

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: 10-12-07 (Date)
by: Steve Durant (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 - 135-24698-00-00
Lease Name: Norton-Stutz
Well Number: 1
Spot Location (QQQQ): 140'S - 110'E - C - W/2
2500 Feet from North / South Section Line
1430 Feet from East / West Section Line
Sec. 18 Twp. 17 S. R. 25 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 10-13-07
Plugging Completed: 10-13-07

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'	218'	8 5/8' new 20#	205.97'	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 255 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1860' with 50 sacks. 2nd plug @ 1170' with 80 sacks. 3rd plug @ 600' with 40 sacks.

4th plug @ 240' with 40 sacks. 5th plug @ 60' with 20 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.

Job complete @ 2:00 pm on 10-13-07 by Allied Cementing (tk #30365)

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

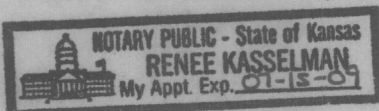
Address: PO Box 276, Ellinwood, KS 67526

Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc.

State of Barton County, Kansas, 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 17 day of October, 20 07

Renee Kasselmann
Notary Public

My Commission Expires: 07-15-09

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

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CONSERVATION DIVISION
WICHITA, KS

[Handwritten initials]

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Norton-Stutz #1

Plugging received from KCC representative:

Name: Steve Doran † Date 10-12-07 Time 10:30 AM

1 st plug @	<u>1860</u>	ft.	<u>50</u>	sx.	Stands: <u>30.5</u>
2nd plug @	<u>1170</u>	ft.	<u>80</u>	sx.	Stands: <u>19</u>
3rd plug @	<u>600</u>	ft.	<u>40</u>	sx.	Stands: <u>4</u>
4th plug @	<u>240</u>	ft.	<u>40</u>	sx.	Stands: <u>4</u>
5th plug @	<u>60</u>	ft.	<u>20</u>	sx.	Stands: <u>1</u>

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 255 sx.

Type of cement 60/40 POZ 40/60 Gel 1/4 * Flo Seal Per Sack

Plug down @ 2:00 PM 10-13-07 TK# 30365

Call KCC When Completed:

Name: Lynn Rhymer Date 10-15-07 Time 9:00 AM

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ALLIED CEMENTING CO., INC.

30365

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

SERVICE POINT:

Great Bend

DATE <u>10-13-07</u>	SEC. <u>18</u>	TWP. <u>17</u>	RANGE <u>25</u>	CALLED OUT <u>9:00 AM</u>	ON LOCATION <u>11:30 AM</u>	JOB START <u>12:00 noon</u>	JOB FINISH <u>2:00 PM</u>
LEASE <u>Newton Bluffs</u>	WELL # <u>1</u>	LOCATION <u>Utica east to T Road</u>			COUNTY <u>Wass</u>	STATE <u>Kansas</u>	
<input checked="" type="radio"/> OLD <input type="radio"/> NEW (Circle one)			<u>4 1/2 south east into</u>				

CONTRACTOR Southwind

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. 4535'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 x H DEPTH 1860

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Palomino

CEMENT

AMOUNT ORDERED 255 dx 60/40 poz

4% Gel 1/2" flo seal per dx

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

FLO-SEAL - _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

MB

PUMP TRUCK CEMENTER D. Anckling

224 HELPER David Juergensen

BULK TRUCK

341 DRIVER Steve Tualay

BULK TRUCK

_____ DRIVER _____

REMARKS:

1st 50 dx 1860'

2nd 80 dx 1170'

3rd 40 dx 600'

4th 40 dx 240'

20 dx 60'

15 dx cathole

10 dx manhole

SERVICE

DEPTH OF JOB 1860'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

CHARGE TO: Palomino

STREET 4924 SE 84th

CITY Newton STATE Kansas ZIP 67114

TOTAL _____

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 X Frank J. Rome

X Frank J. Rome
PRINTED NAME

Thank you!

