

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: 10-20-07 (Date)
by: Marvin Mills (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)

API Number: 15-063-21681-00-00
Lease Name: Cheney-Garvey
Well Number: 1
Spot Location (QQQQ): 160'S - SE - NE - NW
1150 Feet from North / South Section Line
2310 Feet from East / West Section Line
Sec. 12 Twp. 15 S. R. 27 East West
County: Gove
Date Well Completed: D & A
Plugging Commenced: 11-23-07
Plugging Completed: 11-23-07

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'	209'	8 5/8" new 20#	196.45'	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, 4% gel, 1/4# floesal per sack.

1st plug @ 1800' with 25 sacks. 2nd plug @ 730' with 100 sacks. 3rd plug @ 260' 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 @ 7:30 pm on 11-23-07 by Allied Cementing (tk #31811)

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

Address: PO Box 276, Ellinwood, KS 67526

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

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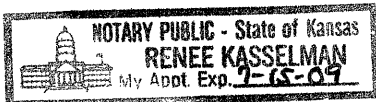
State of Kansas County, Barton, ss.

CONSERVATION DIVISION
WICHITA, KS

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 28 day of November, 20 07

Renee Kasselmann My Commission Expires: 07-15-09
Notary Public

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

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Cheney-Corvey #1

Plugging received from KCC representative:

Name: Marvin Mills Date 10-20-07 Time 10:30 AM

1st plug @ 1800 ft. 25 sx. Stands: 29 1/2

2nd plug @ 730 ft. 100 sx. Stands: 12

3rd plug @ 260 ft. 40 sx. Stands: 4

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 PD2 40% Gel 1/4" Flo-Seal Per Sack

Plug down @ 7:30 PM 11-23-07 TX# 31811

Call KCC When Completed:

Name: Bruce Basye Date ~~11-23-07~~ 11-26-07 Time 10:15 AM

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SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Cheney-Garvey #1

Location: 1150' FNL & 2310' FWL
API#: 15-063-21681-00-00

Section 12-15S-27W
Gove County, Kansas

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

COMMENCED: 11-14-07
COMPLETED: 11-23-07

TOTAL DEPTH: Driller: 4280'
Logger: 4285'

Ground Elevation: 2329'
KB Elevation: 2339'

LOG:

0'	-	226'	Shale
226'	-	845'	Sand/Shale
845'	-	1822'	Shale
1786'	-	1822'	Anhydrite
1822'	-	4280'	Lime/Shale
		4280'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface cement. Tally @ 196.45'. Set @ 209'. Cement with 150 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 7:00 pm on 11-14-07 by Allied Cementing (tk #31806)

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

½ degree (s)	@	211'
Misrun	@	3860'
1 degree (s)	@	4206'

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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 (mobile) 620-653-7691 (home)		WELL NAME		Cheney-Garvey #1	
Rig #1 Phone Numbers				LOCATION		1150' FNL & 2310' FWL Sec. 12-15S-27W Gove 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. 2329'	K.B. 2339'	API# 15-063-21681-00-00

Driving Directions: From Utica: 2 miles West, 8 ¼ miles North, ½ mile West, ¼ mile North, 1 mile West.

Day 1 Date 11-14-07 Wednesday Survey @ 211' = ½ degree

Moved Rig #1 on location

Spud @ 12:45 pm

Ran 4.00 hours drilling (1.00 drill rat hole, 2.75 drill 12 ¼", .25 drill 7 7/8"). Down 20.00 hours (4.75 rig up, .75 connection, .25 circulate, .25 survey, .25 trip, 1.50 run casing, .50 cement, 8.00 wait on cement, 1.00 drill plug, 2.75 rig repair)

Mud properties: spud mud

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

Wt. on bit: all, 50 RPM, 550# pump pressure

12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'

7 7/8" bit #1 (in @ 211') = 0.25 hrs. - 15'

1" fuel = 37.75 gals.

