

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: 10-28-08 (Date)  
by: Eric MacLaren (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 - 171-20712-00-00  
Lease Name: Savolt Unit  
Well Number: 1  
Spot Location (QQQQ): NW - SW - NW - NW  
900 Feet from  North /  South Section Line  
110 Feet from  East /  West Section Line  
Sec. 26 Twp. 20 S. R. 33  East  West  
County: Scott  
Date Well Completed: D & A  
Plugging Commenced: 10-30-08  
Plugging Completed: 10-30-08

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'	210.80'	8 5/8" new 23#	224.80	0'

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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 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.

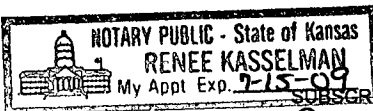
Plug well with 255 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.  
1st plug @ 2070' with 50 sacks. 2nd plug @ 1260' with 80 sacks. 3rd plug @ 600' with 40 sacks.  
4th plug @ 240' with 40 sacks. 5th plug @ 60' with 20 sacks to surface. Plug mouse hole with 10 sacks. Plug rat hole with 15 sacks.  
Job complete @ 10:00 pm on 10-30-08 by Allied Cementing (tk #043851)

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) Todd E. Morgenstern  
(Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 4 day of November, 20 08  
Renee Kasselmann My Commission Expires: 7-15-09  
Notary Public

*Handwritten initials*

**SOUTHWIND DRILLING, INC.  
PLUGGING ORDERS AND REPORTS**

Lease: Savolt Unit #1

Plugging received from KCC representative:

Name: Eric MacLaren Date 10-28-08 Time 10:00 AM

1<sup>st</sup> plug @ 2070 ft. 50 sx. Stands: 34

2nd plug @ 1260 ft. 80 sx. Stands: 21

3rd plug @ 600 ft. 40 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: 255 sx.

Type of cement 60/40 Poz, 40% Gel, 1/4 # Flo Seal Per Sack

Plug down @ 10:00 PM 10-30-08

Call KCC When Completed:

Name: Richard Lacey Date 10-31-08 Time 10:00 AM

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*RLC*

# ALLIED CEMENTING CO., LLC. 043

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

SERVICE POINT:  
Dakley

DATE <u>10-30-08</u>	SEC <u>26</u>	TWP. <u>20</u>	RANGE <u>33W</u>	CALLED OUT	ON LOCATION <u>5:30</u>	JOB START <u>9:00am</u>	JOB FINISH <u>10:00am</u>
50VOLT LEASE <u>unit</u>	WELL # <u>1</u>	LOCATION <u>shallow water loss 2w into</u>			COUNTY <u>scott</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Southwind Rig 1

TYPE OF JOB PTA

HOLE SIZE 7 7/8 T.D. 4980'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4 1/2 DEPTH 2070'

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER same

CEMENT AMOUNT ORDERED 255 sks 6 1/4 4 1/2 gal

14# Flo-seal

COMMON	<u>153 sks</u>	@ <u>15.145</u>	<u>2313.83</u>
POZMIX	<u>102 sks</u>	@ <u>8.100</u>	<u>826.100</u>
GEL	<u>9 sks</u>	@ <u>20.80</u>	<u>187.20</u>
CHLORIDE		@	
ASC		@	

**EQUIPMENT**

PUMP TRUCK CEMENTER Andrew

# 423-281 HELPER Larene

BULK TRUCK

# 341 DRIVER chris

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

<u>Flo-seal 10#</u>	@ <u>2.50</u>	<u>160.00</u>
KANSAS RECEIVED	@	
CONSERVATION DIVISION	@	
NOV 06 2008	@	
WICHITA	@	
HANDLING <u>250 sks</u>	@ <u>2.140</u>	<u>535.00</u>
MILEAGE <u>107 sks/mile</u>		<u>1862.00</u>
		TOTAL <u>6007.45</u>

**REMARKS:**

50 sks @ 2070'

80 sks @ 1240'

40 sks @ 600'

40 sks @ 240'

20 sks @ 60'

10 sks mouse hole

15 sks Rat hole

Thank you

CHARGE TO: Palomino

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**SERVICE**

DEPTH OF JOB <u>2070'</u>		
PUMP TRUCK CHARGE		<u>1185.00</u>
EXTRA FOOTAGE	@	
MILEAGE <u>70 miles</u>	@ <u>7.00</u>	<u>490.00</u>
MANIFOLD	@	
	@	
	@	
		TOTAL <u>1675.00</u>

**PLUG & FLOAT EQUIPMENT**

	@	
	@	
	@	
	@	
	@	

TOTAL \_\_\_\_\_

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

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

# SOUTHWIND DRILLING, INC.

## RIG #1

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

### DRILLING REPORT

Savolt Unit #1

Location: 900' FNL & 110' FWL  
API#: 15-171-20712-00-00

Section 26-20S-33W  
Scott County, Kansas

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

COMMENCED: 10-20-08  
COMPLETED: 10-30-08

TOTAL DEPTH: Driller: 4980'  
Logger: 4980'

Ground Elevation: 2940'  
KB Elevation: 2950'

### LOG:

0'	-	1135'	Clay/Redbed
1135'	-	1910'	Redbed/Shale
1910'	-	2038'	Shale
2038'	-	2110'	Anhydrite
2110'	-	2445'	Shale
2445'	-	4980'	Lime/Shale
		4980'	RTD

### CASING RECORDS

#### Surface casing – 8 5/8"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 210.80'. Set @ 224.80'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 1:00 p.m. on 10-20-08 by Allied Cementing (tk #32090)

#### Production casing – 5 1/2"

None – plugged the well

### DEVIATION SURVEYS

½ degree (s)	@	225'
¼ degree (s)	@	2730'
½ degree (s)	@	4310'
1 degree (s)	@	4980'

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<b>MORNING DRILLING REPORT</b>			Fax to: Palomino Petroleum			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800			Wellsite Geologist: Bob Schrieber		WELL NAME Savolt Unit #1	
Rig #1 Phone Numbers					LOCATION 900' FNL & 110' FWL Sec. 26-20S-33W Scott County, KS	
620-794-2075    Rig Cellular (Dog house)					Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Street Newton, KS 67114 316-799-1000	
620-794-2078    Geologist Trailer Cellular						
620-617-7324    Tool Pusher Cellular			Frank Rome		ELEVATION    G.L. 2940'    K.B. 2950'    API# 15-171-20712-00-00	

**Driving Directions:** From Scott City (Hwy. 96 & Hw. 83): 13 miles South, 2 miles West, ½ mile South, East into.

Day 1                      Date 10-20-08                      Monday                      Survey @ 225' = ½ degree

Moved Rig #1 on location

Spud @ 8:00 a.m.

Ran 8.75 hours drilling (0.50 drill rat hole, 1.25 drill 12 ¼", 7.00 drill 7 7/8"). Down 15.25 hours (.50 rig up, .25 jet, .25 CTCH, .25 survey, .50 trip, 1.50 run casing/cement, 8.00 wait on cement, 3.00 connection, .50 drill plug, .25 rig check, .25 jet)

Mud properties: fresh water

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

Wt. on bit: 20,000, 100 RPM, 700# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 7.00 hrs. - 910'

1" fuel = 37.75 gals.

Fuel usage: 188.75 gals (73" used 5") start @ 38" + 40" delivered = 78"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 210.80'. Set @ 224.80'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 1:00 p.m. on 10-20-08 by Allied Cementing (tk #32090)

Day 2                      Date 10-21-08                      Tuesday                      Anhydrite (2038' - 2110')

7:00 am - Drilling @ 1135'

Ran 17.25 hours drilling. Down 6.75 hours (.75 rig check, 2.75 connection, 1.25 jet, .25 rig repair, 1.75 wait on EarthTech)

Mud properties: fresh water

Daily Mud Cost = \$1,507.05. Mud Cost to Date = \$1,507.05

Wt. on bit: 25,000, 80 RPM, 850# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 24.25 hrs. - 2430'

Fuel usage: 339.75 gals (64" used 9")

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<b>MORNING DRILLING REPORT</b>			Fax to: Palomino Petroleum			
Southwind Drilling, Inc. PO Box 276 8 North Main Ellinwood, KS 67526 620-564-3800		Wellsite Geologist: Bob Schrieber		WELL NAME Savolt Unit #1		
Rig #1 Phone Numbers				LOCATION 900' FNL & 110' FWL Sec. 26-20S-33W Scott County, KS		
620-794-2075		Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Street Newton, KS 67114 316-799-1000		
620-794-2078		Geologist Trailer Cellular				
620-617-7324		Tool Pusher Cellular		Frank Rome		
				ELEVATION	G.L. 2940'    K.B. 2950'    API# 15-171-20712-00-00	

**Driving Directions:** From Scott City (Hwy. 96 & Hw. 83): 13 miles South, 2 miles West, ½ mile South, East into.

Day 3                      Date 10-22-08                      Wednesday                      Survey @ 2730' = ¼ degree

**DST #1 (2638' – 2730')**  
**Towanda formation**  
**Recovered 130' mud & 2600' gas in pipe**

7:00 am – Drilling @ 2655'  
Ran 6.50 hours drilling. Down 17.50 hours (.25 rig check, 1.50 rig repair, 7.75 trip, 2.00 CFS @ 2730', 2.25 CTCH, .50 jet, .25 survey, 2.25 DST #1, .50 connection, .25 CFS @ 2770')  
Mud properties: fresh water  
Daily Mud Cost = \$1,817.00. Mud Cost to Date = \$3,324.05  
Wt. on bit: 25,000, 80 RPM, 850# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'  
7 7/8" bit #1 (in @ 225') = 30.75 hrs. - 2670'  
Fuel usage: 226.50 gals (58" used 6")

Day 4                      Date 10-23-08                      Thursday

7:00 am – Drilling @ 2895'  
Ran 21.25 hours drilling. Down 2.75 hours (.50 rig check, .25 rig repair, 1.50 connection, .50 jet)  
Mud properties: fresh water  
Daily Mud Cost = \$2,966.70. Mud Cost to Date = \$6,290.75  
Wt. on bit: 30,000, 80 RPM, 850# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'  
7 7/8" bit #1 (in @ 225') = 52.00 hrs. - 3274'  
Fuel usage: 415.25 gals (47" used 11")

Day 5                      Date 10-24-08                      Friday

7:00 am – Drilling @ 3499'  
Ran 19.75 hours drilling. Down 4.25 hours (.50 rig check, .75 connection, .75 jet, .75 rig repair, 1.50 CFS @ 3994', displace @ 3593')  
Mud properties: wt. 8.9, vis. 48, water loss 8.8  
Daily Mud Cost = \$3,783.70. Mud Cost to Date = \$10,074.45  
Wt. on bit: 35,000, 85 RPM, 850# pump pressure  
12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'  
7 7/8" bit #1 (in @ 225') = 71.75 hrs. - 3785'  
Fuel usage: 377.50 gals (37" used 10")

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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: Bob Schrieber		WELL NAME		Savolt Unit #1	
Rig #1 Phone Numbers				LOCATION		900' FNL & 110' FWL Sec. 26-20S-33W Scott County, KS	
620-794-2075		Rig Cellular (Dog house)		Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> Street Newton, KS 67114 316-799-1000			
620-794-2078		Geologist Trailer Cellular					
620-617-7324		Tool Pusher Cellular		Frank Rome		ELEVATION	
				G.L. 2940'		K.B. 2950'	
						API# 15-171-20712-00-00	

**Driving Directions:** From Scott City (Hwy. 96 & Hw. 83): 13 miles South, 2 miles West, ½ mile South, East into.

Day 6 Date 10-25-08 Saturday

7:00 am – Drilling @ 4010'

Ran 16.00 hours drilling. Down 8.00 hours (.75 rig check, 1.00 rig repair, .50 connection, 1.25 CFS @ 4147', 1.75 CFS @ 4232', 1.25 CFS @ 4310', 1.25 short trip, .25 CTCH)

Mud properties: wt. 9.0, vis. 60, water loss 7.2

Daily Mud Cost = \$395.50. Mud Cost to Date = \$10,469.95

Wt. on bit: 35,000, 85 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 87.75 hrs. - 4085'

Fuel usage: 302.00 gals (69" used 8") Start @ 37" + 40" delivered = 77"

Day 7 Date 10-26-08 Sunday Survey @ 4310' = ½ degree  
Pipe strap = 1.13 to the board

DST #2 (4190' – 4310')  
LKC formation  
Recovered 120' mud & 400' water

7:00 am – CTCH for DST #2 @ 4310'

Ran 7.00 hours drilling. Down 17.00 hours (1.75 CTCH, .25 survey, 10.75 trip, 2.00 DST #2, .25 rig check, 1.25 CFS @ 4404', .75 DST #3)

Mud properties: wt. 9.0, vis. 54, water loss 8.0

Daily Mud Cost = \$37.85. Mud Cost to Date = \$10,507.80

Wt. on bit: 35,000, 80 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 94.75 hrs. - 4179'

Fuel usage: 226.50 gals (63" used 6")

Day 8 Date 10-27-08 Monday DST #3 (4290' – 4404')  
Pawnee/Marmaton formation  
Recovered 170' oil cut mud

7:00 am – On bottom with DST #3 @ 4404'

Ran 16.25 hours drilling. Down 7.75 hours (1.25 DST #3, 3.75 trip, .75 rig repair, 1.00 CTCH, .50 rig check, .50 connection)

Mud properties: wt. 9.3, vis. 73, water loss 7.2

Daily Mud Cost = \$528.30. Mud Cost to Date = \$11,036.10

Wt. on bit: 35,000, 80 RPM, 900# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 111.00 hrs. - 4401'

Fuel usage: 377.50 gals (53" used 10")

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*PKT*

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 Schrieber	WELL NAME		Savolt Unit #1	
			LOCATION		900' FNL & 110' FWL Sec. 26-20S-33W Scott County, KS	
Rig #1 Phone Numbers				Palomino Petroleum, Inc. 4924 SE 84 <sup>th</sup> 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. 2940'	K.B. 2950' API# 15-171-20712-00-00

**Driving Directions:** From Scott City (Hwy. 96 & Hw. 83): 13 miles South, 2 miles West, ½ mile South, East into.

Day	9	Date	10-28-08	Tuesday	DST #4 (4565' – 4700')
					<b>Mississippi formation</b>
					<b>Recovered 10' mud</b>

7:00 am – Drilling @ 4626'

Ran 11.50 hours drilling. Down 12.50 hours (.25 rig check, 1.00 CFS @ 4700', 8.75 trip, 1.50 DST #4, 1.00 CTCH)

Mud properties: wt. 9.4, vis. 50, water loss 10.0

Daily Mud Cost = \$219.60. Mud Cost to Date = \$11,255.70

Wt. on bit: 35,000, 80 RPM, 950# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225') = 122.50 hrs. - 4525'

Fuel usage: 188.75 gals (48" used 5")

Day	10	Date	10-29-08	Wednesday	Survey @ 4980' = 1 degree
-----	----	------	----------	-----------	---------------------------

RTD = 4980'

LTD = 4980'

7:00 am – Drilling @ 4750'

Ran 17.25 hours drilling. Down 6.75 hours (.50 rig repair, .75 rig check, .25 jet, 1.50 CTCH, 1.00 CFS @ 4904', 1.25 CFS @ 4980', 1.50 trip)

Mud properties: wt. 9.2, vis. 51, water loss 10.0

Daily Mud Cost = \$2,780.50. Total Mud Cost = \$14,036.20

Wt. on bit: 35,000, 70 RPM, 950# pump pressure

12 ¼" bit #1 (in @ 0' out @ 225') = 1.25 hrs. - 225'

7 7/8" bit #1 (in @ 225' out @ 4980') = 139.75 hrs. - 4755'

Fuel usage: 339.75 gals (39" used 9")

Day	11	Date	10-30-08	Thursday
-----	----	------	----------	----------

7:00 am – Tripping out with bit for log @ 4980'

Ran 0.00 hours drilling. Down 24.00 hours (2.00 trip, 6.00 log, .50 wait on orders, 3.00 lay down pipe, 1.00 nipple down, 1.00 wait on cementers, 1.50 plug, 9.00 tear down)

Fuel usage: 75.50 gals (37" used 2")

Plug well with 255 sacks of 60/40 Poz, 4% gel, ¼# floeal per sack.

1<sup>st</sup> plug @ 2070' with 50 sacks. 2<sup>nd</sup> plug @ 1260' with 80 sacks. 3<sup>rd</sup> plug @ 600' with 40 sacks.

4<sup>th</sup> plug @ 240' with 40 sacks. 5<sup>th</sup> plug @ 60' with 20 sacks to surface. Plug rat hole with 15 sacks.

Plug mouse hole with 10 sacks. Job complete @ 10:00 p.m. on 10-30-08 by Allied Cementing (tk #043851)

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WICHITA, KS

*Handwritten signature*