

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: D & A Docket #: _____
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)
The plugging proposal was approved on: 04-15-08 (Date)
by: Jerry Stapleton (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 - 101-22084-00-00
Lease Name: Knopp Unit
Well Number: 1
Spot Location (QQQQ): 70'N - 40'W - N/2 - NW-NW
260 Feet from North / South Section Line
620 Feet from East / West Section Line
Sec. 35 Twp. 17 S. R. 27 East West
County: Lane
Date Well Completed: D & A
Plugging Commenced: 04-16-08
Plugging Completed: 04-16-08

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'	221'	8 5/8" new 20#	209.31'	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 @ 2130' with 50 sacks. 2nd plug @ 1230' with 80 sacks. 3rd plug @ 630' with 50 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 @ 4:00 am on 04-16-08 by Allied Cementing (tk #33178)

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KANSAS CORPORATION COMMISSION

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

Address: PO Box 276, Ellinwood, KS 67526

APR 22 2008

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

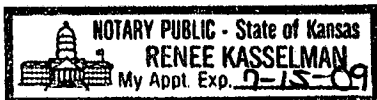
CONSERVATION DIVISION
WICHITA, KS

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 21 day of April, 20 08
Renee Kasselmann My Commission Expires: 7-15-09
Notary Public

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Knapp Unit #1

Plugging received from KCC representative:

Name: Jerry Stapleton Date 4-15-08 Time 1:30 PM

1st plug @ 2130 ft. 50 sx. Stands: 34½

2nd plug @ 1230 ft. 80 sx. Stands: 20

3rd plug @ 630 ft. 50 sx. Stands: 10

4th plug @ 240 ft. 40 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 ¼ #F/Seal Per Sack

Plug down @ Job Complete 4:00 AM 4-16-08 by Allied

Call KCC When Completed:

Name: Steve Pfeifer Date 4-16-08 Time 8:15 AM

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CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 33178

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

SERVICE POINT: Near City

DATE <u>4-15-08</u>	SEC. <u>35</u>	TWP. <u>17</u>	RANGE <u>27</u>	CALLED OUT <u>9:00 PM</u>	ON LOCATION <u>1:00 AM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>4:00 AM</u>
LEASE # <u>4-15-08</u>		WELL # <u>1</u>		LOCATION <u>Near City w to county line</u>		COUNTY <u>Lane</u>	STATE <u>Kansas</u>
(OLD) OR NEW (Circle one) <u>NEW</u>				3 west 3 north Locat ¹ / ₂ north			

CONTRACTOR Southwind #1

TYPE OF JOB Rotary Plug

HOLE SIZE 7 1/8 T.D. 4700

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2 x hole DEPTH 2130

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Palomino Petroleum

CEMENT AMOUNT ORDERED 265 dx 60/40

4% Gel 1/4" flo seal per dx

EQUIPMENT

N.B.

PUMP TRUCK CEMENTER W. Frickling

#181 HELPER Steve Turvey

BULK TRUCK DRIVER Wendy Sponenberg

#260

BULK TRUCK DRIVER _____

COMMON _____	@ _____
POZMIX _____	@ _____
GEL _____	@ _____
CHLORIDE _____	@ _____
ASC _____	@ _____
FLOSEAL _____	@ RECEIVED
	KANSAS CORPORATION COMMISSION
	@ APR 22 2008
	@ CONSERVATION DIVISION
	@ WICHITA, KS
	@ _____
	@ _____
	@ _____
HANDLING _____	@ _____
MILEAGE _____	@ _____

REMARKS:

- 1 50 dx 2130
- 2 80 dx 1230
- 3 50 dx 630
- 4 40 dx 240
- 5 20 dx 60
- 15 dx in Rathole
- 10 dx in Mousehole

CHARGE TO: Palomino Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Frank Rome

SIGNATURE Frank Rome

SERVICE

DEPTH OF JOB 2130

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

Thank you!

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Knopp Unit #1

Location: 260' FNL & 620' FWL
API#: 15-101-22084-00-00

Section 35-17S-27W
Lane County, Kansas

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

COMMENCED: 04-06-08
COMPLETED: 04-16-08

TOTAL DEPTH: Driller: 4700'
Logger: 4701'

Ground Elevation: 2674'
KB Elevation: 2684'

LOG:

0'	-	900'	Redbed
900'	-	2075'	Shale/Clay
2075'	-	2112'	Anhydrite
2112'	-	2475'	Shale
2475'	-	4700'	Lime/Shale
		4700'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 209.31'. Set @ 221'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 8:30 pm on 04-06-08 by Allied Cementing (tk #30662).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

3/4 degree (s)	@	222'
1 degree (s)	@	4281'
1 1/4 degree (s)	@	4700'

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CONSERVATION DIVISION
WICHITA, KS

MORNING DRILLING REPORT			Fax to: Palomino Petroleum				
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991		WELL NAME Knopp Unit #1		LOCATION 260' FNL & 620' FWL Sec. 35-17S-27W Lane County, KS	
Rig #1 Phone Numbers			Palomino Petroleum, Inc. 4924 SE 84 th Street 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. 2674'	K.B. 2684'	API# 15-202-22084-00-00

Driving Directions: From Lane/Ness County line on Hwy 96: 3 miles West, 3 miles North, 1 mile East on 180 Road, 1 mile North on Vista Road, East into.