SOUTHWIND DRILLING, INC.
RIG #1

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

DRILLING REPORT

Norton-Stutz #1

Location: 2500' FSL & 1430' FWL
API#: 15-135-24698-00-00

Section 29-17S-25W
Ness County, Kansas

OWNER: _____ : Palomino Petroleum, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMMENCED: 10-04-07
COMPLETED: 10-13-07

TOTAL DEPTH: Driller: 4535'
Logger: NA

Ground Elevation: 2486'
KB Elevation: 2496'

LOG:

0' -	1831'	Shale
1831' -	1865'	Anhydrite
1865' -	3444'	Shale
3444' -	4535'	Lime/Shale
	4535'	RTD

CASING RECORDS

Surface casing - 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 205.97'. Set @ 218'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:15 pm on 10-04-07 by Allied Cementing (tk #30928)

Production casing - 5 1/2"

None - plugged the well

DEVIATION SURVEYS

1/4 degree (s)	@	219'
3/4 degree (s)	@	4470'
3/4 degree (s)	@	4535'

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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		Norton-Stutz #1
			LOCATION		2500' FSL & 1430' FWL Sec. 18-17S-25W 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	Frank Rome	ELEVATION	G.L. 2486'	K.B. 2496' API# 15-135-24698-00-00

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

Day 1 Date 10-04-07 Thursday Survey 219' = 1/4 degree

Moved Rig #1 on location

Spud @ 7:30 am

Ran 9.00 hours drilling (0.50 drill rat hole, 2.00 drill 12 1/4", 6.50 drill 7 7/8"). Down 15.00 hours (2.50 connection, .25 CTCH, .50 jet, .25 survey, .25 trip, 1.25 run casing, .50 cement, 8.00 wait on cement, .50 rig check, .75 rig repair, .25 drill plug)

Mud properties: spud mud

Daily Mud Cost = \$701.20. Mud Cost to Date = \$701.20

Wt. on bit: 25,000, 80 RPM, 500# pump pressure

12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'

7 7/8" bit #1 (in @ 219') = 6.50 hrs. - 505'

1" fuel = 37.75 gals.

Fuel usage: 226.50 gals (84" used 6") Start @ 30" + 60" delivered = 90"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 205.97'. Set @ 218'. Cement with 160 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:15 pm on 10-04-07 by Allied Cementing (tk #30928)

Day 2 Date 10-05-07 Friday Anhydrite (1831'-1865')

7:00 am - Waiting on water @ 724'

Ran 18.75 hours drilling. Down 5.25 hours (1.00 wait on water, .50 rig check, .75 jet, 2.75 connection, .25 rig repair)

Mud properties: freshwater

Daily Mud Cost = \$0.00. Mud Cost to Date = \$701.20

Wt. on bit: 25,000, 80 RPM, 750# pump pressure

12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'

7 7/8" bit #1 (in @ 219') = 25.25 hrs. - 1981'

Fuel usage: 415.25 gals (73" used 11")

Day 3 Date 10-06-07 Saturday

7:00 am - Drilling @ 2200'

Ran 17.50 hours drilling. Down 6.50 hours (1.50 connection, .75 jet, .75 rig check, 3.50 rig repair).

Mud properties: freshwater

Daily Mud Cost = \$2,907.29. Mud Cost to Date = \$3,608.49.

Wt. on bit: 28,000, 80 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'

7 7/8" bit #1 (in @ 219') = 42.75 hrs. - 2649'

Fuel usage: 415.25 gals (62" used 11")

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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-Stutz #1	
Rig #1 Phone Numbers			LOCATION	2500' FSL & 1430' FWL Sec. 18-17S-25W 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. 2486'	K.B. 2496'
620-617-7324	Tool Pusher Cellular	Frank Rome	API# 15-135-24698-00-00		

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

Day 4 Date 10-07-07 Sunday

7:00 am - Drilling @ 2862'
 Ran 21.50 hours drilling. Down 2.50 hours (1.50 connection, .25 jet, .75 rig check)
 Mud properties: freshwater
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$3,608.49.
 Wt. on bit: 28,000, 80 RPM, 850# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
 7 7/8" bit #1 (in @ 219') = 64.25 hrs. - 3066'

Fuel usage: 528.50 gals (48" used 14")

Day 5 Date 10-08-07 Monday

7:00 am - Drilling @ 3285'
 Ran 21.75 hours drilling. Down 2.25 hours (1.00 rig check, .25 displace @ 3370', .75 connection, .25 jet)
 Mud properties: wt. 9.0, vis. 46, water loss 8.8
 Daily Mud Cost = \$1,451.23. Mud Cost to Date = \$5,059.72
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
 7 7/8" bit #1 (in @ 219') = 86.00 hrs. - 3516'

Fuel usage: 377.50 gals (38" used 10")

