

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: 06-10-08 (Date)
by: Lynn Reimer (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 - 135-24806-00-00
Lease Name: Kleweno
Well Number: 1
Spot Location (QQQQ): 90' N - 100' W - SE - SE-SE
420 Feet from North / South Section Line
430 Feet from East / West Section Line
Sec. 35 Twp. 18 S. R. 22 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 06-13-08
Plugging Completed: 06-13-08

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'	1410'	8 5/8" new 24#	1398'	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 145 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1440' with 50 sacks. 2nd plug @ 660' with 50 sacks. 3rd plug @ 60' with 20 sacks to surface.

Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.

Job complete @ 12:30 pm on 06-13-08 by Allied Cementing (tk #33029)

RECEIVED
KANSAS CORPORATION COMMISSION

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

Address: PO Box 276, Ellinwood, KS 67526

JUN 17 2008

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

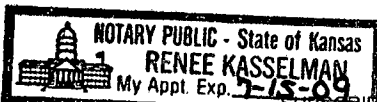
CONSERVATION DIVISION
WICHITA, KS

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 16 day of June, 20 08

Renee Kasselmann My Commission Expires: 7-15-09
Notary Public

PKT

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Kleweno #1

Location: 420' FSL & 430' FEL
API#: 15-135-24806-00-00

Section 36-18S-22W
Ness County, Kansas

OWNER: _____ : Palomino Petroleum, Inc.

COMMENCED: 06-03-08

CONTRACTOR: Southwind Drilling, Inc. Rig #1

COMPLETED: 06-13-08

TOTAL DEPTH: Driller: 4395'
Logger: NA

Ground Elevation: 2140'
KB Elevation: 2150'

LOG:

0' - 1410' Shale
1410' - 1437' Anhydrite
1437' - 2275' Shale
2275' - 4395' Lime/Shale
4395' RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 33 joints of 24# new 8 5/8" surface casing. Tally @ 1398'. Set @ 1410'. Cement with 300 sacks of 65/35 Poz, 6% gel, 3% calcium chloride AND 200 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 11:30 am on 06-05-08 by Allied Cementing (tkr #33110).

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

0 degree (s) @ 1258'
0 degree (s) @ 4260'
¼ degree (s) @ 4395'

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
WICHITA, KS

PKT

MORNING DRILLING REPORT			Fax to: Palomino Petroleum/ Email 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 Kleweno #1		
Rig #1 Phone Numbers				LOCATION 420' FSL & 430' FEL Sec. 35-18S-22W 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				
620-617-7324		Tool Pusher Cellular		Frank Rome		
				ELEVATION	G.L. 2140' K.B. 2150' API# 15-135-24806-00-00	

Driving Directions: From Bazine & Hwy. 96: 1 mile West to CC Road, 1 mile South, West into.

Day 7 Date 06-09-08 Monday Survey @ 4260' = 0 degrees

7:00 am – Drilling @ 3962'
 Ran 14.50 hours drilling. Down 9.50 hours (.75 rig check, .50 connection, .25 jet, 1.00 CFS @ 4246', 1.25 CFS @ 4255', 1.50 CFS @ 4260', 1.00 CTCH, .25 survey, 3.00 trip)
 Mud properties: wt. 9.2, vis. 53, water loss 10.8
 Daily Mud Cost = \$878.78. Mud Cost to Date = \$7,272.95
 Wt. on bit: 35,000, 75 RPM, 1000# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 ¼" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 ¼" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 75.50 hrs. - 2849'
 Fuel usage: 415.25 gals (23" used 11")

Day 8 Date 06-10-08 Tuesday DST #1 (4207' – 4260')

Mississippi formation
Misrun

DST #2 (4171' – 4260')

