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KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

API # 15-145-20,027-00-01 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued, indicate original spud or completion date.

Well Operator: Palomino Petroleum, Inc. KCC License #: 30742

Address: 4924 SE 84th Street City: Newton
State: Kansas Zip Code: 67114-8827 Contact Phone: (316) 799-1000
Lease: Beltz Well #: 1 Sec. 19 Twp. 20 S. R. 20 East West

App.C NW SW Spot Location / QQQQ County: Pawnee

1980' Feet (in exact footage) From North South (from nearest outside section corner) Line of Section (Not Lease Line)
570' Feet (in exact footage) From East West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well

SWD Docket # B-14470 ENHR Docket # Other:

Conductor Casing Size: Set at: Cemented with: Sacks
Surface Casing Size: 8-5/8" Set at: 333' Cemented with: 235 Sacks
Production Casing Size: 5-1/2" Set at: 4400' Cemented with: Sacks

List (ALL) Perforations and Bridgeplug Sets: 3610'-3680'; 4349'-4355'; BP @ 3842'

Elevation: 2205' (GL or K.B.) T.D.: 4400' PBDT: Anhydrite Depth: Approx. 1396'

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): As per KCC Rules

NOTE: Approximately 350' fiberglass tubing in bottom of hole.

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No
If not explain why? Not supplied by operator.

Plugging of this Well will be done in accordance with K.S.A. 55-101 et seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations:

Edward S. Nemrich Phone: (620) 587 - 3361
Address: P.O. Box 231 City: Claflin, Kansas 67525

Plugging Contractor: D.S. & W. Well Servicing, Inc. KCC License #: 6901
Address: P.O. Box 231, Claflin, KS 67525 Phone: (620) 587 - 3361

Proposed Date and Hour of Plugging (if known?):

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent
Date: 3/24/04 Authorized Operator / Agent: [Signature]

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Palomino Petroleum, Inc.
4924 SE 84th Street
Newton, KS 67114-8827

March 30, 2004

Re: BELTZ #1
API 15-145-20027-00-00
NWSW 19-20S-20W, 1980 FSL 570 FWL
PAWNEE COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely

David P. Williams
Production Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888