Day 1 Date 04-06-08 Sunday Survey @ 222' = ¾ degree

Moved Rig #1 on location

Spud @ 3:00 pm

Ran 4.00 hours drilling (.50 drill rat hole, 1.75 drill 12 ¼", 1.75 drill 7 7/8"). Down 20.00 hours (7.50 move/rig up, .50 rig repair, .25 circulate, .25 survey, .50 trip, 1.25 run casing/cement, 8.00 wait on cement, 1.25 connection, .50 drill plug)

Mud properties: spud mud

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

Wt. on bit: all, 110 RPM, 500# pump pressure

12 ¼" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 1.75 hrs. - 117'

1" fuel = 37.75 gals.

Fuel usage: 151.00 gals (30" used 4") Start @ 34"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 209.31'. Set @ 221'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 8:30 pm on 04-06-08 by Allied Cementing (tk #30662).

Day 2 Date 04-07-08 Monday Anhydrite (2075' - 2112')

7:00 am - Drilling @ 339'

Ran 19.25 hours drilling. Down 4.75 hours (.50 rig check, 1.00 jet, 2.25 connection, 1.00 rig repair)

Mud properties: freshwater

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

Wt. on bit: 30,000, 80 RPM, 750# pump pressure

12 ¼" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 21.00 hrs. - 1863'

Fuel usage: 339.75 gals (39" used 9") 30" + 18" delivered = 48"

Day 3 Date 04-08-08 Tuesday

7:00 am - Drilling @ 2085'

Ran 13.00 hours drilling. Down 11.00 hours (.50 rig check, 1.50 connection, .50 jet, 1.00 rig repair, 7.50 trip/hole in pipe)

Mud properties: freshwater

Daily Mud Cost = \$1,796.86. Mud Cost to Date = \$1,796.86

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

12 ¼" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 34.00 hrs. - 2565'

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

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WICHITA, KS

MORNING DRILLING REPORT			Fax to: Palomino Petroleum				
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schreiber 620-786-0991		WELL NAME		Knopp Unit #1	
Rig #1 Phone Numbers				LOCATION		260' FNL & 620' FWL Sec. 35-17S-27W Lane County, KS	
620-794-2075		Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 th Street Newton, KS 67114 316-799-1000			
620-794-2078		Geologist Trailer Cellular					
620-617-7324		Tool Pusher Cellular		Frank Rome		ELEVATION	
						G.L. 2674' K.B. 2684' API# 15-202-22084-00-00	

Driving Directions: From Lane/Ness County line on Hwy 96: 3 miles West, 3 miles North, 1 mile East on 180 Road, 1 mile North on Vista Road, East into.

Day 4 Date 04-09-08 Wednesday Pipe strap = 3.56 long to the board

7:00 am – Drilling @ 2787'
Ran 16.00 hours drilling. Down 8.00 hours (2.50 rig repair, 3.25 trip/strap pipe, .50 rig check, 1.00 connection, .50 jet, .25 lost circulation @ 2893')
Mud properties: freshwater
Daily Mud Cost = \$1,087.36. Mud Cost to Date = \$2,884.22
Wt. on bit: 30,000, 75 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'
7 7/8" bit #1 (in @ 222') = 50.00 hrs. - 3078'
Fuel usage: 377.50 gals (74" used 10") 29" + 55" delivered = 84"

Day 5 Date 04-10-08 Thursday

7:00 am – Drilling @ 3300'
Ran 18.50 hours drilling. Down 5.50 hours (.75 rig check, .75 connection, 1.00 rig repair, 2.00 lost circulation @ 3318', 1.00 displace @ 3380')
Mud properties: wt. 9.0, vis. 45, water loss 7.2
Daily Mud Cost = \$2,674.29. Mud Cost to Date = \$5,558.51
Wt. on bit: 30,000, 80 RPM, 850# pump pressure
12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'
7 7/8" bit #1 (in @ 222') = 68.50 hrs. - 3528'
Fuel usage: 415.25 gals (63" used 11")

