

**\*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: 09-21-07 (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 - 135-24702-00-00  
 Lease Name: Norton-Klement  
 Well Number: 1  
 Spot Location (QQQQ): 230' N - 80' W - N/2-N/2 - NW  
100 Feet from  North /  South Section Line  
1240 Feet from  East /  West Section Line  
 Sec. 24 Twp. 17 S. R. 26  East  West  
 County: Ness  
 Date Well Completed: D & A  
 Plugging Commenced: 09-24-07  
 Plugging Completed: 09-24-07

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'	224'	8 5/8" new 20#	212.13'	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 265 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1840' with 50 sacks. 2nd plug @ 1160' with 80 sacks. 3rd plug @ 550' with 40 sacks.

4th plug @ 260' with 50 sacks. 5th plug @ 60' with 20 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.

Job complete @ 9:30 am on 09-24-07 by Allied Cementing (tk #30890)

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

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**OCT 01 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 September, 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**

Norton-Klement #1

Location: 100' FNL & 1240' FWL  
API#: 15-135-24702-00-00

Section 24-17S-26W  
Ness County, Kansas

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

COMMENCED: 09-14-07  
COMPLETED: 09-23-07

TOTAL DEPTH: Driller: 4510'  
Logger: 4507'

Ground Elevation: 2463'  
KB Elevation: 2473'

LOG:

0'	-	1819'	Shale
1819'	-	1849'	Anhydrite
1849'	-	2736'	Shale
2736'	-	4510'	Lime/Shale
		4510'	RTD

CASING RECORDS

Surface casing - 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 212.13'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 4:30 a.m. on 09-15-07 by Allied Cementing (tkr #30882).

Production casing - 5 1/2"

None- plugged the well

**DEVIATION SURVEYS**

1/4 degree (s)	@	227'
0 degree (s)	@	3465'
1/4 degree (s)	@	4425'
1 degree (s)	@	4510'

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CONSERVATION DIVISION  
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	Norton-Klement #1	
Rig #1 Phone Numbers			LOCATION	100' FNL & 1240' FWL Sec. 24-17S-26W Ness 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. 2463'    K.B. 2473'    API# 15-135-24702-00-00

**Driving Directions:** From Utica: 1/2 mile East on Hwy. 4, 5 miles South on "E" Road, East into.

Day 1                      Date 09-14-07                      Friday                      Survey @ 227' = 1/4 degree

Moved Rig #1 on location  
 Spud @ 8:00pm  
 Ran 4.75 hours drilling (1.00 drill rat hole, 3.75 drill 12 1/4"). Down 19.25 hours (12.00 tear down/move, .50 rig repair, .75 connection, .50 jet, .25 CTCH, .25 trip, .25 survey, 2.25 run casing/cement, 2.50 wait on cement)  
 Mud properties: spud mud  
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00  
 Wt. on bit: all, 100 RPM, 400# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 227') =                      3.75 hrs. -    227'  
 1" fuel = 37.75 gals.  
 Fuel usage: 75.50 gals (80" used 2") Start @ 32" + 50" delivered = 82"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 212.13'. Set @ 224'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 4:30 a.m. on 09-15-07 by Allied Cementing (tk #30882).

Day 2                      Date 09-15-07                      Saturday

7:00 am - Waiting on cement @ 227'  
 Ran 13.00 hours drilling. Down 11.00 hours (5.50 wait on cement, .25 drill plug, .50 rig check, 2.75 connection, .50 rig repair, 1.50 jet)  
 Mud properties: freshwater  
 Daily Mud Cost = \$389.75. Mud Cost to Date = \$389.75  
 Wt. on bit: 30,000, 70 RPM, 700# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 227') =                      3.75 hrs. -    227'  
 7 7/8" bit #1 (in @ 227') =                      13.00 hrs. -    1413'  
 Fuel usage: 377.50 gals (70" used 10")

Day 3                      Date 09-16-07                      Sunday

7:00 am - Drilling @ 1640'  
 Ran 18.25 hours drilling. Down 5.75 hours (.75 rig check, 1.25 jet, 2.00 connection, 1.75 rig repair)  
 Mud properties: freshwater  
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$389.75  
 Wt. on bit: 30,000, 70 RPM, 750# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 227') =                      3.75 hrs. -    227'  
 7 7/8" bit #1 (in @ 227') =                      31.25 hrs. -    2509'  
 Fuel usage: 453.00 gals (58" used 12")

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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	Norton-Klement #1	
Rig #1 Phone Numbers			LOCATION	100' FNL & 1240' FWL Sec. 24-17S-26W Ness 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		
620-617-7324 Tool Pusher Cellular		Frank Rome	G.L. 2463'	K.B. 2473'	API# 15-135-24702-00-00

**Driving Directions:** From Utica: ½ mile East on Hwy. 4, 5 miles South on "E" Road, East into.

Day 4 Date 09-17-07 Monday Anhydrite (1819'-1849')

