

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: 08-24-07 (Date)

by: Case Morris (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 - 063-21675-00-00

Lease Name: Froelich-Curtis

Well Number: 1

Spot Location (QQQQ): 120'S - 110'W - SE-NW - NE 1110 Feet from North / South Section Line

1760 Feet from East / West Section Line

Sec. 36 Twp. 15 S. R. 27 East West

County: Gove

Date Well Completed: D & A

Plugging Commenced: 08-27-07

Plugging Completed: 08-27-07

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', 224.95', 8 5/8" new 20#, 211.94', 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# floseal per sack.

1st plug @ 1975' with 25 sacks. 2nd plug @ 950' with 100 sacks. 3rd plug @ 275' 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 pm on 08-27-07 by Allied Cementing (tkr #30272)

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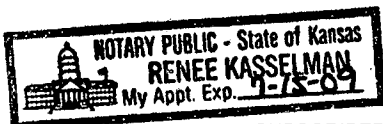
Name of Plugging Contractor: Southwind Drilling, Inc. License #: 33350

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 is as filed, and the same are true and correct, so help me God.



(Signature) [Handwritten Signature]

(Address) PO Box 276, Ellinwood, KS 67526

SUBSCRIBED and SWORN TO before me this 31 day of August, 20 07

[Handwritten Signature] My Commission Expires: 7-15-09 Notary Public

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Froelich-Curtis #1

Plugging received from KCC representative:

Name: Case Morris Date 8-24-07 Time 4:00 PM

1st plug @ 1975 ft. 25 sx. Stands: 32

2nd plug @ 950 ft. sx. - - Stands: 15

3rd plug @ 275 ft. sx. Stands: 4 1/2

4th plug @ 40 ft. sx. Stands:

5th plug @ ft. sx. Stands:

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 200 sx.

Type of cement 60/40 Poz 4% Gel 1/4" Flo Seal

Plug down @ 9:00 PM by Allied TR# 30272

Call KCC When Completed:

Name: Ed Shoemaker Date 10:45 AM Time 10:45 AM

8-28-07

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WICHITA, KS

ALLIED CEMENTING CO., INC.

30272

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

SERVICE POINT:

Nuss City

DATE <u>4-27-07</u>	SECT <u>36</u>	TWP. <u>15</u>	RANGE <u>27</u>	CALLED OUT <u>2 PM</u>	ON LOCATION <u>6 PM</u>	JOB START	JOB FINISH
LEASE <u>Erbl-lich</u>	WELL # <u>1</u>	LOCATION <u>UT: CO 3 1/2 W 4 N W/3</u>			COUNTY <u>GOV</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Southwind Rig 1

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. 4500 ft

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 DEPTH 1975 ft

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

EQUIPMENT

PUMP TRUCK CEMENTER Mike M

120 HELPER Randy P

BULK TRUCK

342 DRIVER Tyler

BULK TRUCK

_____ DRIVER _____

REMARKS:

Mix 25 lb at 1975 ft

Mix 100 lb at 950 ft

Mix 40 lb at 275 ft

Mix 10 lb at 40 ft + Plug

Mix 15 lb at BH

Mix 10 lb at MH

CHARGE TO: Palomino

STREET _____

CITY _____ STATE _____ ZIP _____

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 Frank J. Rowe

OWNER _____

CEMENT

AMOUNT ORDERED 200 60/40 4 2 gal

1 1/4 10 gal

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

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CONSERVATION DIVISION
WICHITA, KS

SERVICE

DEPTH OF JOB 1975 ft

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

1-4 1/2 old Hole plug

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME Frank J. Rowe

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Froelich-Curtis #1

Location: 1110' FNL & 1760' FEL
API#: 15-063-21675-00-00

Section 36-15S-27W
Gove County, Kansas

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

COMMENCED: 08-17-07
COMPLETED: 08-27-07

TOTAL DEPTH: Driller: 4500'
Logger: 4449'

Ground Elevation: 2520'
KB Elevation: 2530'

LOG:

0' - 1524' Shale
1524' - 1968' Lime/Shale
1968' - 2005' Anhydrite
2005' - 4500' Lime/Shale
4500' RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 211.94'. Set @ 223.95'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:30 p.m. on 08-18-07 by Allied Cementing (tk#25975).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

0 degree (s) @ 224'
3/4 degree (s) @ 4054'
1/2 degree (s) @ 4414'
3/4 degree (s) @ 4500'

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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 Froelich-Curtis #1		LOCATION 1110' FNL & 1760' FEL Sec. 36-15S-27W Gove 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. 2520'	K.B. 2530'	API# 15-063-21675-00-00

Driving Directions: From Utica (Hwy #4 & "D" Road): 4 miles North to Ness County Line, 3 1/2 mile West to "A" Road, 1/2 mile South, West on lease road (.7 miles over cattle guard, .5 miles to curve-follow curve right (North), .3 miles to Y (go right), .4 miles over cattle guard (road turns to dirt), .5 miles to double cattle guards, go thru right (North) cattle guard (flagged), follow path .9 miles to rig.

