

RECEIVED
MAR 26 2004
KCC WICHITA

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

Form CP-1
September 2003
This Form must be Typed
Form must be Signed
All blanks must be Filled

API # 15 - 135 - 20,060 - 00 - 00 (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
(Owner/Company Name) (Operator's)

Address: 4924 SE 84th Street City: Newton

State: Kansas Zip Code: 67114-8827 Contact Phone: (316) 799 - 1000

Lease: Isern Well #: 1 Sec. 24 Twp. 20 S. R. 21 East West

C - NE - SE Spot Location / QQQQ County: Ness

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

660' 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 # _____ ENHR Docket # _____ Other: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks

Surface Casing Size: 8-5/8" Set at: 340' Cemented with: 200 Sacks

Production Casing Size: 5-1/2" Set at: 4433' Cemented with: 100 Sacks

List (ALL) Perforations and Bridgeplug Sets: Open Hole @4369'

Elevation: 2227 (G.L. / K.B.) T.D.: 4435' PBTD: 4433' Anhydrite Depth: 1413'
(Stone Corral Formation)

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 & Requirements

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. Nemnich Phone: (620) 587 - 3361

Address: P.O. Box 231 City / State: Claffin, Kansas 67525

Plugging Contractor: D.S. & W. Well Servicing, Inc. KCC License #: 6901

Address: P.O. Box 231, Claffin, 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: 3/25/04 Authorized Operator / Agent: Edward S. Nemnich
(Signature)

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair John Wine, Commissioner Robert E. Krehbiel, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

March 31, 2004

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

Re: ISERN #1
API 15-135-20060-00-00
NESE 24-20S-21W, 1980 FSL 660 FEL
NESS 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.

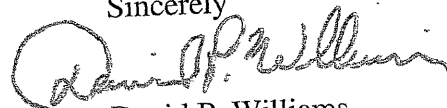
Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

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