

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 & Gas D&A Docket #: \_\_\_\_\_  
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)  
The plugging proposal was approved on: 08-14-07 (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. \_\_\_\_\_  
\_\_\_\_\_  
Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_  
\_\_\_\_\_  
Depth to Top: \_\_\_\_\_ Bottom: \_\_\_\_\_ T.D. \_\_\_\_\_

API Number: 15 - 065-23328-00-00  
Lease Name: Storz  
Well Number: 1  
Spot Location (QQQQ): 20'N - 100'W - NW-SE - SE  
1010 Feet from  North /  South Section Line  
1090 Feet from  East /  West Section Line  
Sec. 34 Twp. 6 S. R. 24  East  West  
County: Graham  
Date Well Completed: D & A  
Plugging Commenced: 08-17-07  
Plugging Completed: 08-17-07

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'	315'	8 5/8" new 20#	304.68'	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 195 sacks of 6/040 Poz, 6% gel, 1/4# floseal per sack.

1st plug @ 2250' with 25 sacks. 2nd plug @ 1325' with 100 sacks. 3rd plug @ 375' with 40 sacks.

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

Job complete @ 4:30 am on 08-17-07 by Allied Cementing (tk #25973).

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.

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Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc. (Employee of Operator) or (Operator) on above described well 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 20 day of August, 20 07  
Renee Kasselmann My Commission Expires: 7-15-09  
Notary Public

PPT

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

Lease: Storz #1

Plugging received from KCC representative:

Name: Darrel Dipman Date 8-14-07 Time 10:45 AM

1<sup>st</sup> plug @ 2250 ft. 25 sx. Stands: 36

2nd plug @ 1325 ft. 100 sx. Stands: 21

3rd plug @ 375 ft. 40 sx. Stands: 6

4th plug @ 40 ft. 10 sx. Stands: \_\_\_\_\_

5th plug @ \_\_\_\_\_ ft. \_\_\_\_\_ sx. Stands: \_\_\_\_\_

Mousehole 10 sx.

Rahole 10 sx.

Total Cement used: 195 sx.

Type of cement 60/40 Poz 6% Gel 1/4" FloSeal

Plug down @ 4:30 AM 8-17-07 by Allied Ticket # 25973

Call KCC When Completed:

Name: Ed Shoemaker Date 8-17-07 Time 10:30 AM

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CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC. 25973

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

SERVICE POINT: Oakley

DATE <u>8-17-07</u>	SEC <u>34</u>	TWP <u>6S</u>	RANGE <u>24W</u>	CALLED OUT	ON LOCATION <u>9:15 PM</u>	JOB START <u>3:30 PM</u>	JOB FINISH <u>4:30 AM</u>
LEASE <u>stor 2</u>	WELL# <u>1</u>	LOCATION <u>Penokee 1/2W - 900N - 1/4W</u>			COUNTY <u>Graham</u>	STATE <u>Ks</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Southwind Drilling #1

TYPE OF JOB PTA

HOLE SIZE 7 7/8 T.D. 4042'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4 1/2 x H DEPTH 2250'

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER Same

CEMENT AMOUNT ORDERED 195-sks 6 9/40 per  
6 9/40 #1, 1/4# Flo Seal

**EQUIPMENT**

PUMP TRUCK CEMENTER Walt

# 422 HELPER Wayne

BULK TRUCK DRIVER Terry H.

# \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>5Ks</u>	@	<u>12.60</u>
POZMIX	<u>5Ks</u>	@	<u>6.40</u>
GEL	<u>5Ks</u>	@	<u>16.60</u>
CHLORIDE		@	
ASC		@	
<u>Flo Seal</u>	<u>#</u>	@	<u>2.00</u>
		@	
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>5Ks</u>	@	<u>1.90</u>
MILEAGE	<u>94 per 5K/ mile</u>		
			TOTAL _____

**REMARKS:**

25 sks @ 2250'

100 sks @ 1325'

40 sks @ 375'

10 sks @ 40'

10 sks in P.H.

10 sks in M.H.

