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: 15-135-24362-00-00
Spot: S2SE
Sec/Townshp/Rge: 34-18S-24W
640 feet from S Section Line, 1160 feet from E Section Line
Lease Name: STOUT
County: NESS
Well #: 1
Total Vertical Depth: 4421 feet

SURF Size: 8.625 feet: 219

Well Type: DH
UIC Docket No:
Date/Time to Plug: 07/01/2005 4:45 AM
Plug Co. License No.: 5123
Plug Co. Name: PICKRELL DRILLING COMPANY, INC.
Proposal Rcvd. from: MIKE KERNS
Company: PICKRELL DRILLING COMPANY, INC.
Phone: (316) 262-8427
Proposed Plugging Method:
1ST PLUG AT 1600' WITH 50 SX CMT. 2ND PLUG AT 800' WITH 80 SX CMT. 3RD PLUG AT 400' WITH 40 SX CMT. 4TH PLUG AT 250' WITH 50 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: RICHARD LACEY
Witness Type: NONE
Date/Time Plugging Completed: 07/01/2005 6:45 AM
KCC Agent: RICHARD LACEY

Actual Plugging Report:
1ST PLUG AT 1600' WITH 50 SX CMT. 2ND PLUG AT 800' WITH 80 SX CMT. 3RD PLUG AT 400' WITH 40 SX CMT. 4TH PLUG AT 250' WITH 50 SX CMT. 5TH PLUG AT 40' WITH 10 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

Perfs:

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

District: 01
Signed

District:
KCC Dodge City

JUL - 1 2005

KCC WICHITA

INVOICE

RECEIVED

DATE 7-7-05

REV. NO. 2006060018