

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: 08-14-08 (Date)

by: David Wahn (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: 15-15-195-22572-00-00

Lease Name: Willour-Borneman

Well Number: 1

Spot Location (QQQQ): NW - NE - SE - NW 1460 Feet from North / South Section Line

2210 Feet from East / West Section Line

Sec. 29 Twp. 15 S. R. 23 East West

County: Trego

Date Well Completed: D & A

Plugging Commenced: 08-17-08

Plugging Completed: 08-17-08

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 23#, 212.95', 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.

Plug well with 220 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1840' with 25 sacks. 2nd plug @ 940' with 100 sacks. 3rd plug @ 275' with 40 sacks.

4th plug @ 40' with 10 sacks to surface. Plug rat hole with 30 sacks. Plug mouse hole with 15 sacks.

Job complete @ 5:00 pm on 08-17-08 by Allied Cementing (tk #32145)

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

AUG 22 2008

Address: PO Box 276, Ellinwood, KS 67526

CONSERVATION DIVISION WICHITA, KS

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) Todd E. Morgenstern

(Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 20 day of August, 2008

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

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Willow - Borneman #1

Plugging received from KCC representative:

Name: David Wann Date 8-14-08 Time 10:00 AM

1st plug @ 1840 ft. 25 sx. Stands: 29 1/2

2nd plug @ 940 ft. 100 sx. Stands: 15

3rd plug @ 275 ft. 40 sx. Stands: 4 1/2

4th plug @ 40 ft. 10 sx. Stands: _____

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

Mousehole 15 sx.

Rahole 30 sx.

Total Cement used: 220 sx.

Type of cement 60/40 POZ 4% Gel - 1/4" FloSeal Per Sack - wiper Plug

Plug down @ 5:00 PM 8-17-08 By Allied

Call KCC When Completed: _____

Name: Pat Staab Date 8-18-08 Time 1:15 PM

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WICHITA, KS

ALLIED CEMENTING CO., LLC. 32145

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

SERVICE POINT: Russell

DATE	SEC. <u>29</u>	TWP. <u>15</u>	RANGE <u>23</u>	CALLED OUT	ON LOCATION	JOB START <u>4:30p</u>	JOB FINISH <u>5:00p</u>
W/OUT LEASE	WELL# <u>1</u>	LOCATION <u>Wichita & E-70 20 South</u>		COUNTY <u>Trego</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one)		<u>1 west 1/2 South East Into</u>					

CONTRACTOR Southern Drilling Rig #1
 TYPE OF JOB Plug Plug
 HOLE SIZE 2 7/8 T.D. 4415
 CASING SIZE _____ DEPTH _____
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE 4 1/2 DEPTH 1840'
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT _____

OWNER _____
 CEMENT AMOUNT ORDERED 220 # 49.61 1/4 #10

EQUIPMENT
 PUMP TRUCK CEMENTER Shane
 # 417 HELPER Matt
 BULK TRUCK
 # 345 DRIVER Noel
 BULK TRUCK
 # _____ DRIVER _____

COMMON _____ @ _____
 POZMIX _____ @ _____
 GEL _____ @ _____
 CHLORIDE _____ @ _____
 ASC _____ @ _____
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 @ **AUG 22 2008**
 @ CONSERVATION DIVISION
 @ WICHITA, KS
 @ _____
 @ _____
 HANDLING _____ @ _____
 MILEAGE _____ @ _____

REMARKS:
1840' 25 sks
940' 100 sks
275' 40 sks
40' 10 sks
Rat Hole 30 sks
Mouse Hole 15 sks

CHARGE TO: Palomio Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

TOTAL _____
SERVICE
 DEPTH OF JOB _____
 PUMP TRUCK CHARGE _____
 EXTRA FOOTAGE _____ @ _____
 MILEAGE _____ @ _____
 MANIFOLD _____ @ _____
 @ _____
 @ _____
 TOTAL _____

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.

PLUG & FLOAT EQUIPMENT
 @ _____
 @ _____
Dry Hole Plug @ _____
 @ _____
 @ _____
 TOTAL _____

PRINTED NAME Frank Rome
 SIGNATURE Frank Rome

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

Thanks!