**SERVICE**

DEPTH OF JOB \_\_\_\_\_

PUMP TRUCK CHARGE \_\_\_\_\_

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE miles @ 6.00

MANIFOLD @ \_\_\_\_\_

@ \_\_\_\_\_

@ \_\_\_\_\_

TOTAL \_\_\_\_\_

CHARGE TO: Palomino Petroleum

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT RECEIVED**

KANSAS CORPORATION COMMISSION

@ \_\_\_\_\_

@ **AUG 23 2007**

@ CONSERVATION DIVISION

@ WICHITA, KS

@ \_\_\_\_\_

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 Frank J. Bone

Frank J. Bone  
PRINTED NAME

**SOUTHWIND DRILLING, INC.**  
**RIG #1**

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

**DRILLING REPORT**

Storz #1

Location: 1010' FSL & 1090' FEL  
API#: 15-065-23322800-00

Section 34-6S-24W  
Graham County, Kansas

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

COMMENCED: 08-10-07  
COMPLETED: 08-17-07

TOTAL DEPTH: Driller: 4042'  
Logger: 4047'

Ground Elevation: 2496'  
KB Elevation: 2506'

LOG:

0'	-	2229'	Shale
2229'	-	2267'	Anhydrite
2267'	-	3205'	Shale/Lime
3205'	-	3368'	Shale
3368'	-	4042'	Lime/Shale
		4042'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 7 joints of 20# new 8 5/8" surface casing. Tally @ 304.68'. Set @ 315'. Cement with 200 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 8:15 pm on 08-10-07 by Allied Cementing (tkr #33295).

Production casing – 5 1/2"

None plugged the well

**DEVIATION SURVEYS**

1 degree (s)	@	317'
1 1/2 degree (s)	@	3902'
3/4 degree (s)	@	4042'

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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	Storz #1		
Rig #1 Phone Numbers			LOCATION	1010' FSL & 1090' FEL Sec. 34-6S-24W Graham County, KS		
620-794-2075	Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup>			
620-794-2078	Geologist Trailer Cellular		Newton, KS 67114 316-799-1000			
620-617-7324	Tool Pusher Cellular	Frank Rome	ELEVATION	G.L. 2496'	K.B. 2506'	API# 15-065-23328-00-00

**Driving Directions:** From Penokee: 9 ¼ miles North, West into.

Day 1 Date 08-10-07 Friday Survey @ 317' = 1 degree

Moved Rig #1 on location

Spud @ 3:15 pm

Ran 3.50 hours drilling (.75 drill rat hole, 1.25 drill 12 ¼", 1.50 drill 7 7/8"). Down 20.50 hours (7.50 move/rig up, .25 CTCH, .25 survey, .50 trip, 1.75 run casing/cement, .25 rig check, 1.25 connection, 8.00 wait on cement, .75 drill plug)

Mud properties: spud mud

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

Wt. on bit: 15,000, 60 RPM, 600# pump pressure

12 ¼" bit #1 (in @ 0' out @ 317') = 1.25 hrs. - 317'

7 7/8" bit #1 (in @ 317') = 1.50 hrs. - 143'

1" fuel = 37.75 gals.

Fuel usage: 113.25 gals (79" used 3") Start @ 33" + 49" delivered = 82"

Ran 7 joints of 20# new 8 5/8" surface casing. Tally @ 304.68'. Set @ 315'. Cement with 200 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 8:15 pm on 08-10-07 by Allied Cementing (tk #33295).

Day 2 Date 08-11-07 Saturday Anhydrite (2229'-2267')

7:00 am - Drilling @ 460'

Ran 16.75 hours drilling. Down 7.25 hours (.75 rig check, .50 rig repair, .25 lost circulation @ 889', 1.75 jet, 4.00 connection)

Mud properties: wt. 8.0

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 @ 317') = 1.25 hrs. - 317'

7 7/8" bit #1 (in @ 317') = 18.25 hrs. - 2290'

Fuel usage: 377.50 gals (69" used 10")

Day 3 Date 08-12-07 Sunday

7:00 am - Drilling @ 2607'

Ran 20.25 hours drilling. Down 3.75 hours (.75 rig check, .25 jet, .75 displace @ 3100', 2.00 connection)

Mud properties: wt. 8.0

Daily Mud Cost = \$3,197.20. Mud Cost to Date = \$3,197.20

Wt. on bit: 30,000, 80 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 317') = 1.25 hrs. - 317'

7 7/8" bit #1 (in @ 317') = 38.50 hrs. - 3051'

Fuel usage: 415.25 gals (58" used 11")

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<b>MORNING DRILLING REPORT</b>			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		Storz #1	
Rig #1 Phone Numbers			LOCATION		1010' FSL & 1090' FEL Sec. 34-6S-24W Graham County, KS	
620-794-2075		Rig Cellular (Dog house)	Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup>		Newton, KS 67114 316-799-1000	
620-794-2078		Geologist Trailer Cellular	ELEVATION		G.L. 2496'    K.B. 2506'    API# 15-065-23328-00-00	
620-617-7324		Tool Pusher Cellular	Frank Rome			

