TO:
STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

Operator License No.: 30742
Op Name: PALOMINO PETROLEUM, INC.
Address: 4924 SE 84TH STREET
NEWTON, KS 67114

API Well Number: 15-135-24320-00-00
Spot: E2
Sec/Twnshp/Rge: 30-17S-24W
2480 feet from S Section Line, 1150 feet from E Section Line
Lease Name: KEILMAN UNIT
Well #: 1
County: NESS
Total Vertical Depth: 4551 feet

SURF Size: 8.625 feet: 235

Well Type: DH
Plug Co. License No.: 5123
Proposed Revd. from: MIKE KERNS
Plug Co. Name: PICKRELL DRILLING COMPANY, INC.
Company: PICKRELL DRILLING COMPANY, INC.
Phone: (316) 262-8427

Date/Time to Plug: 12/10/2004 11:30 PM

Proposed Plugging Method:
1ST PLUG AT 1780' WITH 50 SX CMT. 2ND PLUG AT 1060' WITH 80 SX CMT. 3RD PLUG AT 550' WITH 40 SX CMT. 4TH PLUG AT 260' WITH 40 SX CMT. 5TH PLUG AT 40' WITH 10 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

Plugging Proposal Received By: STEVE MIDDLETON
Date/Time Plugging Completed: 12/11/2004 2:00 AM
Witness Type: NONE
KCC Agent: STEVE MIDDLETON

Actual Plugging Report:
1ST PLUG AT 1780' WITH 50 SX CMT. 2ND PLUG AT 1060' WITH 80 SX CMT. 3RD PLUG AT 550' WITH 40 SX CMT. 4TH PLUG AT 260' WITH 40 SX CMT. 5TH PLUG AT 40' WITH 10 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

Remarks: USED 60/40 POZMIX 6% GEL 1/4# FLO SEAL BY COPELAND.
Plugged through: DP

District: 01
RECEIVED
DEC 1 4 2004
KCC Dodge City

Signed

(TECHNICIAN)

INVOICED
DATE 12/17/04
INV #3 3005060942

RECEIVED DEC 1 6 2004
KCC WICHITA