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Willour-Borneman #1

Location: 1460' FNL & 2210' FWL
API#: 15-195-22572-00-00

Section 29-15S-23W
Trego County, Kansas

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

COMMENCED: 08-09-08
COMPLETED: 08-17-08

TOTAL DEPTH: Driller: 4485'
Logger: 4482'

Ground Elevation: 2438'
KB Elevation: 2448'

LOG:

0'	-	1620'	Sand/Shale
1620'	-	1831'	Shale
1831'	-	1864'	Anhydrite
1864'	-	4485'	Lime/Shale
		4485'	RTD

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CASING RECORDS

Surface casing - 8 5/8"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 212.95'. Set @ 224.95'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 1:30 a.m. on 08-10-08 by Allied Cementing (tk #42815)

Production casing - 5 1/2"

None - plugged the well

DEVIATION SURVEYS

1/2 degree (s)	@	228'
1 degree (s)	@	4410'

MORNING DRILLING REPORT			Fax to: Palomino Petroleum			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Zeb Stewart	WELL NAME		Willour-Borneman #1	
Rig #1 Phone Numbers			LOCATION		1460' FNL & 2210' FWL Sec. 29-15S-23W Trego 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	ELEVATION		G.L. 2438' K.B. 2448' API# 15-195-22572-00-00	
620-617-7324		Tool Pusher Cellular	Frank Rome			

Driving Directions: From Trego/Ness County line on Hwy. 283: 2 miles North, 3/4 mile West on CC Road, 1/2 mile South on 240 Road, East into.

Day 1 Date 08-09-08 Saturday Survey @ 228' = 1/2 degree

Moved Rig #1 on location

Spud @ 7:30 p.m.

Ran 2.75 hours drilling (0.50 drill rat hole, 2.25 drill 12 1/4"). Down 21.25 hours (12.00 move/rig up, .50 connection, 1.00 jet, .25 CTCH, .25 survey, .25 trip, 1.50 run casing/cement, 5.50 wait on cement)

Mud properties: wt. 9.4, vis. 34

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

Wt. on bit: 15,000, 120 RPM, 450# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

1" fuel = 37.75 gals.

Fuel usage: 151.00 gals (38" used 4") start @ 42"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 212.95'. Set @ 224.95'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 1:30 a.m. on 08-10-08 by Allied Cementing (tk #42815)

Day 2 Date 08-10-08 Sunday

7:00 am - Waiting on cement @ 228'

Ran 16.75 hours drilling. Down 7.25 hours (.25 rig check, .50 rig repair, 2.50 wait on cement, .25 drill plug, 3.25 connection, .50 jet)

Mud properties: wt. 9.4, vis. 36

Daily Mud Cost = \$908.70. Mud Cost to Date = \$908.70

Wt. on bit: 25,000, 80 RPM, 950# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 16.75 hrs. - 1857'

Fuel usage: 377.50 gals (28" used 10")

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Day 3 Date 08-11-08 Monday Anhydrite (1831' - 1864')

7:00 am - Drilling @ 2085'

Ran 17.75 hours drilling. Down 6.25 hours (.50 rig check, 1.50 connection, .75 jet, 3.25 rig repair, .25 lost circulation @ 2647')

Mud properties: fresh water

Daily Mud Cost = \$518.05. Mud Cost to Date = \$1,426.75

Wt. on bit: 30,000, 80 RPM, 950# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 34.50 hrs. - 2607'

Fuel usage: 415.25 gals (17" used 11")

MORNING DRILLING REPORT			Fax to: Palomino Petroleum				
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Zeb Stewart		WELL NAME		Willour-Borneman #1	
Rig #1 Phone Numbers				LOCATION		1460' FNL & 2210' FWL Sec. 29-15S-23W Trego 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. 2438'		K.B. 2448'	
						API# 15-195-22572-00-00	

Driving Directions: From Trego/Ness County line on Hwy. 283: 2 miles North, 3/4 mile West on CC Road, 1/2 mile South on 240 Road, East into.

