

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: 08-08-07 (Date)

by: Darrel Dipman (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. (repeated three times)

API Number: 15 - 065-23322-00-00

Lease Name: Moffet "A"

Well Number: 1

Spot Location (QQQQ): 120'S - 150'W - NE-NE - SE 2190

Feet from North / South Section Line

480 Feet from East / West Section Line

Sec. 22 Twp. 6 S. R. 24 East West

County: Graham

Date Well Completed: D & A

Plugging Commenced: 08-09-07

Plugging Completed: 08-09-07

Show depth and thickness of all water, oil and gas formations.

Table with columns: Oil, Gas or Water Records (Formation, Content) and Casing Record (Surface Conductor & Production) (From, To, Size, Put In, Pulled Out). Row 1: *see attached drilling report, 0', 265', 8 5/8" new 20#, 253.67', 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 200 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.

1st plug @ 2180' with 25 sacks. 2nd plug @ 1295' with 100 sacks. 3rd plug @ 315' with 40 sacks.

4th plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.

Job complete @ 9:00 am on 08-09-07 by Allied Cementing (tk #33336)

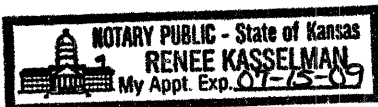
Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350

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 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 13 day of August, 20 07

Notary Public signature and My Commission Expires: 07-15-09

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

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PKT

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Moffet "A" #1

Plugging received from KCC representative:

Name: Darrel Dipman Date 8-8-07 Time 3:15 pm

1st plug @ 2180 ft. 25 sx. Stands: _____

2nd plug @ 1295 ft. 100 sx. Stands: _____

3rd plug @ 315 ft. 40 sx. Stands: _____

4th plug @ 40 ft. 10 sx. Stands: _____

5th plug @ _____ ft. _____ sx. Stands: _____

Mousehole _____ 10 sx.

Rahole _____ 15 sx.

Total Cement used: _____ 200 sx.

Type of cement 60/40 Poz, 670 gal, 1/4# floreal

Plug down @ 9:00 am on 08-09-07 by Allied
(TKT# 32336)

Call KCC When Completed:

Name: Herb Diens Date 8-9-07 Time 10:00 am

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CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

33336

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

SERVICE POINT: Russell

| | | | | | | | |
|------------------------------------|------------------|---------------------------------------|-----------------|---------------|-----------------------|-------------------------|--------------------------|
| DATE <u>8-9-07</u> | SEC. <u>22</u> | TWP. <u>6</u> | RANGE <u>24</u> | CALLED OUT | ON LOCATION | JOB START <u>6:30am</u> | JOB FINISH <u>9:00am</u> |
| LEASE <u>10/10/04</u> | WELL # <u>H1</u> | LOCATION <u>Parker 1/2 W 10 1/2 N</u> | | | COUNTY <u>Cassham</u> | STATE <u>KS</u> | |
| OLD OR NEW (Circle one) <u>OLD</u> | | | | <u>W into</u> | | | |

CONTRACTOR Southland #1

TYPE OF JOB Rental Plug

HOLE SIZE _____ T.D. 3914

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 200 4/40 690601

147 110

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK CEMENTER Craig

409 HELPER John

BULK TRUCK DRIVER Chris B.

378

BULK TRUCK DRIVER _____

REMARKS:

1st Plug 2550 R 2170

2nd Plug 1020 R 1295

3rd Plug 450 R 58

4th Plug 1020 R 40

Proble 1000

Proble 1000

Thanks

CHARGE TO: Richard Ransom

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

1 8 1/2 Drill Pipe

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

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 [Signature]

PRINTED NAME _____

SOUTHWIND DRILLING, INC.
RIG #1

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

DRILLING REPORT

Moffet "A" #1

Location: 2190' FSL & 480' FEL
API#: 15-065-23322-00-00

Section 22-6S-24W
Graham County, Kansas

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

COMMENCED: 08-03-07
COMPLETED: 08-09-07

TOTAL DEPTH: Driller: 3964'
Logger: 3963'

Ground Elevation: 2445'
KB Elevation: 2455'

LOG:

0' - 2170' Shale
2170' - 2202' Anhydrite
2202' - 3964' Lime/Shale
3964' RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 6 joints of 20# new 8 5/8" surface casing. Tally @ 253.67'. Set @ 265'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 9:30 pm on 08-03-07 by Allied Cementing (tk #24079).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

1/2 degree (s) @ 265'
1/4 degree (s) @ 3964'

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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 | Moffet "A" #1 | | |
| Rig #1 Phone Numbers | | | LOCATION | 2190' FSL & 480' FEL Sec. 22-6S-24W Graham 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. 2445' | K.B. 2455' | API# 15-065-23322-00-00 |
| 620-617-7324 | Tool Pusher Cellular | Frank Rome | | | | |

Driving Directions: From Penokee: 11 ¼ miles North, West into.

| | | | | | |
|-----|---|------|----------|--------|--------------------------|
| Day | 1 | Date | 08-03-07 | Friday | Survey @ 265' = ½ degree |
|-----|---|------|----------|--------|--------------------------|

Moved Rig #1 on location

Spud @ 5:15 pm

Ran 2.00 hours drilling (.25 drill rat hole, 1.75 drill 12 ¼"). Down 22.00 hours (9.50 move/rig up, 2.00 rig repair, .50 connection, .25 circulate, .25 survey, .25 trip, .75 run casing, .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: 15,000, 120 RPM, 400# pump pressure

12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'

1" fuel = 37.75 gals.

