

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: 10-31-07 (Date)  
by: Pat Staab (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: 15-063-21679-00-00  
Lease Name: Fossett  
Well Number: 1  
Spot Location (QQQQ): 140°N - 60°W - E/2 - SW-NW  
1840 Feet from  North /  South Section Line  
930 Feet from  East /  West Section Line  
Sec. 17 Twp. 13 S. R. 26  East  West  
County: Gove  
Date Well Completed: D & A  
Plugging Commenced: 11-01-07  
Plugging Completed: 11-01-07

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'	224'	8 5/8" new 20#	213.02'	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 @ 2080' with 25 sacks. 2nd plug @ 1097' with 100 sacks. 3rd plug @ 274' 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 am on 11-01-07 by Allied Cementing (tk #31788)

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.

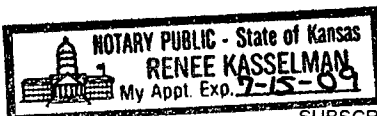
NOV 08 2007

State of Kansas County, Barton, ss.

Todd E. Morgenstern, VP/OP of Southwind Drilling, Inc.

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WICHITA, KS

(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 6 day of November, 20 07

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

PKA

SOUTHWIND DRILLING, INC.  
PLUGGING ORDERS AND REPORTS

Lease: Fossett #1

Plugging received from KCC representative:

Name: Pat Staub Date 10-31-07 Time 11:45 AM

1<sup>st</sup> plug @ 2080 ft. 25 sx. Stands: 34

2nd plug @ 1097-- ft. 100 sx. Stands: 18

3rd plug @ 274 ft. 40 sx. Stands: 4 1/2

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 Poz 4% Gel. 1/4<sup>th</sup> Flo Seal Per Sack

Plug down @ 9:00 AM By Allied Ticket # 31788

Call KCC When Completed:

Name: Bruce Basye Date 11-01-07 Time 11:20 PM

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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

Fossett #1

Location: 1840' FNL & 930' FWL  
API#: 15-063-21679-00-00

Section 17-13S-26W  
Gove County, Kansas

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

COMMENCED: 10-24-07  
COMPLETED: 11-01-07

TOTAL DEPTH: Driller: 4450'  
Logger: 4448'

Ground Elevation: 2522'  
KB Elevation: 2532'

### LOG:

0' - 1320' Shale  
1320' - 2060' Sand/Shale  
2060' - 2100' Anhydrite  
2100' - 2660' Shale  
2660' - 4450' Lime/Shale  
4450' RTD

### CASING RECORDS

#### Surface casing – 8 5/8"

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 213.02'. Set @ 224'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 9:00 am on 10-25-07 by Allied Cementing (tkr #28812).

#### Production casing – 5 1/2"

None – plugged the well

### DEVIATION SURVEYS

1/4 degree (s) @ 225'  
3/4 degree (s) @ 4070'  
3/4 degree (s) @ 4450'

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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		Fossett #1
Rig #1 Phone Numbers				LOCATION		1840' FNL & 930' FWL Sec. 17-13S-26W Gove County, KS
620-794-2075		Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Newton, KS 67114 316-799-1000		
620-794-2078		Geologist Trailer Cellular				
620-617-7324		Tool Pusher Cellular		Frank Rome		
				ELEVATION	G.L. 2522'	K.B. 2532'
				API# 15-063-21679-00-00		

**Driving Directions:** From I-70 (Quinter exit): 9 1/2 miles South on 72 Road, East into.

Day 1      Date 10-24-07      Wednesday      Survey @ 225' = 1/4 degree

Moved Rig #1 on location

Spud @ 3:00 am on 10-24-07

Ran 6.00 hours drilling (4.00 drill rat hole, 2.00 drill 12 1/4"). Down 18.00 (16.00 rig up, .50 CTCH, .25 jet, .25 survey, .25 trip, .25 rig repair, .50 connection)

Mud properties: spud mud

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

Wt. on bit: 15,000, 100 RPM, 400# pump pressure

12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'

1" fuel = 37.75 gals.

Fuel usage: 264.25 gals (77" used 7") Start @ 26" + 58" delivered = 84"

Day 2      Date 10-25-07      Thursday

7:00 am - Running 8 5/8" surface casing @ 225'

Ran 10.00 hours drilling. Down 14.00 hours (.75 run casing, .75 wait on cementers, .50 cement, 8.00 wait on cement, .25 drill plug, .50 jet, .75 rig check, .75 rig repair, 1.75 connection)

Mud properties: freshwater

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

Wt. on bit: 25,000, 70 RPM, 750# pump pressure

12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 10.00 hrs. - 1095'

Fuel usage: 264.25 gals (70" used 7")

Ran 5 joints of 20# new 8 5/8" surface casing. Tally @ 213.02'. Set @ 224'. Cement with 150 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 9:00 am on 10-25-07 by Allied Cementing (tk #28812).