Day 4 Date 08-12-08 Tuesday

7:00 am – Drilling @ 2835'

Ran 13.75 hours drilling. Down 10.25 hours (.50 rig check, .50 jet, .50 connection, 8.75 rig repair)

Mud properties: fresh water

Daily Mud Cost = \$4,247.95. Mud Cost to Date = \$5,674.70

Wt. on bit: 30,000, 80 RPM, 950# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 48.25 hrs. - 2977'

Fuel usage: 302.00 gals (74" used 8") 17" + 65" delivered = 82"

Day 5 Date 08-13-08 Wednesday

7:00 am – Drilling @ 3205'

Ran 20.00 hours drilling. Down 4.00 hours (.75 rig check, .75 displace @ 3390', 1.00 connection, 1.50 rig repair)

Mud properties: wt. 8.8, vis. 57

Daily Mud Cost = \$486.65. Mud Cost to Date = \$6,161.35

Wt. on bit: 30,000, 80 RPM, 800# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 68.25 hrs. - 3482'

Fuel usage: 415.25 gals (63" used 11")

Day 6 Date 08-14-08 Thursday

7:00 am – Drilling @ 3710'

Ran 22.50 hours drilling. Down 1.50 hours (.75 rig check, .75 connection)

Mud properties: wt. 9.2, vis. 59, water loss 7.8

Daily Mud Cost = \$1,489.40. Mud Cost to Date = \$7,650.75

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

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 90.75 hrs. - 3902'

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

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MORNING DRILLING REPORT			Fax to: Palomino Petroleum			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Zeb Stewart		WELL NAME Willour-Borneman #1		
Rig #1 Phone Numbers				LOCATION 1460' FNL & 2210' FWL Sec. 29-15S-23W Trego 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. 2438' K.B. 2448' API# 15-195-22572-00-00	

Driving Directions: From Trego/Ness County line on Hwy. 283: 2 miles North, 3/4 mile West on CC Road, 1/2 mile South on 240 Road, East into.

Day 7 Date 08-15-08 Friday

7:00 am – Drilling @ 4130'

Ran 16.75 hours drilling. Down 7.25 hours (.75 rig check, .25 connection, .25 rig repair, .25 jet, 1.00 CFS @ 4300', 1.25 CFS @ 4390', 1.25 CFS @ 4395', 1.25 CFS @ 4400', 1.00 CFS @ 4405')

Mud properties: wt. 9.2, vis. 59, water loss 8.4

Daily Mud Cost = \$21.95. Mud Cost to Date = \$7,672.70

Wt. on bit: 30,000, 85 RPM, 950# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228') = 107.50 hrs. - 4182'

Fuel usage: 453.00 gals (40" used 12")

Day 8 Date 08-16-08 Saturday Survey @ 4410' = 1 degree
Pipe strap = .71 long to the board

DST #1 (4356' – 4410')
Mississippi formation
Recovered 15' mud cut oil, 120' oil cut mud, 60' oil cut mud with water

RTD = 4485'

LTD = 4482'

7:00 am – Drilling @ 4410'

Ran 2.25 hours drilling. Down 21.75 hours (1.00 CFS @ 4410', 10.75 trip, 3.00 CTCH, .25 survey, 2.00 DST #1, 1.25 CFS @ 4415', .25 rig check, 3.25 log)

Mud properties: wt. 9.0, vis. 63

Daily Mud Cost = \$825.70. Total Mud Cost = \$8,498.40

Wt. on bit: 34,000, 80 RPM, 1000# pump pressure

12 1/4" bit #1 (in @ 0' out @ 228') = 2.25 hrs. - 228'

7 7/8" bit #1 (in @ 228' out @ 4485') = 109.75 hrs. - 4257'

Fuel usage: 226.50 gals (34" used 6")

Day 9 Date 08-17-08 Sunday

7:00 am – Logging @ 4485'

Ran 0.00 hours drilling. Down 16.00 hours (1.00 log, 2.00 trip, 5.50 lay down pipe, 1.00 nipple down, .50 plug, 6.00 tear down)

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

Plug well with 220 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1840' with 25 sacks. 2nd plug @ 940' with 100 sacks. 3rd plug @ 275' with 40 sacks.

4th plug @ 40' with 10 sacks to surface. Plug rat hole with 30 sacks. Plug mouse hole with 15 sacks.

Job complete @ 5:00 pm on 08-17-08 by Allied Cementing (tk #32145)

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