Day	1	Date	08-18-07	Saturday	Survey @ 224' = 0 degree (s)
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Moved Rig #1 on location

Spud @ 8:00 a.m.

Ran 10.75 hours drilling (1.00 drill rat hole, 2.25 drill 12 1/4", 7.50 drill 7 7/8"). Down 13.25 hours (2.00 connection, .50 CTCH, 1.25 run casing, .25 circulate, .50 cement, 8.00 wait on cement, .25 drill plug, .25 jet, .25 rig check)

Mud properties: spud mud

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

Wt. on bit: 25,000, 80 RPM, 700# pump pressure

12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'

7 7/8" bit #1 (in @ 224' out @) = 7.50 hrs. - 600'

1" fuel = 37.75 gals.

Fuel usage: 188.75 gals (79" used 5") Start @ 30" + 54" delivered = 84"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 211.94'. Set @ 223.95'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 1:30 p.m. on 08-18-07 by Allied Cementing (tk#25975).

Day	2	Date	08-19-07	Sunday	Anhydrite (1968'-2005')
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7:00 am - Drilling @ 824'

Ran 17.75 hours drilling. Down 6.25 hours (.75 rig check, 3.25 connection, 1.75 jet, .50 rig repair)

Mud properties: freshwater

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

Wt. on bit: 30,000, 80 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'

7 7/8" bit #1 (in @ 224' out @) = 25.25 hrs. - 2268'

Fuel usage: 490.75 gals (66" used 13")

Day	3	Date	08-20-07	Monday	Pipe strap = 1.50 long to the board
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7:00 am - Drilling @ 2492'

Ran 10.00 hours drilling. Down 14.00 hours (.50 rig check, .75 connection, .25 jet, 4.00 trip/pipe strap, 3.75 rig repair, 1.75 trip/lost circulation @ 2740' & 2762', 3.00 mix mud/lost circulation @ 2740' & 2762')

Mud properties: freshwater

Daily Mud Cost = \$2,987.24. Mud Cost to Date = \$2,897.24

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

12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'

7 7/8" bit #1 (in @ 224' out @) = 35.25 hrs. - 2687'

Fuel usage: 264.25 gals (59" used 7")

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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 Froelich-Curtis #1		
Rig #1 Phone Numbers				LOCATION 1110' FNL & 1760' FEL Sec. 36-15S-27W Gove 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. 2520' K.B. 2530' API# 15-063-21675-00-00	

Driving Directions: From Utica (Hwy #4 & "D" Road): 4 miles North to Ness County Line, 3 1/2 mile West to "A" Road, 1/2 mile South, West on lease road (.7 miles over cattle guard, .5 miles to curve-follow curve right (North), .3 miles to Y (go right), .4 miles over cattle guard (road turns to dirt), .5 miles to double cattle guards, go thru right (North) cattle guard (flagged), follow path .9 miles to rig.

Day 4 Date 08-21-07 Tuesday

7:00 am – Drilling @ 2911'
Ran 16.25 hours drilling. Down 7.75 hours (.75 rig check, 1.25 connection, .50 trip/lost circulation @ 2962', 1.50 mix mud/lost circulation, 1.00 jet, 1.25 rig repair, 1.50 displace @ 3378')
Mud properties: wt. 8.5, vis. 45
Daily Mud Cost = \$0.00. Mud Cost to Date = \$2,897.24
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
7 7/8" bit #1 (in @ 224' out @) = 51.50 hrs. - 3251'

Fuel usage: 490.75 gals (46" used 13")

Day 5 Date 08-22-07 Wednesday

7:00 am – Drilling @ 3475'
Ran 18.00 hours drilling. Down 6.00 hours (.75 rig check, 1.50 connection, 3.75 rig repair)
Mud properties: wt. 9.1, vis. 50, water loss 8.0
Daily Mud Cost = \$3,418.08. Mud Cost to Date = \$6,315.32
Wt. on bit: 35,000, 80 RPM, 750# pump pressure
12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
7 7/8" bit #1 (in @ 224' out @) = 69.50 hrs. - 3711'

Fuel usage: 302.00 gals (63" used 8") 46" + 25" delivered = 71"

Day 6 Date 08-23-07 Thursday Survey @ 4054' = 3/4 degree

7:00 am – Drilling @ 3935'
Ran 16.50 hours drilling. Down 7.50 hours (4.00 bit trip, .25 survey, .50 rig check, .25 jet, 1.00 connection, 1.00 CFS @ 4010', .50 rig repair)
Mud properties: wt. 8.9, vis. 40, water loss 9.2
Daily Mud Cost = \$651.39. Mud Cost to Date = \$6,966.71
Wt. on bit: 35,000, 80 RPM, 900# pump pressure
12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
7 7/8" bit #1 (in @ 224' out @ 4054') = 76.50 hrs. - 3930'
7 7/8" bit #2 (in @ 4054') = 9.50 hrs. - 150'

Fuel usage: 415.25 gals (52" used 11")

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Rig #1 Phone Numbers				Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000		
620-794-2075	Rig Cellular (Dog house)			LOCATION 1110' FNL & 1760' FEL Sec. 36-15S-27W Gove County, KS		
620-794-2078	Geologist Trailer Cellular					
620-617-7324	Tool Pusher Cellular		Frank Rome	ELEVATION	G.L. 2520' K.B. 2530' API# 15-063-21675-00-00	

Driving Directions: From Utica (Hwy #4 & "D" Road): 4 miles North to Ness County Line, 3 1/2 mile West to "A" Road, 1/2 mile South, West on lease road (.7 miles over cattle guard, .5 miles to curve-follow curve right (North), .3 miles to Y (go right), .4 miles over cattle guard (road turns to dirt), .5 miles to double cattle guards, go thru right (North) cattle guard (flagged), follow path .9 miles to rig.