Fuel usage: 113.25 gals (78" used 3") Start @ 18" + 63" delivered = 81"

Ran 6 joints of 20# new 8 5/8" surface casing. Tally @ 253.67'. Set @ 265'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 9:30 pm on 08-03-07 by Allied Cementing (tk #24079).

| | | | | |
|-----|---|------|----------|----------|
| Day | 2 | Date | 08-04-07 | Saturday |
|-----|---|------|----------|----------|

7:00 am – Rig repair @ 265'

Ran 13.00 hours drilling. Down 11.00 hours (.50 rig check, 6.75 rig repair, .50 drill plug, 1.00 jet, 2.25 connection)

Mud properties: freshwater

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

Wt. on bit: 15,000, 80 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'

7 7/8" bit #1 (in @ 265') 13.00 hrs. - 1369'

Fuel usage: 264.25 gals (71" used 7")

| | | | | | |
|-----|---|------|----------|--------|-------------------------|
| Day | 3 | Date | 08-05-07 | Sunday | Anhydrite (2170'-2202') |
|-----|---|------|----------|--------|-------------------------|

7:00 am – Rig repair @ 1634'

Ran 16.50 hours drilling. Down 7.50 hours (.75 rig check, 2.25 connection, 3.50 rig repair, 1.00 jet)

Mud properties: wt. 9.1, vis. 29

Daily Mud Cost = \$1,267.45. Mud Cost to Date = \$1,267.45

Wt. on bit: 32,000, 80 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'

7 7/8" bit #1 (in @ 265') 29.50 hrs. - 2460'

Fuel usage: 377.50 gals (61" 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 | | Moffet "A" #1 |
| Rig #1 Phone Numbers | | | | LOCATION | | 2190' FSL & 480' FEL Sec. 22-6S-24W Graham 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 | | Frank Rome | | |
| | | | | ELEVATION | G.L. 2445' | K.B. 2455' API# 15-065-23322-00-00 |

Driving Directions: From Penokee: 11 ¼ miles North, West into.

Day 4 Date 08-06-07 Monday

7:00 am – Drilling @ 2725'
 Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, .75 rig repair, 1.00 displace @ 3144', 1.50 connection)
 Mud properties: wt. 8.8, vis. 57
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$1,267.45
 Wt. on bit: 33,000, 80 RPM, 750# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'
 7 7/8" bit #1 (in @ 265') 49.50 hrs. - 3125'

Fuel usage: 415.25 gals (50" used 11")

Day 5 Date 08-07-07 Tuesday

7:00 am – Drilling @ 3390'
 Ran 20.50 hours drilling. Down 3.50 hours (.75 rig check, 1.00 connection, 1.00 CFS @ 34747', .75 rig repair)
 Mud properties: wt. 9.5, vis. 54, water loss 8.0
 Daily Mud Cost = \$3,503.40. Mud Cost to Date = \$4,770.85
 Wt. on bit: 35,000, 70 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'
 7 7/8" bit #1 (in @ 265') 70.00 hrs. - 3578'

Fuel usage: 415.25 gals (39" used 11")

Day 6 Date 08-08-07 Wednesday Survey @ 3964' = ¼ degree

RTD = 3964'
LTD = 3963'

7:00 am – Drilling @ 3843'
 Ran 6.25 hours drilling. Down 17.75 hours (.25 rig check, .25 connection, 1.25 CFS @ 3964', 5.50 trip, 1.25 CTCH, 4.00 log, 3.00 lay down pipe, 1.75 nipple down, .50 plug)
 Mud properties: wt. 9.1, vis. 54, water loss 8.0
 Daily Mud Cost = \$0.00. **Total Mud Cost = \$4,770.85**
 Wt. on bit: 35,000, 70 RPM, 850# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 265') = 1.75 hrs. - 265'
 7 7/8" bit #1 (in @ 265' out @ 3964') 76.25 hrs. - 3699'

Fuel usage: 226.50 gals (33" used 6")

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 WICHTA KS

| | | | | | | |
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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 | | Moffet "A" #1 | |
| | | | LOCATION | | 2190' FSL & 480' FEL Sec. 22-6S-24W Graham 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 | Frank Rome | ELEVATION | G.L. 2445' | K.B. 2455' | API# 15-065-23322-00-00 |

Driving Directions: From Penokee: 11 ¼ miles North, West into.

Day Date 08-09-07 Thursday

7:00 am – Plugging the well @ 3964'
Ran 0.00 hours drilling. Down 8.00 hours (2.00 plug, 6.00 tear down)

Plug well with 200 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.
1st plug @ 2180' with 25 sacks. 2nd plug @ 1295' with 100 sacks. 3rd plug @ 315' with 40 sacks.
4th plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.
Job complete @ 9:00 am on 08-09-07 by Allied Cementing (tk #33336).

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