Day 6 Date 10-09-07 Tuesday

7:00 am - Drilling @ 3735'
 Ran 22.25 hours drilling. Down 1.75 hours (.75 rig check, 1.00 connection)
 Mud properties: wt. 9.2, vis. 61, water loss 6.4
 Daily Mud Cost = \$613.23. Mud Cost to Date = \$5,672.95
 Wt. on bit: 30,000, 80 RPM, 700# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
 7 7/8" bit #1 (in @ 219') = 108.25 hrs. - 3846'

Fuel usage: 339.75 gals (55" used 9") 38" + 26" delivered = 64"

Day 7 Date 10-10-07 Wednesday

7:00 am - Drilling @ 4065'
 Ran 22.50 hours drilling. Down 1.50 hours (.75 rig check, .75 connection)
 Mud properties: wt. 9.4, vis. 50, water loss 8.8
 Daily Mud Cost = \$370.17. Mud Cost to Date = \$6,043.12
 Wt. on bit: 30,000, 80 RPM, 825# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
 7 7/8" bit #1 (in @ 219') = 130.75 hrs. - 4081'

Fuel usage: 453.00 gals (43" used 12")

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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-Stutz #1	
Rig #1 Phone Numbers			LOCATION	2500' FSL & 1430' FWL Sec. 18-17S-25W Ness County, KS	
620-794-2075		Rig Cellular (Dog house)	Palomino Petroleum, Inc.	4924 SE 84 th	
620-794-2078		Geologist Trailer Cellular	Newton, KS 67114	316-799-1000	
620-617-7324		Tool Pusher Cellular	Frank Rome	ELEVATION	G.L. 2486' K.B. 2496' API# 15-135-24698-00-00

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

Day 8 Date 10-11-07 Thursday

7:00 am – Drilling @ 4300'
Ran 13.00 hours drilling. Down 11.00 hours (.50 rig check, .25 connection, .25 jet, 1.25 CFS @ 4450', 2.00 CFS @ 4470', 4.50 trip, .50 rig repair, 1.50 CTCH, .25 survey)
Mud properties: wt. 9.4, vis. 50, water loss 8.8
Daily Mud Cost = \$99.56. Mud Cost to Date = \$6,142.68
Wt. on bit: 30,000, 70 RPM, 825# pump pressure
12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
7 7/8" bit #1 (in @ 219') = 143.75 hrs. - 4251'

Fuel usage: 415.25 gals (32" used 11")

Day 9 Date 10-12-07 Friday DST #1 (4430'-4470')

Mississippi formation
Recovered 90' oil, 60' mud and
120' water

Survey @ 4535' = 3/4 degree

RTD = 4535'
LTD = NA

7:00 am – Tripping in with DST #1 @ 4470'
Ran 3.25 hours drilling. Down 20.75 hours (2.00 DST #1, 9.00 trip, .25 rig check, .25 jet, 1.25 CTCH, 4.75 log, 1.25 wait on orders, 2.00 lay down pipe)
Mud properties: wt. 9.2, vis. 68, water loss 6.6
Daily Mud Cost = \$1,071.92. **Total Mud Cost = \$7,214.60**
Wt. on bit: 30,000, 70 RPM, 900# pump pressure
12 1/4" bit #1 (in @ 0' out @ 219') = 2.00 hrs. - 219'
7 7/8" bit #1 (in @ 219' out @ 4470') = 143.75 hrs. - 4251'
7 7/8" bit #1 (in @ 4470' out @ 4535') = 3.25 hrs. - 65'

Fuel usage: 188.75 gals. (27" used 5")

Day 10 Date 10-13-07 Saturday

7:00 am – Laying down drill pipe to plug @ 4535'
Ran 0.00 hours drilling. Down 12.00 hours (1.00 lay down pipe, .75 nipple down .75 trip, 2.75 wait on cementers, 1.75 plug hole, 5.00 tear down).

Fuel usage: 37.75 gals. (26" used 1")

Plug well with 255 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.
1st plug @ 1860' with 50 sacks, 2nd plug @ 1170' with 80 sacks, 3rd plug @ 600' with 40 sacks,
4th plug @ 240' with 40 sacks, 5th plug @ 60' with 20 sacks to surface.
Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.
Job complete @ 2.00 p.m. on 10-13-07 by Allied Cementing (tk #30365).

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