Mississippi formation
Recovered 10' oil & 65' oil cut mud

7:00 am – Tripping in with DST #1 @ 4260'
 Ran 0.50 hours drilling. Down 23.50 hours (1.00 rig repair, 14.00 trip, 0.00 DST #1, 2.25 DST #2, 2.25 CTCH, 1.25 CFS @ 4265', 1.50 CFS @ 4269', 1.25 CFS @ 4272')
 Mud properties: wt. 9.1, vis. 50, water loss 9.6
 Daily Mud Cost = \$392.77. Mud Cost to Date = \$7,665.72
 Wt. on bit: 30,000, 75 RPM, 1000# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 ¼" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 ¼" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 76.00 hrs. - 2861'
 Fuel usage: 151.00 gals (40" used 4") 23" + 21" delivered = 44"

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
 WICHITA, KS

PKY

MORNING DRILLING REPORT			Fax to: Palomino Petroleum/ Email 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 Kleweno #1		
Rig #1 Phone Numbers				LOCATION 420' FSL & 430' FEL Sec. 35-18S-22W 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		
620-617-7324		Tool Pusher Cellular		G.L. 2140' K.B. 2150' API# 15-135-24806-00-00		
		Frank Rome				

Driving Directions: From Bazine & Hwy. 96: 1 mile West to CC Road, 1 mile South, West into.

Day	9	Date	06-11-08	Wednesday	DST #3 (4171' - 4272')
					Mississippi formation
					Recovered 150' oil cut mud

7:00 am - Tripping in with DST #3 @ 4272'
 Ran 0.50 hours drilling. Down 23.50 (11.50 trip, 2.00 DST #3, 3.00 rig repair, 1.00 CTCH, 1.50 CFS @ 4282', 1.50 CFS @ 4292', 1.50 CFS @ 4300', 1.50 DST #4)
 Mud properties: wt. 9.1, vis. 48, water loss 12.0
 Daily Mud Cost = \$1.45. Mud Cost to Date = \$7,667.17
 Wt. on bit: 35,000, 75 RPM, 1000# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 76.50 hrs. - 2889'
 Fuel usage: 226.50 gals (34" used 6")

Day	10	Date	06-12-08	Thursday	DST #4 (4171' - 4300')
					Mississippi formation
					Recovered 620' mud with trace of oil
					Survey @ 4395' = 1/4 degree

RTD = 4395'
 LTD = NA

7:00 am - Tripping out with DST #4 @ 4300'
 Ran 3.50 hours drilling. Down 20.50 hours (6.00 trip, 1.00 rig repair, 1.00 CTCH, .25 connection, 1.50 CFS @ 4395', .25 survey, 4.00 log, 2.50 lay down pipe, 1.00 nipple down, 3.00 wait on cementers)
 Mud properties: wt. 9.1, vis. 51, water loss 14.4
 Daily Mud Cost = \$788.37. Total Mud Cost = \$8,455.54
 Wt. on bit: 35,000, 75 RPM, 850# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411' out @ 4395') = 80.00 hrs. - 2984'
 Fuel usage: 188.75 gals (29" used 5")

Day	11	Date	06-13-08	Friday
-----	----	------	----------	--------

7:00 am - Waiting on cementers to plug the well @ 4395'
 Ran 0.00 hours drilling. Down 8.00 hours (4.00 wait on cementers, 1.50 plug, 2.50 tear down)
 Fuel usage: 37.75 gals (52" used 1") 29" + 24" delivered = 53"

Plug well with 145 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.
 1st plug @ 1440' with 50 sacks. 2nd plug @ 660' with 50 sacks. 3rd plug @ 60' with 20 sacks to surface.
 Plug rat hole with 15 sacks. Plug mouse hole with 10 sacks.
 Job complete @ 12:30 pm on 06-13-08 by Allied Cementing (tk #33029)

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
 WICHITA, KS

PKF

MORNING DRILLING REPORT			Fax to: Palomino Petroleum/ Email 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 Kleweno #1		
Rig #1 Phone Numbers				LOCATION 420' FSL & 430' FEL Sec. 35-18S-22W 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				
620-617-7324		Tool Pusher Cellular		Frank Rome		
				ELEVATION G.L. 2140' K.B. 2150' API# 15-135-24806-00-00		

Driving Directions: From Bazine & Hwy. 96: 1 mile West to CC Road, 1 mile South, West into.

