**KANSAS CORPORATION COMMISSION**  
**OIL & GAS CONSERVATION DIVISION**  
**WELL PLUGGING RECORD**  
K.A.R. 82-3-117

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  
(Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other)  
(Docket #: )  
(Spot Location (QQQQ): 10E - W/2 - NE - SE 1980
980 Feet from North / South Section Line
Sec. 29 Twp. 16 S. R. 12 East / West Section Line
County: Barton

The plugging proposal was approved on: 09-13-05

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)

<table>
<thead>
<tr>
<th>Depth to Top</th>
<th>Bottom</th>
<th>T.D.</th>
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<tbody>
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</tbody>
</table>

Show depth and thickness of all water, oil and gas formations.

<table>
<thead>
<tr>
<th>Oil, Gas or Water Records</th>
<th>Casing Record (Surface Conductor &amp; Production)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formation</td>
<td>Content</td>
</tr>
<tr>
<td>&quot;see attached drilling report&quot;</td>
<td>0'</td>
</tr>
</tbody>
</table>

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 165 sacks of 60/40 Poz, 6% gel, 1/4# floseal per sack.

1st plug @ 3346' with 25 sacks. 2nd plug @ 822' with 25 sacks. 3rd plug @ 452' with 90 sacks. 4th plug @ 40' with 10 sacks to surface. Plug rat hole with 15 sacks. No mouse hole. Plug down @ 12:45 am on 09-15-05 by Allied Cementing (tkt# 17572)

Name of Plugging Contractor: Southwind Drilling, Inc.

Address: PO Box 276, Ellinwood, KS 67526

License #: 33350

Name of Party Responsible for Plugging Fees: Klee Watchous

State of Kansas  
County: Barton

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

(Employee of Operator) or (Operator) on behalf of the Operator, has been 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.

Notary Public - State of Kansas  
RENEE KASSelman

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
SOUTHWIND DRILLING, INC. PLUGGING ORDERS AND REPORTS

Lease: **Jacobs #1**

Plugging received from: **Pat Staab**  Date: **9-13-05**  Time: **8:25 AM**

<table>
<thead>
<tr>
<th>Plug Order</th>
<th>Depth (FT)</th>
<th>Stands</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Plug</td>
<td>3346</td>
<td>55</td>
</tr>
<tr>
<td>2nd Plug</td>
<td>822</td>
<td>13 1/2</td>
</tr>
<tr>
<td>3rd Plug</td>
<td>452</td>
<td>7 1/2</td>
</tr>
<tr>
<td>4th Plug</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td>5th Plug</td>
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</tbody>
</table>

Mousehole: **None**

Rathole: **15**

Total Cement used: **165**

Type of cement: **60/40 Poz, 69 Gel, 1/4 Flo seal per sk.**

Plug down at **12:45 AM: 9-15-05 by Allied - TNO: 17572**

Call State When Completed:

Name: **Bruce Bayse**  Date: **9-15-05**  Time: **8:55 AM**

RECEIVED
SEP 19 2005
KCC WICHITA
To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

Thank you.

SIGNATURE

PRINTED NAME
SOUTHWIND DRILLING, INC.
RIG #2
PO Box 276, Ellinwood, KS 67526
Office Phone 620-564-3800, Fax 620-564-3845

DRILLING REPORT

-----------------------------------------------
Location: 1980’ FSL & 980’ FEL
API#:    15-009-24863-00-00

OWNER:    Palomino Petroleum, Inc.
CONTRACTOR: Southwind Drilling, Inc. Rig #2

TOTAL DEPTH: Driller: 3455’
Log:       3456’

LOG:
0’        -  395’ Sand/Rock/Clay
395’      -  405’ Redbed
405’      -  810’ Shale/Redbed
810’      -  833’ Anhydrite
833’      -  1400’ Redbed/Shale
1400’     -  3371’ Shale/Lime
3371’     -  3455’ Arbuckle
3455’     -  RTD

CASING RECORDS

Surface casing – 8 5/8”
Ran 9 joints of 23# new 8 5/8” surface casing. Tally @ 381.71’. Set @ 392’. Cement with 240 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 pm on 09-06-05 by Allied Cementing (tkt# 17565).