Day 3      Date 10-26-07      Friday      Anhydrite (2060'-2100')

7:00 am - Drilling @ 1320'

Ran 18.25 hours drilling. Down 5.75 hours (.75 rig check, 1.00 jet, 2.50 connection, 1.50 rig repair)

Mud properties: freshwater

Daily Mud Cost = \$3,233.29. Mud Cost to Date = \$3,233.29

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

12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 28.25 hrs. - 2435'

Fuel usage: 377.50 gals (60" used 10")

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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 Fossett #1		LOCATION 1840' FNL & 930' FWL Sec. 17-13S-26W Gove County, KS	
Rig #1 Phone Numbers			Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> 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. 2522'	K.B. 2532'	API# 15-063-21679-00-00	

**Driving Directions:** From I-70 (Quinter exit): 9 1/2 miles South on 72 Road, East into.

Day 4 Date 10-27-07 Saturday

7:00 am – Drilling @ 2660'  
 Ran 20.50 hours drilling. Down 2.50 hours (.75 rig check, 1.00 jet, 1.50 connection, .25 rig repair).  
 Mud properties: wt. 9.4, vis. 30.  
 Daily Mud Cost = \$1,355.26. Mud Cost to Date = \$4,588.55.  
 Wt. on bit: 35,000, 70 RPM, 800# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'  
 7 7/8" bit #1 (in @ 225') = 48.75 hrs. - 3095'

Fuel usage: 566.25 gals (45" used 15")

Day 5 Date 10-28-07 Sunday

7:00 am – Drilling @ 3320'  
 Ran 19.50 drilling. Down 4.50 hours (.50 rig check, 1.50 connection, 1.00 displace @ 3415', 1.50 rig repair)  
 Mud properties: wt. 9.0, vis. 48, water loss 7.2  
 Daily Mud Cost = \$382.15. Mud Cost to Date = \$4,970.70  
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'  
 7 7/8" bit #1 (in @ 225') = 68.25 hrs. - 3635'

Fuel usage: 377.50 gals (35" used 10")

Day 6 Date 10-29-07 Monday Survey @ 4070' = 1/4 degree

7:00 am – Drilling @ 3860'  
 Ran 8.50 drilling. Down 15.50 hours (1.75 rig repair, .25 rig check, .75 connection, 1.00 CFS @ 4020', 1.25 CFS @ 4070', 2.25 CTCH, 6.00 trip, .25 survey, 2.00 DST #1)  
 Mud properties: wt. 9.4, vis. 46, water loss 8.0  
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$4,970.70  
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'  
 7 7/8" bit #1 (in @ 225') = 76.75 hrs. - 3845'

Fuel usage: 339.75 gals (26" used 9")

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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		Fossett #1	
Rig #1 Phone Numbers				LOCATION		1840' FNL & 930' FWL Sec. 17-13S-26W Gove County, KS	
620-794-2075	Rig Cellular (Dog house)			Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Newton, KS 67114 316-799-1000			
620-794-2078	Geologist Trailer Cellular						
620-617-7324	Tool Pusher Cellular	Frank Rome		ELEVATION	G.L. 2522'	K.B. 2532'	API# 15-063-21679-00-00

**Driving Directions:** From I-70 (Quinter exit): 9 1/2 miles South on 72 Road, East into.

Day	7	Date	10-30-07	Tuesday	<b>DST #1 (4028'-4070')</b>
					<b>Mississippi formation</b>
					<b>Recovered 62' slightly oil cut mud</b>

7:00 am – Tripping out with DST #1 @ 4070'  
 Ran 16.50 hours drilling. Down 7.50 hours (4.00 trip, 1.00 CTCH, .50 jet, .75 rig check, .50 connection, .75 rig repair)  
 Mud properties: wt. 9.4, vis. 45, water loss 8.0  
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$4,970.70  
 Wt. on bit: 35,000, 80 RPM, 850# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'  
 7 7/8" bit #1 (in @ 225') = 93.25 hrs. - 4109'  
 Fuel usage: 415.25 gals (42" used 11" 26" + 27" delivered = 53")

Day	8	Date	10-31-07	Wednesday	<b>Survey @ 4450' = 3/4 degree</b>
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**RTD = 4450'**  
**LTD = 4448'**

7:00 am – Drilling @ 4334'  
 Ran 5.75 hours drilling. Down 18.25 hours (.25 rig check, .25 connection, 2.25 CFS @ 4450', 4.25 trip, 4.75 log, 3.50 lay down pipe, 2.00 nipple down, 1.00 plug)  
 Mud properties: wt. 9.4, vis. 48, water loss 8.0  
 Daily Mud Cost = \$1,552.66. **Total Mud Cost = \$6,523.36**  
 Wt. on bit: 35,000, 75 RPM, 850# pump pressure  
 12 1/4" bit #1 (in @ 0' out @ 225') = 2.00 hrs. - 225'  
 7 7/8" bit #1 (in @ 225' out @ 4450') = 99.00 hrs. - 4225'  
 Fuel usage: 226.50 gals (36" used 6")

Day	9	Date	11-01-07	Thursday
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7:00 am – Plugging the well @ 4450'  
 Ran 0.00 hours drilling. Down 8.00 hours (2.00 plug well, 6.00 tear down)  
 Fuel usage: 37.75 gals (35" used 1")

Plug well with 200 sacks of 60/40 Poz, 4% gel, 1/4# floeal per sack.  
 1<sup>st</sup> plug @ 2080' with 25 sacks. 2<sup>nd</sup> plug @ 1097' with 100 sacks. 3<sup>rd</sup> plug @ 274' with 40 sacks.  
 4<sup>th</sup> plug @ 40' with 10 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.  
 Job complete @ 9:00 am on 11-01-07 by Allied Cementing (tk#31788).

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