Fuel usage: 226.50 gals (83" used 6") Start @ 29" + 60" delivered = 89"

Ran 5 joints of 20# new 8 5/8" surface cement. Tally @ 196.45'. Set @ 209'. Cement with 150 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 7:00 pm on 11-14-07 by Allied Cementing (tkr #31806)

Day 2 Date 11-15-07 Thursday

7:00 am - Drilling @ 226'

Ran 16.00 hours drilling. Down 8.00 hours (3.75 connection, .50 jet, .50 rig check, 3.25 rig repair)

Mud properties: freshwater

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

Wt. on bit: 30,000, 70 RPM, 700# pump pressure

12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'

7 7/8" bit #1 (in @ 211') = 16.25 hrs. - 1603'

Fuel usage: 377.50 gals (73" used 10")

Day 3 Date 11-16-07 Friday Anhydrite (1786'-1822')

7:00 am - Rig repair @ 1814'

Ran 14.50 hours drilling. Down 9.50 hours (.50 rig check, 7.00 rig repair, 1.50 connection, .50 jet)

Mud properties: freshwater

Daily Mud Cost = \$660.40. Mud Cost to Date = \$660.40

Wt. on bit: 30,000, 70 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'

7 7/8" bit #1 (in @ 211') = 30.75 hrs. - 2369'

Fuel usage: 415.25 gals (62" 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 (mobile) 620-653-7691 (home)		WELL NAME		Cheney-Garvey #1	
Rig #1 Phone Numbers				LOCATION		1150' FNL & 2310' FWL Sec. 12-15S-27W Gove 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. 2329'	K.B. 2339'	API# 15-063-21681-00-00

Driving Directions: From Utica: 2 miles West, 8 ¼ miles North, ½ mile West, ¼ mile North, 1 mile West.

Day	4	Date	11-17-07	Saturday
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7:00 am – Drilling @ 2580'
 Ran 20.50 hours drilling. Down 3.5 hours (.50 rig check, 1.75 connection, 1.25 jet).
 Mud properties: wt. 9.4, vis. 27.
 Daily Mud Cost = \$2,564.30. Mud Cost to Date = \$3,224.70.
 Wt. on bit: 35,000, 80 RPM, 950# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
 7 7/8" bit #1 (in @ 211') = 51.25 hrs. - 3039'
 Fuel usage: 377.50 gals (52" used 10")

Day	5	Date	11-18-07	Sunday
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7:00 am – Drilling @ 3250'
 Ran 9.00 hours drilling. Down 15.00 hours (.50 rig check, 13.00 fish lost collars, 1.00 rig repair, .25 connection, .25 jet)
 Mud properties: wt. 9.5, vis. 35
 Daily Mud Cost = \$1,932.22. Mud Cost to Date = \$5,156.92
 Wt. on bit: 35,000, 80 RPM, 950# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
 7 7/8" bit #1 (in @ 211' out @ 3285') = 51.75 hrs. - 3074'
 7 7/8" bit #2 (in @ 3285') = 8.50 hrs. - 195'
 Fuel usage: 453.00 gals (40" used 12")

Day	6	Date	11-19-07	Monday
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7:00 am – Drilling @ 3480'
 Ran 14.25 hours drilling. Down 9.75 hours (.75 rig check, .75 rig repair, 1.00 connection, 1.00 displace @ 3620', 5.25 bit trip, 1.00 CFS @ 3835')
 Mud properties: wt. 8.0, vis. 50, water loss 9.6
 Daily Mud Cost = \$1,191.58. Mud Cost to Date = \$6,348.50
 Wt. on bit: 30,000, 70 RPM, 750# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
 7 7/8" bit #1 (in @ 211' out @ 3285') = 51.75 hrs. - 3074'
 7 7/8" bit #2 (in @ 3285' out @ 3746') = 19.00 hrs. - 461'
 7 7/8" bit #3 (in @ 3746') = 3.75 hrs. - 89'
 Fuel usage: 415.25 gals (29" 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 (mobile) 620-653-7691 (home)		WELL NAME		Cheney-Garvey #1		
Rig #1 Phone Numbers				LOCATION		1150' FNL & 2310' FWL Sec. 12-15S-27W Gove 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. 2329'	K.B. 2339'	API# 15-063-21681-00-00

Driving Directions: From Utica: 2 miles West, 8 ¼ miles North, ½ mile West, ¼ mile North, 1 mile West.