Production casing – 5 1/2”
None – plugged well

DEVIAITION SURVEYS

\[\frac{1}{4}\text{ degree (s)} \quad @ \quad 395’\]
\[1 \frac{1}{2}\text{ degree (s)} \quad @ \quad 3146’\]
\[\frac{3}{4}\text{ degree (s)} \quad @ \quad 3455’\]

RECEIVED
SEP 19 2005
KCC WICHITA
MORNING DRILLING REPORT
Southwind Drilling, Inc.
PO Box 276
112 North Main
Ellinwood, KS 67526
Fax to: Klee Watchous @ 316-799-2728

Wellsite Geologist:
Bob Schreiber
620-786-0991 (mobile)
620-653-7691 (home)

LOCATION
1980' FSL & 980' FEL
Sec. 29-16S-12W
Barton County, Kansas

Palomino Petroleum, Inc.
4924 SE 84th
Newton, KS 67114
316-799-1000
Klee's mobile: 316-258-8866

WELL NAME
Jacobs #1

ELEVATION
G.L. 1902’

K.B. 1911’

API# 15-009-24863-00-00

N USE

Rig #2 Phone Numbers
620-617-5921    Rig Cellular (Dog house)    Yes
620-617-5920    Geologist Trailer Cellular   Yes
620-794-2076    Tool Pusher Cellular         Yes

Darryl Krier

Driving Directions: from Beaver: ½ mile South, West into.

Day 1
Date 09-06-05

Tuesday
Survey @ 395’ = ¼ degree

Moved Rig #2 on location
Spud @ 3:30 pm
Ran 5.75 hours drilling (1.50 drill rat hole, 3.75 drill 12 ¼”, .50 drill 7 7/8”). Down 18.25 hours (7.00 rig up, .25 trip, 1.75 run casing/cement, 8.00 wait on cement, .50 connection, .25 jet, .25 survey, .25 drill plug)

Mud properties: spud mud
Daily Mud Cost = $0.00. Mud Cost to Date = $0.00
Wt. on bit: 20,000, 80 RPM, 600# pump pressure
Hours on 12 ¼” bit: 3.25
Hours on 7 7/8” bit #1: .50

1” fuel = 34.50 gals.
Fuel usage: 155.25 gals (44” used 4 ½”)

Ran 9 joints of 23# new 8 5/8” surface casing. Tally @ 381.71’. Set @ 392’. Cement with 240 sacks of common, 2% gel, 3% calcium chloride. Cement did circulate. Plug down @ 10:15 pm on 09-06-05 by Allied Cementing (tkt# 17565).

Day 2
Date 09-07-05

Wednesday
Anhydrite (810’-833’)

7:00 am – Drilling @ 405’
Ran 19.75 hours drilling. Down 4.25 hours (.50 rig check, .75 rig repair, 1.00 jet, 2.00 connection)
Mud properties: freshwater
Daily Mud Cost = $1,890.17. Mud Cost to Date = $1,890.17
Wt. on bit: 25,000, 80 RPM, 700# pump pressure
Hours on 12 ½” bit: 3.25
Hours on 7 7/8” bit #1: 20.25

Fuel usage: 241.50 gals (37” used 7”)

Day 3
Date 09-08-05

Thursday

7:00 am – Drilling @ 1705’
Ran 19.00 hours drilling. Down 5.00 hours (.50 rig check, 2.75 rig repair, .75 connection, 1.00 jet)
Mud properties: freshwater
Daily Mud Cost = $1,455.69. Mud Cost to Date = $3,345.86
Wt. on bit: 30,000, 80 RPM, 700# pump pressure
Hours on 12 ¼” bit: 3.25
Hours on 7 7/8” bit #1: 39.25

Fuel usage: 310.50 gals (28” used 9”)

RECEIVED
SEP 19 2005
KCC WICHITA
Driving Directions: from Beaver: ½ mile South, West into.

Day 4 Date 09-09-05 Friday

7:00 am – Drilling @ 2295'
Ran 20.00 hours drilling. Down 4.00 hours (.50 rig check, 1.75 rig repair, 1.00 connection, .25 jet, .50 displace @ 2700')
Mud properties: wt. 8.9, vis. 47
Daily Mud Cost = $433.50. Mud Cost to Date = $3,379.36
Wt. on bit: 30,000, 80 RPM, 700#/pump pressure
Hours on 12 ¾” bit: 3.25
Hours on 7 7/8” bit #1: 59.25
Fuel usage: 345.00 gals (76” used 10”) 28” + 58” delivered = 86”

Day 5 Date 09-10-05 Saturday

7:00 am – Drilling @ 2860'
Ran 15.75 hours drilling. Down 8.25 hours (1.00 CFS @ 2957’, .50 rig check, .25 rig repair, .50 connection, .50 CFS @ 3120’, 1.50 CFS @ 3146’, 1.00 CTCH, .75 short trip, 2.00 trips, .25 survey)
Mud properties: wt. 9.2, vis. 48
Daily Mud Cost = $2,019.11. Mud Cost to Date = $5,398.47
Wt. on bit: 30,000, 80 RPM, 700#/pump pressure
Hours on 12 ¾” bit: 3.25
Hours on 7 7/8” bit #1: 75.00
Fuel usage: 345.00 gals (66” used 10”)