Day 1 Date 06-03-08 Tuesday

Moved Rig #1 on location
 Spud @ 8:15 pm
 Ran 6.75 hours drilling (.50 drill rat hole, 6.25 drill 12 1/4"). Down 17.25 hours (12.75 move/rig up, 1.50 connection, .25 rig check, 2.75 mix mud/lost circulation @ 500' & 546')
 Mud properties: wt. 9.9, vis. 33
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00
 Wt. on bit: 15,000, 120 RPM, 700# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25hrs. - 546'
 1" fuel = 37.75 gals.
 Fuel usage: 226.50 gals (45" used 6") start @ 36" + 15" delivered = 51"

Day 2 Date 06-04-08 Wednesday Survey @ 1258' = 0 degree

7:00 am – Mixing mud for lost circulation @ 546'
 Ran 13.25 hours drilling. Down 10.75 hours (3.75 mix mud/lost circulation, 2.75 connection, .50 CTCH, .25 survey, 2.50 trip, 1.00 rig repair)
 Mud properties: wt. 10.4, vis. 42
 Daily Mud Cost = \$2,409.50 Mud Cost to Date = \$2,409.50
 Wt. on bit: 20,000, 120 RPM, 675# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 Fuel usage: 377.50 gals (78" used 10") 45" + 43" delivered = 88"

Day 3 Date 06-05-08 Thursday Anhydrite (1410' – 1437')

7:00 am – Tripping out with bit to run 8 5/8" surface casing @ 1411'
 Ran 6.00 hours drilling. Down 18.00 hours (1.00 trip, 3.50 run casing/cement, 12.00 wait on cement, .75 drill plug, .75 connection)
 Mud properties: fresh water
 Daily Mud Cost = \$47.00. Mud Cost to Date = \$2,456.50
 Wt. on bit: 25,000, 75 RPM, 800# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 6.00 hrs. - 359'
 Fuel usage: 226.50 gals (72" used 6")

Ran 33 joints of 24# new 8 5/8" surface casing. Tally @ 1398'. Set @ 1410'. Cement with 300 sacks of 65/35 Poz, 6% gel, 3% calcium chloride AND 200 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 11:30 am on 06-05-08 by Allied Cementing (tk #33110).

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 17 2008
 CONSERVATION DIVISION
 WICHITA, KS

PKS

MORNING DRILLING REPORT			Fax to: Palomino Petroleum/ Email 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		Kleweno #1	
Rig #1 Phone Numbers			LOCATION		420' FSL & 430' FEL Sec. 35-18S-22W 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. 2140' K.B. 2150' API# 15-135-24806-00-00	
620-617-7324		Tool Pusher Cellular	Frank Rome			

Driving Directions: From Bazine & Hwy. 96: 1 mile West to CC Road, 1 mile South, West into.

Day 4 Date 06-06-08 Friday **Anhydrite (1410'-1437')**

7:00 am - Drilling @ 1770'
 Ran 16.50 hours drilling. Down 7.50 hours (.50 rig check, 1.75 connection, 1.00 jet, 1.25 rig repair, 1.25 trip/hole in pipe @ 2509', 1.75 trip/hole in pipe @ 2610')
 Mud properties: fresh water
 Daily Mud Cost = \$834.72. Mud Cost to Date = \$3,291.22
 Wt. on bit: 30,000, 80 RPM, 1000# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 22.50 hrs. - 1324'

Fuel usage: 453.00 gals (60" used 12")