**Driving Directions:** From Penokee: 9 ¼ miles North, West into.

Day 4                      Date 08-13-07                      Monday

7:00 am – Drilling @ 3368'  
 Ran 21.25 hours drilling. Down 2.75 hours (.75 rig check, 1.25 connection, .25 rig repair, .50 CFS @ 3817')  
 Mud properties: wt. 9.4, vis. 50, water loss 7.8  
 Daily Mud Cost = \$2,245.81. Mud Cost to Date = \$5,443.01  
 Wt. on bit: 35,000, 70 RPM, 900# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 317') = 1.25 hrs. - 317'  
 7 7/8" bit #1 (in @ 317') = 59.75 hrs. - 3529'

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

Day 5                      Date 08-14-07                      Tuesday                      Survey @ 3902' = 1 ½ degree

DST #1 (3816'-3902')  
LKC formation  
Recovered 360' muddy water

7:00 am – Drilling @ 3846'  
 Ran 3.25 hours drilling. Down 20.75 hours (1.00 CFS @ 3902', 10.00 trip, 1.00 CTCH, 1.00 rig check, .25 survey, 2.00 DST #1, 5.50 mix mud/lost circulation @ 3902')  
 Mud properties: wt. 9.2, vis. 57, water loss 8.0  
 Daily Mud Cost = \$473.41. Mud Cost to Date = \$5,916.41  
 Wt. on bit: 35,000, 70 RPM, 850# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 317') = 1.25 hrs. - 317'  
 7 7/8" bit #1 (in @ 317' out @ 3902') = 63.00 hrs. - 3585'

Fuel usage: 264.25 gals (41" used 7")

Day 6                      Date 08-15-07                      Wednesday                      Survey @ 4042' = ¾ degree

**RTD = 4042'**  
**LTD = 4047'**

7:00 am – Mixing mud for lost circulation @ 3902'  
 Ran 10.25 hours drilling. Down 13.75 hours (3.50 mix mud/lost circulation, .25 rig check, .25 connection, 1.00 CTCH, 1.75 CFS @ 4042', 1.75 trip, .25 survey, 4.00 log, 1.00 wait on orders)  
 Mud properties: wt. 9.0, vis. 52, water loss 10.2  
 Daily Mud Cost = \$2,518.99. Total Mud Cost = \$8,278.99  
 Wt. on bit: 35,000, 75 RPM, 800# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 317') = 1.25 hrs. - 317'  
 7 7/8" bit #1 (in @ 317' out @ 3902') = 63.00 hrs. - 3585'  
 7 7/8" bit #2 (in @ 3902' out @ 4042') = 10.25 hrs. - 140'

Fuel usage: 302.00 gals (33" used 8")

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 WICHITA, KS

<b>MORNING DRILLING REPORT</b>			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		Storz #1	
Rig #1 Phone Numbers			LOCATION		1010' FSL & 1090' FEL Sec. 34-6S-24W Graham County, KS	
620-794-2075		Rig Cellular (Dog house)	Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup>		Newton, KS 67114 316-799-1000	
620-794-2078		Geologist Trailer Cellular				
620-617-7324		Tool Pusher Cellular	Frank Rome	ELEVATION	G.L. 2496'	K.B. 2506'
						API# 15-065-23328-00-00

**Driving Directions:** From Penokee: 9 ¼ miles North, West into.

Day	7	Date	08-16-07	Thursday	<b>DST #2 (3766'-3823')</b> <b><u>LKC formation</u></b> <b><u>Recovered 360' mud and 1690' water</u></b> <b><u>with trace of oil</u></b>
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7:00 am – Waiting on orders @ 4042'  
 Ran 0.00 hours drilling. Down 24.00 hours (1.25 rig repair, 7.75 trip, 2.00 wait on orders, 1.00 wait on tester, 2.25 lay down pipe, 2.00 DST #2, 4.25 plug, 1.00 nipple down, 2.50 tear down)

Fuel usage: 113.25 gals (30" used 3")

Plug well with 195 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack.  
 1<sup>st</sup> plug @ 2250' with 25 sacks. 2<sup>nd</sup> plug @ 1325' with 100 sacks. 3<sup>rd</sup> plug @ 375' with 40 sacks.  
 4<sup>th</sup> plug @ 40' with 10 sacks to surface. Plug rat hole with 10 sacks. Plug mouse hole with 10 sacks.  
 Job complete @ 4:30 am on 08-17-07 by Allied Cementing (tk #25973).

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