Day 6 Date 09-11-05 Sunday

7:00 am – Tripping in with DST #1 @ 3146’
Ran 5.00 hours drilling. Down 19.00 hours (2.00 CTCH, 1.75 CFS @ 3183’, 10.50 trips, .25 rig check, .25 rig repair, 2.00 DST #1, .25 jet, 2.00 DST #2)
Mud properties: wt. 9.2, vis. 52
Daily Mud Cost = $50.00. Mud Cost to Date = $5,398.47
Wt. on bit: 30,000, 80 RPM, 750#/pump pressure
Hours on 12 ¾” bit: 3.25
Hours on 7 7/8” bit #1: 80.00
Fuel usage: 172.50 gals (61” used 5”)

RECEIVED
SEP 19 2005
KCC WICHITA
Driving Directions: from Beaver: ½ mile South, West into.

Day 7  Date  09-12-05  Monday  DST #3 (3225'-3315')
LKC "H" – "K" formation  
Recovered 8' mud

7:00 am – Drilling @ 3218'
Ran 10.50 hours drilling. Down 13.50 hours (1.00 CFS @ 3315', 1.00 CTCH, 6.50 trips, 1.00 DST #3, .25 rig check, .25 rig repair, .25 connection, 1.00 CFS @ 3358', 1.50 CFS @ 3366', .75 CFS @ 3371')
Mud properties: wt. 9.3, vis. 50
Daily Mud Cost = $1,086.39. Mud Cost to Date = $6,484.86
Wt. on bit: 30,000, 80 RPM, 750# pump pressure
Hours on 12 ¼” bit: 3.25
Hours on 7 7/8” bit #1: 90.50
Fuel usage: 276.00 gals (53” used 8”)

Day 8  Date  09-13-05  Tuesday  DST #4 (3338'-3378')
Arbuckle formation  
Recovered 5' oil & 5' mud

DST #5 (3377'-3388')
Arbuckle formation  
Recovered 30’ oil & 360’ mud cut water

7:00 am – CFS @ 3371'
Ran 1.00 hour drilling. Down 23.00 hours (.75 CFS @ 3371’, 1.50 CFS @ 3378’, 11.75 trips, 1.75 DST #4, 2.00 CTCH, 1.75 CFS @ 3384’, 1.50 CFS @ 3388’, 2.00 DST #5)
Mud properties: wt. 9.1, vis. 54
Daily Mud Cost = $121.60. Mud Cost to Date = $6,606.46
Wt. on bit: 30,000, 80 RPM, 750# pump pressure
Hours on 12 ¼” bit: 3.25
Hours on 7 7/8” bit #1: 91.25
Hours on 7 7/8” bit #2: .25
Fuel usage: 172.50 gals (47” used 5’)

RECEIVED
SEP 19 2005
KCC WICHITA
**Driving Directions:** from Beaver: ½ mile South, West into.

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Wednesday</th>
<th>Survey @ 3455' = ¾ degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>09-14-05</td>
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<td></td>
</tr>
</tbody>
</table>

**RTD = 3455’**
**LTD = 3456’**

7:00 am – Drilling @ 3390’
Ran 2.75 hours drilling. Down 21.25 hours (.25 rig check, 1.00 CFS @ 3455’, .25 survey, 1.50 trip for log, 3.25 log, 1.50 lay down collars, 1.00 trip to plug, 3.75 wait on cement trucks, 2.50 plug well, 2.25 tear down, 4.00 rig down)

Mud properties: wt. 9.2, vis. 54

Daily Mud Cost = $441.37. **Total Mud Cost = $7,047.83**

Wt. on bit: 30,000, 80 RPM, 750# pump pressure

Hours on 12 ¼” bit: 3.25

Hours on 7 7/8” bit #1: 91.25

Hours on 7 7/8” bit #2: 3.00

Fuel usage: 138.00 gals (43” used 4”)

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Thursday</th>
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</thead>
<tbody>
<tr>
<td>10</td>
<td>09-15-05</td>
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</tbody>
</table>

7:00 am – Moving off location

Plug well with 165 sacks of 60/40 Poz, 6% gel, ¼# floseal per sack. 1st plug @ 3346’ with 25 sacks. 2nd plug @ 822’ with 25 sacks. 3rd plug @ 452’ with 90 sacks. 4th plug @ 40’ with 10 sacks to surface. Plug rat hole with 15 sacks. No mouse hole. Plug down @ 12:45 am on 09-15-05 by Allied Cementing (tkt# 17572).