7:00 am – Drilling @ 2736'  
 Ran 20.50 hours drilling. Down 3.50 hours (.75 rig check, .75 jet, .75 connection, 1.25 rig repair)  
 Mud properties: freshwater  
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$389.75  
 Wt. on bit: 35,000, 70 RPM, 600# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
 7 7/8" bit #1 (in @ 227') = 51.75 hrs. - 3118'

Fuel usage: 415.25 gals (47" used 11")

Day 5 Date 09-18-07 Tuesday

7:00 am – Drilling @ 3345'  
 Ran 14.50 hours drilling. Down 9.50 hours (.75 rig check, 1.25 jet, .75 connection, .25 survey, 5.25 trip/plugged bit, 1.25 rig repair)  
 Mud properties: wt. 8.7, vis. 52, water loss 8.8  
 Daily Mud Cost = \$4,034.92. Mud Cost to Date = \$4,424.67  
 Wt. on bit: 30,000, 70 RPM, 600# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
 7 7/8" bit #1 (in @ 227') = 66.25 hrs. - 3423'

Fuel usage: 302.00 gals (39" used 8")

Day 6 Date 09-19-07 Wednesday

7:00 am – Drilling @ 3650'  
 Ran 21.50 hours drilling. Down 2.50 hours (.75 rig check, 1.25 connection, .25 rig repair, .25 jet)  
 Mud properties: wt. 9.2, vis. 51, water loss 8.8  
 Daily Mud Cost = \$121.01. Mud Cost to Date = \$4,545.68  
 Wt. on bit: 30,000, 70 RPM, 600# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
 7 7/8" bit #1 (in @ 227') = 87.75 hrs. - 3828'

Fuel usage: 377.50 gals (29" used 10")

Day 7 Date 09-20-07 Thursday

7:00 am – Drilling @ 4055'  
 Ran 21.00 hours drilling. Down 3.00 hours (.75 rig check, .75 connection, .25 jet, 1.25 rig repair)  
 Mud properties: wt. 9.2, vis. 54, water loss 9.2  
 Daily Mud Cost = \$661.32. Mud Cost to Date = \$5,207.00  
 Wt. on bit: 30,000, 70 RPM, 600# pump pressure  
 12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
 7 7/8" bit #1 (in @ 227') = 108.75 hrs. - 4118'

Fuel usage: 302.00 gals (48" used 8") 29" + 27" delivered = 56"

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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	Norton-Klement #1		
Rig #1 Phone Numbers			LOCATION	100' FNL & 1240' FWL Sec. 24-17S-26W Ness 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. 2463'	K.B. 2473'	API# 15-135-24702-00-00
620-617-7324	Tool Pusher Cellular	Frank Rome				

**Driving Directions:** From Utica: ½ mile East on Hwy. 4, 5 miles South on "E" Road, East into.

Day 8 Date 09-21-07 Friday Survey @ 4425' = ¼ degree

DST #1 (4352'-4425')  
Mississippi formation  
Recovered 210' oil cut mud

7:00 am – Drilling @ 4345'  
Ran 5.50 hours drilling. Down 18.50 hours (.25 rig check, 1.50 CFS @ 4411', 2.00 CFS @ 4416', 1.75 CFS @ 4420', 1.50 CFS @ 4425', 7.75 trip, 1.50 CTCH, .25 survey, 2.00 DST #1)  
Mud properties: wt. 9.2, vis. 50, water loss 10.0  
Daily Mud Cost = \$857.11. Daily Mud Cost = \$6,064.11  
Wt. on bit: 30,000, 70 RPM, 600# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
7 7/8" bit #1 (in @ 227') = 114.25 hrs. - 4198'

Fuel usage: 302.00 gals (40" used 8")

Day 9 Date 09-22-07 Saturday DST #2 (4428'-4435')  
Mississippi formation  
Recovered 70' water & 50' mud

7:00 am – Laying down test tool from DST #1 @ 4425'  
Ran 6.00 hours drilling. Down 18.00 hours (10.50 trip, 2.00 CTCH, 2.75 CFS @ 4435', 2.00 DST #2, .50 CFS @ 4510', .25 rig repair)  
Mud properties: wt. 9.2, vis. 53, water loss 7.2  
Daily Mud Cost = \$1,359.75. Total Mud Cost = \$7,423.86  
Wt. on bit: 30,000, 70 RPM, 600# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 227') = 3.75 hrs. - 227'  
7 7/8" bit #1 (in @ 227' out @ 4425') = 114.25 hrs. - 4198'  
7 7/8" bit #2 (in @ 4425' out @ 4510') = 6.00 hrs. - 85'

Fuel usage: 264.25 gals (33" used 7")

Day 10 Date 09-23-07 Sunday DST #3 (4419'-4454')  
Mississippi formation  
Recovered 75' water & 15' oil

RTD = 4510'  
LTD = 4507'