Day 5 Date 06-07-08 Saturday

7:00 am - Drilling @ 2735'
 Ran 17.25 hours drilling. Down 6.75 hours (3.00 trip/hole pipe, 1.00 connection, .50 rig check, 1.25 jet, 1.00 rig repair).
 Mud properties: fresh water
 Daily Mud Cost = \$1,945.07. Mud Cost to Date = \$5,236.29.
 Wt. on bit: 32,000, 77 RPM, 950# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 39.75 hrs. - 1969'

Fuel usage: 528.50 gals (46" used 14")

Day 6 Date 06-08-08 Sunday

7:00 am - Drilling @ 3380'
 Ran 21.25 hours drilling. Down 2.75 hours (.25 jet, .25 rig repair, .75 displace @ 3380', .75 rig check, .75 connection)
 Mud properties: wt. 9.0, vis. 55, water loss 8.8
 Daily Mud Cost = \$1,157.88. Mud Cost to Date = \$6,394.17
 Wt. on bit: 34,000, 80 RPM, 900# pump pressure
 12 1/4" bit #1 (in @ 0' out @ 546') = 6.25 hrs. - 546'
 12 1/4" bit #2 (in @ 546' out @ 1258') = 8.50 hrs. - 712'
 12 1/4" bit #3 (in @ 1258' out @ 1411') = 4.75 hrs. - 153'
 7 7/8" bit #1 (in @ 1411') = 61.00 hrs. - 2551'

Fuel usage: 453.00 gals (34" used 12")

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
 WICHITA, KS

PWT

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Kleweno #1

Plugging received from KCC representative:

Name: Lynn Rhymer Date 6-10-08 Time 2:00 PM

1st plug @ 1440 ft. 50 sx. Stands: 23

2nd plug @ 660 ft. 50 sx. Stands: 11

3rd plug @ 60 ft. 20 sx. Stands: 1

4th plug @ _____ ft. _____ sx. Stands: _____

5th plug @ _____ ft. _____ sx. Stands: _____

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 145 sx.

Type of cement 60/40 POZ 4% Gel

Plug down @ 12:30 PM 6-13-08 By Allied

Call KCC When Completed:

Name: Richard Lacey Date 6-13-08 Time 3:20 PM

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 17 2008

CONSERVATION DIVISION
WICHITA, KS

PLG

ALLIED CEMENTING CO., LLC. 33029

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

SERVICE POINT: Ness City

DATE <u>6-13-08</u>	SEC. <u>35</u>	TWP. <u>18S</u>	RANGE <u>22W</u>	CALLED OUT <u>8:00 AM</u>	ON LOCATION <u>10:00 AM</u>	JOB START <u>12:00 PM</u>	JOB FINISH <u>12:30 PM</u>
LEASE <u>Kleweno</u>		WELL # <u>1</u>		LOCATION <u>Bazine, 1W, 1 1/2 S</u>		COUNTY <u>Ness</u>	STATE <u>KS</u>
OLD OR NEW (Circle one) <u>NEW</u>							

CONTRACTOR Southwind #1

TYPE OF JOB Rotary plug

HOLE SIZE 1 1/8" TD. 439.5'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 1440'

TOOL _____ DEPTH _____

PRES. MAX 2000 MINIMUM 0

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT Freshwater + mud

OWNER Palamino

CEMENT AMOUNT ORDERED 145 sx 60/40 4% bel 1/4# flo seal

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 17 2008
CONSERVATION DIVISION
WICHITA, KS

EQUIPMENT

120 Marlyn S.

PUMP TRUCK # 181 CEMENTER Rick Heine

BULK TRUCK # 344 DRIVER Alvin R.

BULK TRUCK # _____ DRIVER _____

REMARKS:

1440' - 50 SX

660' - 50 SX

60' - 20 SX Cement did circulate

Kat - 15 SX

Morse - 10 SX

145 SX 60/40 4% bel 1/4# flo seal

SERVICE

DEPTH OF JOB 1440'

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

CHARGE TO: Palamino

STREET _____

CITY _____ STATE _____ ZIP _____

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

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 X Frank Rome

SIGNATURE X Frank Rome

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS