

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: 11-06-08 (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 - 135-24863-00-00
Lease Name: Stieben
Well Number: 1
Spot Location (QQQQ): NE - SW - SW - SW
610 Feet from North / South Section Line
610 Feet from East / West Section Line
Sec. 10 Twp. 20 S. R. 22 East West
County: Ness
Date Well Completed: D & A
Plugging Commenced: 11-08-08
Plugging Completed: 11-08-08

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'	225.85'	8 5/8" new 23#	210.85'	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 225 sacks of 60/40 Poz, 4% gel, 1/4# floseal per sack.

1st plug @ 1500' with 50 sacks. 2nd plug @ 720' with 80 sacks. 3rd plug @ 260' with 50 sacks.

4th 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 11-08-08 by Allied Cementing (tk #33591)

RECEIVED
KANSAS CORPORATION COMMISSION

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

Address: PO Box 276, Ellinwood, KS 67526

NOV 17 2008

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

CONSERVATION DIVISION
WICHITA, KS

State of Kansas County, Barton, ss.

Todd E. Morgenstem, 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. Morgenstem

(Address) PO Box 276, Ellinwood, KS 67526



SUBSCRIBED and SWORN TO before me this 14 day of November, 20 08

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

SOUTHWIND DRILLING, INC.
PLUGGING ORDERS AND REPORTS

Lease: Stieben #1

Plugging received from KCC representative:

Name: Lynn Rhymen Date 11-06-08 Time 2:00 PM

1st plug @ 1500 ft. 50 sx. Stands: 25

2nd plug @ 720 ft. 80 sx. Stands: 12

3rd plug @ 260 ft. 50 sx. Stands: 4½

4th plug @ 60 ft. 20 sx. Stands: 1

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

Mousehole 10 sx.

Rahole 15 sx.

Total Cement used: 225 sx.

Type of cement 60/40 POZ, 4% Gel, ¼# F70 Seal Per Sack

Plug down @ 10:00 PM 11-08-08

Call KCC When Completed:

Name: Mike Maier Date 11-10-08 Time 9:15 AM

RECEIVED
KANSAS CORPORATION COMMISSION

NOV 17 2008

CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 33591

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

SERVICE POINT:
Ness City

DATE <u>11-8-08</u>	SEC <u>10</u>	TWP <u>2R</u>	RANGE <u>22W</u>	CALLED OUT <u>3:30 pm</u>	ON LOCATION <u>8:00 AM</u>	JOB START <u>9:00 AM</u>	JOB FINISH <u>10:00 AM</u>
LEASE <u>Stieven</u>		WELL# <u>1</u>	LOCATION <u>Bazine, 3w. 9th, 1/4 to</u>			COUNTY <u>Ness</u>	STATE <u>KS</u>
OLD OR NEW (Circle one)							

CONTRACTOR Southwind #1 OWNER Palamino

TYPE OF JOB Plug

HOLE SIZE <u>7 7/8"</u>	T.D. <u>1500'</u>
CASING SIZE	DEPTH
TUBING SIZE	DEPTH
DRILL PIPE <u>4 1/2"</u>	DEPTH <u>1500'</u>
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT	

CEMENT

AMOUNT ORDERED 225 cu yd 4 1/2" gel #1

COMMON	@	
POZMIX	@	
GEL	@	
CHLORIDE	@	
ASC	@	

EQUIPMENT

PUMP TRUCK	CEMENTER <u>Tyler</u>
# <u>366</u>	HELPER <u>Joe</u>
BULK TRUCK	
# <u>482</u>	DRIVER <u>David</u>
BULK TRUCK	
#	DRIVER

HANDLING	@	
MILEAGE	@	
RECEIVED		
KANSAS CORPORATION COMMISSION		
NOV 17 2008		
CONSERVATION DIVISION		
WICHITA, KS		

REMARKS:

50sv @ 1500'

80sv @ 720'

50sv @ 260'

20sv @ 60'

15sv @ K.H.

10sv @ M.H.

TOTAL _____

SERVICE

DEPTH OF JOB <u>1500'</u>	
PUMP TRUCK CHARGE	
EXTRA FOOTAGE	@
MILEAGE	@
MANIFOLD	@
	@
	@

CHARGE TO: Palamino

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

Thank you.

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

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

SOUTHWIND DRILLING, INC.

RIG #1

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

DRILLING REPORT

Stieben #1

Location: 610' FSL & 610' FWL
API#: 15-136-24863-00-00

Section 10-20S-22W
Ness County, Kansas

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

COMMENCED: 11-01-08
COMPLETED: 11-08-08

TOTAL DEPTH: Driller: 4470'
Logger: 4470'

Ground Elevation: 2223'
KB Elevation: 2233'

LOG:

0'	-	1240'	Shale/Redbed
1240'	-	1484'	Shale
1484'	-	1517'	Anhydrite
1517'	-	1800'	Shale
1800'	-	4470'	Lime/Shale
		4470'	RTD

CASING RECORDS

Surface casing – 8 5/8"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 210.85'. Set @ 225.85'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 8:00 p.m. on 11-01-08 by Allied (tk #33550)

Production casing – 5 1/2"

None – plugged the well

DEVIATION SURVEYS

0 degree (s) @ 225'
1 degree (s) @ 4315'
1 degree (s) @ 4470'

RECEIVED
KANSAS CORPORATION COMMISSION

NOV 17 2008

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 Schrieber 620-786-0991		WELL NAME		Stieben #1	
Rig #1 Phone Numbers				LOCATION		660' FSL & 610' FWL Sec. 10-20S-22W Ness 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		ELEVATION		G.L. 2223' K.B. 2233' API# 15-135-24863-00-00	
		Frank Rome					

Driving Directions: From Bazine: 3 miles West (on Hwy. 96), 8 ¼ miles South on AA Road, East into.

Day 1 Date 11-01-08 Saturday Survey @ 225' = 0 degrees

Moved Rig #1 on location
 Spud @ 2:00 p.m.
 Ran 4.50 hours drilling (.75 drill rat hole, 2.50 drill 12 ¼", 1.25 drill 7 7/8"). Down 20.50 hours (6.25 move/rig up, 2.00 connection, .25 trip, .25 survey, .50 circulate, 1.00 run casing/cement, 8.00 wait on cement, .25 jet, .50 drill plug, .50 rig repair, 1.00 time change)
 Mud properties: fresh water
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$0.00
 Wt. on bit: 15,000, 50 RPM, 400# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 1.25 hrs. - 215'
 1" fuel = 37.75 gals.
 Fuel usage: 188.75 gals (77" used 5") start @ 37" + 45" delivered = 82"

Ran 5 joints of 23# new 8 5/8" surface casing. Tally @ 210.85'. Set @ 225.85'. Cement with 160 sacks of common, 3% calcium chloride, 2% gel. Cement did circulate. Plug down @ 8:00 p.m. on 11-01-08 by Allied (tk #33550)

Day 2 Date 11-02-08 Sunday Anhydrite (1484' – 1517')

7:00 am – Drilling @ 440'
 Ran 18.50 hours drilling. Down 5.50 hours (.50 rig check, 4.00 connection, 1.00 jet)
 Mud properties: fresh water
 Daily Mud Cost = \$811.75. Mud Cost to Date = \$811.75
 Wt. on bit: 15,000, 50 RPM, 400# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 19.75 hrs. - 2125'
 Fuel usage: 302.00 gals (69" used 8")

Day 3 Date 11-03-08 Monday

7:00 am – Drilling @ 2350'
 Ran 21.25 hours drilling. Down 2.75 hours (.75 rig check, 1.50 connection, .50 jet)
 Mud properties: fresh water
 Daily Mud Cost = \$0.00. Mud Cost to Date = \$811.75
 Wt. on bit: 35,000, 80 RPM, 850# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 41.00 hrs. - 2820'
 Fuel usage: 339.75 gals (60" used 9")

RECEIVED
 KANSAS CORPORATION COMMISSION

NOV 17 2008

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 Schrieber 620-786-0991		WELL NAME	
					Stieben #1	
Rig #1 Phone Numbers					LOCATION	
					660' FSL & 610' FWL Sec. 10-20S-22W Ness County, KS	
					Palomino Petroleum, Inc. 4924 SE 84 th Street Newton, KS 67114 316-799-1000	
620-794-2075	Rig Cellular (Dog house)				ELEVATION	G.L. 2223'
620-794-2078	Geologist Trailer Cellular				K.B. 2233'	API# 15-135-24863-00-00
620-617-7324	Tool Pusher Cellular		Frank Rome			

Driving Directions: From Bazine: 3 miles West (on Hwy. 96), 8 ¼ miles South on AA Road, East into.

Day 4 Date 11-04-08 Tuesday

7:00 am – Drilling @ 3045'
 Ran 20.75 hours drilling. Down 3.25 hours (.75 rig check, 1.25 connection, .25 rig repair, 1.00 displace @ 3308')
 Mud properties: wt. 9.0, vis. 51
 Daily Mud Cost = \$4,738.55. Mud Cost to Date = \$5,550.30
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 61.75 hrs. - 3404'
 Fuel usage: 377.50 gals (50" used 10")

Day 5 Date 11-05-08 Wednesday

7:00 am – Drilling @ 3629'
 Ran 22.00 hours drilling. Down 2.00 hours (.75 rig check, 1.25 connection)
 Mud properties: wt. 9.1, vis. 50, water loss 9.6
 Daily Mud Cost = \$2,196.15. Mud Cost to Date = \$7,746.45
 Wt. on bit: 35,000, 80 RPM, 800# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 83.75 hrs. - 3922'
 Fuel usage: 377.50 gals (54" used 10") 50" + 14" delivered = 64"

Day 6 Date 11-06-08 Thursday DST #1 (4276' – 4315')
Fort Scott formation
Recovered 2' mud
Survey @ 4315' = 1 degree

7:00 am – Drilling @ 4147'
 Ran 8.25 hours drilling. Down 15.75 hours (.50 rig check, .25 rig repair, .25 connection, 1.25 CFS @ 4315', 10.25 trip, 1.00 CTCH, .25 survey, 2.00 DST #1)
 Mud properties: wt. 9.2, vis. 60, water loss 12.0
 Daily Mud Cost = \$616.90. Mud Cost to Date = \$8,363.35
 Wt. on bit: 35,000, 80 RPM, 900# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225') = 92.00 hrs. - 4090'
 Fuel usage: 226.50 gals (48" used 6")

RECEIVED
 KANSAS CORPORATION COMMISSION
 NOV 17 2008
 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 Schrieber 620-786-0991		WELL NAME		Stieben #1	
				LOCATION		660' FSL & 610' FWL Sec. 10-20S-22W Ness 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. 2223'	K.B. 2233'	API# 15-135-24863-00-00	

Driving Directions: From Bazine: 3 miles West (on Hwy. 96), 8 ¼ miles South on AA Road, East into.

Day	7	Date	11-07-08	Friday	DST #2 (4271' - 4390')
					<u>Mississippi formation</u>
					<u>Recovered 10' mud</u>
					<u>Survey @ 4470' = 1 degree</u>

RTD = 4470'
LTD = 4470'

7:00 am - Tripping in with bit after DST #1 @ 4315'
 Ran 7.00 hours drilling. Down 17.00 hours (8.50 trip, 1.00 CFS @ 4370', 1.50 CFS @ 4380', 1.25 CFS @ 4390', 2.00 DST #2, .25 connection, 1.25 CFS @ 4425', 1.00 CFS @ 4470', .25 survey)
 Mud properties: wt. 9.0, vis. 47, water loss 11.2
 Daily Mud Cost = \$1,816.10. **Total Mud Cost = \$10,179.45**
 Wt. on bit: 35,000, 80 RPM, 850# pump pressure
 12 ¼" bit #1 (in @ 0' out @ 225') = 2.50 hrs. - 225'
 7 7/8" bit #1 (in @ 225' out @ 4470') = 99.00 hrs. - 4245'

Fuel usage: 264.25 gals (41" used 7")

Day	8	Date	11-08-08	Saturday
-----	---	------	----------	----------

7:00 am - Trip out with bit for log
 Ran 0.00 hours drilling. Down 16.00 hours (3.00 trip, 5.50 log, 3.50 lay down pipe, 1.50 nipple down, .50 wait on cementers, 1.00 plug, 1.00 tear down)

Fuel usage: 75.50 gals (39" used 2")

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