Day 7 Date 08-24-07 Friday

7:00 am – Drilling @ 4204'
Ran 14.50 hours drilling. Down 9.50 hours (.75 rig check, .50 connection, 2.00 rig repair, 1.25 CFS @ 4400', 1.25 CFS @ 4406', 1.25 CFS @ 4410', 1.25 CFS @ 4414', 1.25 trip)
Mud properties: wt. 9.2, vis. 48, water loss 8.8
Daily Mud Cost = \$1,026.37. Mud Cost to Date = \$7,993.08
Wt. on bit: 35,000, 80 RPM, 900# pump pressure
12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
7 7/8" bit #1 (in @ 224' out @ 4054') = 76.50 hrs. - 3980'
7 7/8" bit #2 (in @ 4054') = 24.00 hrs. - 360'

Fuel usage: 415.25 gals (52" used 11")

Day 8 Date 08-25-07 Saturday

DST #1 (4350' – 4414')
Mississippi Formation
Recovered 19' oil cut mud and
1' oil

Survey @ 4414' = 1/2 degree

DST #2 (4348' – 4425')
Mississippi Formation
Misrun

7:00 am – Tripping out with bit for DST #1 @ 4414'
Ran 0.50 hours drilling. Down 23.50 hours (1.00 CTCH, 1.50 FS @ 4421', 1.00 CFS @ 4425', 14.00 trip, .25 rig check, .25 rig repair, 2.25 wait on tester, .50 wait on orders, 2.00 DST #1, .75 DST #2)
Mud properties: wt. 9.2, vis. 55, water loss 8.0
Daily Mud Cost = \$684.25. Mud Cost to Date = \$8,677.33.
Wt. on bit: 35,000, 80 RPM, 800# pump pressure
12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
7 7/8" bit #1 (in @ 224' out @ 4054') = 76.50 hrs. - 3980'
7 7/8" bit #2 (in @ 4054') = 24.50 hrs. - 371'

Fuel usage: 339.75 gals (43" used 9")

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Rig #1 Phone Numbers		Palomino Petroleum, Inc. 4924 SE 84 th Newton, KS 67114 316-799-1000	
620-794-2075	Rig Cellular (Dog house)	ELEVATION	
620-794-2078	Geologist Trailer Cellular	G.L. 2520'	K.B. 2530'
620-617-7324	Tool Pusher Cellular	Frank Rome	API# 15-063-21675-00-00

Driving Directions: From Utica (Hwy #4 & "D" Road): 4 miles North to Ness County Line, 3 1/2 mile West to "A" Road, 1/2 mile South, West on lease road (.7 miles over cattle guard, .5 miles to curve-follow curve right (North), .3 miles to Y (go right), .4 miles over cattle guard (road turns to dirt), .5 miles to double cattle guards, go thru right (North) cattle guard (flagged), follow path .9 miles to rig.

Day	9	Date	08-26-07	Sunday	DST #3 (4375'-4424')
					<u>Mississippi formation</u>
					<u>Recovered 20' oil cut mud</u>

7:00 am – Tripping out with DST #2 @ 4425'
 Ran 2.75 hours drilling. Down 21.25 hours (1.75 CTCH, .25 rig check, .25 survey, 8.00 trip, 4.00 log, 5.00 wait on tester, 2.00 DST #3)
 Mud properties: wt. 9.2, vis. 52, water loss 8.0
 Daily Mud Cost = \$0.00. **Total Mud Cost = \$8,677.33.**
 Wt. on bit: 35,000, 60 RPM, 900# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 224') = 2.25 hrs. - 224'
 7 7/8" bit #1 (in @ 224' out @ 4054') = 76.50 hrs. - 3980'
 7 7/8" bit #2 (in @ 4054' out @ 4500') = 27.25 hrs. - 446'

Fuel usage: 339.75 gals (34" used 9")

Day	10	Date	08-27-07	Monday	Survey @ 4500' = 1/4 degree
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RTD = 4500'
 LTD = 4449'

7:00 am – Tripping out with DST #3 @ 4500'
 Ran 0.00 hours drilling. Down 16.00 hours (2.75 trip, 5.75 lay down drill pipe/nipple down, .25 rig check, 3.50 wait on cementers, 1.75 plug, 2.00 tear down)

Fuel usage: 75.50 gals. (32" used 2")

Plug well with 200 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.
 1st plug @ 1975' with 25 sacks. 2nd plug @ 950' with 100 sacks. 3rd plug @ 275' 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 pm on 08-27-07 by Allied Cementing (tk #30272)

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