Day 6 Date 04-11-08 Friday

7:00 am – Drilling @ 3750'
Ran 22.25 hours drilling. Down 1.75 hours (.75 rig check, .75 connection, .25 jet)
Mud properties: wt. 9.3, vis. 60, water loss 8.0
Daily Mud Cost = \$2,701.70. Mud Cost to Date = \$8,620.21
Wt. on bit: 30,000, 80 RPM, 875# pump pressure
12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'
7 7/8" bit #1 (in @ 222') = 90.75 hrs. - 3935'
Fuel usage: 453.00 gals (51" used 12")

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Rig #1 Phone Numbers			Palomino Petroleum, Inc. 4924 SE 84 th Street Newton, KS 67114 316-799-1000				
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620-794-2078	Geologist Trailer Cellular						
620-617-7324	Tool Pusher Cellular		Frank Rome	ELEVATION	G.L. 2674'	K.B. 2684'	API# 15-202-22084-00-00

Driving Directions: From Lane/Ness County line on Hwy 96: 3 miles West, 3 miles North, 1 mile East on 180 Road, 1 mile North on Vista Road, East into.

Day	7	Date	04-12-08	Saturday	DST #1 (4237' – 4281')
?? formation					
Recovered 180' gassy oil cut mud					
Survey @ 4281' = 1 degree					

7:00 am – Drilling @ 4157'

Ran 8.75 hours drilling. Down 15.25 hours (.25 rig check, .25 connection, 1.50 CFS @ 4281', .25 survey, 10.00 trip, 1.00 CTCH, 2.00 DST #1)

Mud properties: wt. 9.3, vis. 58, water loss 8.0.

Daily Mud Cost = \$660.62. Mud Cost to Date = \$9,280.83

Wt. on bit: 33,000, 75 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 99.50 hrs. - 4059'

Fuel usage: 339.75 gals (42" used 9")

Day	8	Date	04-13-08	Sunday
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7:00 am – Tripping in with bit after DST #1 @ 4281'

Ran 17.50 hours drilling. Down 6.50 hours (1.50 trip, 1.00 CTCH, 1.25 rig repair, 1.50 CFS @ 4312', .50 rig check, .25 jet, .50 connection)

Mud properties: wt. 9.4, vis. 50, water loss 8.0.

Daily Mud Cost = \$601.18. Mud Cost to Date = \$9,882.01

Wt. on bit: 33,000, 75 RPM, 950# pump pressure

12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 117.00 hrs. - 4298'

Fuel usage: 377.50 gals (32" used 10")

Day	9	Date	04-14-08	Monday	DST #2 (4294' – 4536')
Mississippi formation					
Recovered 10' oil & 550' muddy water					

7:00 am – Drilling @ 4520'

Ran 9.25 hours drilling. 14.75 hours (1.25 CFS @ 4536', 9.00 trip, 3.00 DST #2, 1.00 CTCH, .25 rig check, .25 connection)

Mud properties: wt. 9.3, vis. 51, water loss 8.8

Daily Mud Cost = \$338.75. Mud Cost to Date = \$10,220.76

Wt. on bit: 33,000, 75 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222') = 126.25 hrs. - 4428'

Fuel usage: 264.25 gals (25" used 7")

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Rig #1 Phone Numbers				LOCATION		260' FNL & 620' FWL Sec. 35-17S-27W Lane County, KS
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620-794-2078		Geologist Trailer Cellular				
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						G.L. 2674'
						K.B. 2684'
						API# 15-202-22084-00-00

Driving Directions: From Lane/Ness County line on Hwy 96: 3 miles West, 3 miles North, 1 mile East on 180 Road, 1 mile North on Vista Road, East into.

Day 10 Date 04-15-08 Tuesday Survey @ 4700' = 1 1/4 degree

RTD = 4700'
LTD = 4701'

7:00 am – Drilling @ 4650'

Ran 2.75 hours drilling. Down 21.25 hours (.25 rig check, .25 survey, 1.25 CFS @ 4700', 4.25 trip, 4.75 log, 3.50 lay down pipe, 1.00 nipple down, 3.00 plug, 3.00 tear down)

Mud properties: wt. 9.4, vis. 52, water loss 8.0

Daily Mud Cost = \$510.41. **Total Mud Cost = \$10,731.17**

Wt. on bit: 30,000, 70 RPM, 850# pump pressure

12 1/4" bit #1 (in @ 0' out @ 222') = 1.75 hrs. - 222'

7 7/8" bit #1 (in @ 222' out @ 4700') = 129.00 hrs. - 4478'

Fuel usage: 188.75 gals (20" used 5")

Plug well with 265 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 2130' with 50 sacks. 2nd plug @ 1230' with 80 sacks. 3rd plug @ 630' with 50 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 @ 4:00 am on 04-16-08 by Allied Cementing (tk #33178).

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