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: 15-135-24357-00-00
Spot: N2N2NW  Sec/Twnsp/Rge: 31-18S-23W
       410 feet from N Section Line,  1270 feet from W Section Line
Lease Name: PARKERSON  Well #: 1
County: NESS  Total Vertical Depth: 4280 feet
       SURF Size: 8.625  feet: 219

Well Type: DH  UIC Docket No:  Date/Time to Plug: 06/02/2005 12:45 AM
Plug Co. License No: 5123  Plug Co. Name: PICKRELL DRILLING COMPANY, INC.
Proposal Recvd. from: MIKE KERNS  Company: PICKRELL DRILLING COMPANY, INC.
          Phone: (316) 262-8427

Proposed Plugging Method: 1ST PLUG AT 1520' WITH 50 SX CMT. 2ND PLUG AT 780' WITH 80 SX CMT. 3RD PLUG AT 240' WITH 40 SX CMT.
                          4TH PLUG AT 40-0' WITH 10 SX CMT. 5TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

Plugging Proposal Received By: STEVE DURRANT  Witness Type: NONE
Date/Time Plugging Completed: 06/02/2005 2:30 AM  KCC Agent: STEVE DURRANT

Actual Plugging Report: Perfs:
1ST PLUG AT 1520' WITH 50 SX CMT. 2ND PLUG AT 780' WITH 80 SX CMT. 3RD PLUG AT 240' WITH 40 SX CMT.
                          4TH PLUG AT 40-0' WITH 10 SX CMT. 5TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

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

District: 01  Signed  (TECHNICIAN)

RECEIVED  JUN - 2 2005  INVOICED  DATE  6-7-05
KCC Dodge City  WV. NO. 2005061677

Form CP-2/3