Day	7	Date	11-20-07	Tuesday	Survey @ 3860' = misrun
					<u>Pipe strap = .41 long to the board</u>
					<u>DST #1 (3745'-3860')</u>
					<u>LKC formation</u>
					<u>Recovered 200' mud with oil spots</u>

7:00 am – CFS @ 3835'

Ran 5.75 hours drilling. Down 18.25 hours (.75 CFS @ 3835', .25 rig repair, 1.00 CFS @ 3860', 9.25 trip, 1.75 CTCH, .25 survey, 2.25 rig repair, 2.00 DST #1, .25 rig check, .50 connection)

Mud properties: wt. 8.9, vis. 48, water loss 9.6

Daily Mud Cost = \$0.00. Mud Cost to Date = \$6,348.50

Wt. on bit: 35,000, 70 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
 7 7/8" bit #1 (in @ 211' out @ 3285') = 51.75 hrs. - 3074'
 7 7/8" bit #2 (in @ 3285' out @ 3746') = 19.25 hrs. - 461'
 7 7/8" bit #3 (in @ 3746') = 9.50 hrs. - 209'

Fuel usage: 264.25 gals (22" used 7")

Day	8	Date	11-21-07	Wednesday
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7:00 am – Drilling @ 3955'

Ran 16.00 hours drilling. Down 8.00 hours (.75 rig check, 1.00 connection, 1.00 CFS @ 4030', 1.25 CFS @ 4182', 1.50 CFS @ 4187', 1.50 CFS @ 4198', 1.00 CFS @ 4206')

Mud properties: wt. 9.0, vis. 53, water loss 9.6

Daily Mud Cost = \$0.00. Mud Cost to Date = \$6,348.50

Wt. on bit: 35,000, 70 RPM, 800# pump pressure

12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
 7 7/8" bit #1 (in @ 211' out @ 3285') = 51.75 hrs. - 3074'
 7 7/8" bit #2 (in @ 3285' out @ 3746') = 19.25 hrs. - 461'
 7 7/8" bit #3 (in @ 3746') = 25.50 hrs. - 460'

Fuel usage: 377.50 gals (49" used 10") 22" + 37" delivered = 59"

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Rig #1 Phone Numbers				LOCATION		1150' FNL & 2310' FWL Sec. 12-15S-27W Gove County, KS
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620-794-2078		Geologist Trailer Cellular		Newton, KS 67114 316-799-1000		
620-617-7324		Tool Pusher Cellular		Frank Rome		
				ELEVATION	G.L. 2329'	K.B. 2339'
				API# 15-063-21681-00-00		

Driving Directions: From Utica: 2 miles West, 8 ¼ miles North, ½ mile West, ¼ mile North, 1 mile West.

Day 9 Date 11-22-07 Thursday Survey @ 4206' = 1 degree

DST #2 (4079'-4206')
Mississippi formation
600' gas & 110' oil cut mud

RTD = 4280'
LTD = 4285'

7:00 am – CFS @ 4206'
Ran 2.75 hours drilling. Down 21.25 hours (.75 CFS @ 4206', .25 survey, 9.75 trip, 3.00 DST #2, 2.75 CTCH, 1.25 CFS @ 4216', 3.50 rig repair)
Mud properties: wt. 9.0, vis. 53, water loss 9.6
Daily Mud Cost = \$616.67. Total Mud Cost = \$6,965.17
Wt. on bit: 35,000, 70 RPM, 900# pump pressure
12 ¼" bit #1 (in @ 0' out @ 211') = 2.75 hrs. - 211'
7 7/8" bit #1 (in @ 211' out @ 3285') = 51.75 hrs. - 3074'
7 7/8" bit #2 (in @ 3285' out @ 3746') = 19.25 hrs. - 461'
7 7/8" bit #3 (in @ 3746' out @ 4280') = 28.25 hrs. - 534'

Fuel usage: 377.50 gals (39" used 10")

Day 10 Date 11-23-07 Friday

7:00 am – Logging @ 4280'
Ran 0.00 hours drilling. Down 16.00 hours (2.25 log, .50 wait on orders, 2.00 trip, 3.50 lay down pipe, .75 nipple down, 2.50 wait on cementers, 1.00 plug, 3.50 tear down)
Fuel usage: 151.00 gals (35" used 4")
Plug well with 200 sacks of 60/40 Poz, 4% gel, ¼# floseal per sack.
1st plug @ 1800' with 25 sacks. 2nd plug @ 730' with 100 sacks. 3rd plug @ 260' with 40 sacks.
4th plug @ 40' with 10 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.
Job complete @ 7:30 pm on 11-23-07 by Allied Cementing (tkr #31811)

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