Survey @ 4510' = 1 degree

7:00 am – CFS @ 4510'  
Ran 0.00 hours drilling. Down 24.00 hours (1.00 CTCH, .25 survey, 6.75 trip, 4.50 log, 2.00 wait on tester, 2.25 DST #3, .50 wait on orders, .25 rig repair, 3.25 lay down pipe, 1.25 nipple down, 2.00 plug)

Fuel usage: 151.00 gals (29" used 4")

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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	Norton-Klement #1		
Rig #1 Phone Numbers			LOCATION	100' FNL & 1240' FWL Sec. 24-17S-26W Ness 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. 2463'	K.B. 2473'	API# 15-135-24702-00-00

**Driving Directions:** From Utica: ½ mile East on Hwy. 4, 5 miles South on "E" Road, East into.

Day  Date 09-24-07 Monday

7:00 am – Plugging the well @ 4510'

Ran 0.00 hours. Down 8.00 hours (2.50 finish plugging, 5.50 tear down/move rig)

Plug well with 265 sacks of 60/40 Poz, 4% gel, ¼# floseal per sack.

1<sup>st</sup> plug @ 1840' with 50 sacks. 2<sup>nd</sup> plug @ 1160' with 80 sacks. 3<sup>rd</sup> plug @ 550' with 40 sacks.

4<sup>th</sup> plug @ 260' with 50 sacks. 5<sup>th</sup> plug @ 60' with 20 sacks to surface. Plug rat hole with 15 sacks.

Plug mouse hole with 10 sacks. Job complete @ 9:30 am on 09-24-07 by Allied Cementing (tk #30890).

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SOUTHWIND DRILLING, INC.  
PLUGGING ORDERS AND REPORTS

Lease: Norton-Klement #1

Plugging received from KCC representative:

Name: Richard Lacey Date 9-21-07 Time 2:00 PM

1<sup>st</sup> plug @ 1840 ft. 50 sx. Stands: 30

2nd plug @ 1160 ft. 80 sx. Stands: 19

3rd plug @ 550 ft. 40 sx. Stands: 9

4th plug @ 260 ft. 50 sx. Stands: 4

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

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 265 sx.

Type of cement 60/40 POZ 40% Gel 1/4# FloSeal Per Sack

Plug down @ 9:30 AM

Call KCC When Completed:

Name: Eric Date 9-24-07 Time 3:30 PM

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CONSERVATION DIVISION

# ALLIED CEMENTING CO., INC.

30890

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

SERVICE POINT:

*M.B.*

DATE <i>9-24-07</i>	SEC <i>24</i>	TWP. <i>17</i>	RANGE <i>26</i>	CALLED OUT <i>12 AM</i>	ON LOCATION <i>4 AM</i>	JOB START <i>8 AM</i>	JOB FINISH <i>1 PM</i>
LEASE <i>Norton</i>	WELL # <i>1</i>	LOCATION <i>●</i>			COUNTY <i>N-55</i>	STATE <i>K.S.</i>	
OLD OR NEW (Circle one)							

CONTRACTOR *Southwind Rig 1*  
 TYPE OF JOB *Rotary Pl.*  
 HOLE SIZE \_\_\_\_\_ T.D. *4910 ft*  
 CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE *4 1/2* DEPTH *1840 ft*  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_  
 CEMENT LEFT IN CSG. \_\_\_\_\_  
 PERFS. \_\_\_\_\_  
 DISPLACEMENT \_\_\_\_\_

OWNER \_\_\_\_\_  
 CEMENT AMOUNT ORDERED *265 @ 47 gal*  
*1/2 flo seal per gal*  
 COMMON \_\_\_\_\_ @ \_\_\_\_\_  
 POZMIX \_\_\_\_\_ @ \_\_\_\_\_  
 GEL \_\_\_\_\_ @ \_\_\_\_\_  
 CHLORIDE \_\_\_\_\_ @ \_\_\_\_\_  
 ASC \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 HANDLING \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK CEMENTER *Mike m*  
 # *181* HELPER *J.D.*  
 BULK TRUCK \_\_\_\_\_  
 # *344* DRIVER *Tyler*  
 BULK TRUCK \_\_\_\_\_  
 # \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

*50 ft at 1840 ft*  
*80 ft at 1160 ft*  
*40 ft at 550 ft*  
*50 ft at 260 ft*  
*20 ft at 60 ft*  
*15 ft in 2H*  
*10 ft in 1H*

TOTAL \_\_\_\_\_

**SERVICE**

DEPTH OF JOB *1840 ft*  
 PUMP TRUCK CHARGE \_\_\_\_\_  
 EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MILEAGE \_\_\_\_\_ @ \_\_\_\_\_  
 MANIFOLD \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_  
 \_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

CHARGE TO: *Palomino Petr*  
 STREET \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**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 *Frank J. Rome*

*Frank J. Rome*  
 PRINTED NAME

*Thank you*  
*CHP*