

2nd Plug @ 600 FT. 80 SX Stands: 10

3rd Plug @ 260 FT. 50 SX Stands: 4

4th Plug @ 60 FT. 20 SX Stands: 1

5th Plug @ _____ FT. _____ SX Stands: _____

Mousehole 10 SX

Rathole 15 SX

Total Cement used: 225 SX

Type of cement: 60/40 po2 690 Grel 1/4" flo seal / SX

Plug down at 10:00 PM 06-25-07 by Allied
ticket #

Call State When Completed:

Name Michelle Pennington Date: 6-26-07 Time 10:00 AM

NE 1/4 SEC. 27 T20S R21W NESS COUNTY
API# 15-135-24667 2560' FNL 1160' FEL

ELEVATION 2184 GL
2194 KB

ANHYDRITE 14 to 14

8 5/8 sec @ 224

RTD = 4500
LTD = 4499

FORMATION @ TD mississippi

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JUN 29 2007

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

30459

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

SERVICE POINT: Christ Bond

DATE <u>6-25-07</u>	SEC. <u>27</u>	TWP. <u>20</u>	RANGE <u>21</u>	CALLED-OUT <u>6:00 PM</u>	ON LOCATION <u>7:30 PM</u>	JOB START <u>8:00 PM</u>	JOB FINISH <u>10:00 PM</u>
LEASE <u>11/2 mi</u>		WELL # <u>1</u>	LOCATION <u>Christ Petrol sign 1 1/2</u>		COUNTY <u>Wes</u>	STATE <u>Kansas</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)			<u>South Lead</u>				

CONTRACTOR Southwind
 TYPE OF JOB Rotary Plug
 HOLE SIZE 7/8 T.D. 4500
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 XH DEPTH 1485
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER Palomino Petroleum

CEMENT
 AMOUNT ORDERED 225 dx 60/40 po2
6% Gel 1/2" floreal per dx.

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

EQUIPMENT

MB
 PUMP TRUCK CEMENTER Stacy
 # 120 HELPER Randy Pray
 BULK TRUCK
 # 342 DRIVER Steve Turley
 BULK TRUCK
 # _____ DRIVER _____

REMARKS:

1 1/2" 1485' 50 dx
2" 600' 80 dx
3" 260' 50 dx
4" 60' 20 dx
Bathalg 15 dx
Mauceholes 10 dx

CHARGE TO: Palomino Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

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.

SIGNATURE Thanks!
Doug Roberts

TOTAL _____

SERVICE

DEPTH OF JOB 1485
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 _____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

_____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____
 _____ @ _____

TOTAL _____

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME Doug Roberts

Thank you