TO:

STATE CORPORATION COMMISSION **CONSERVATION DIVISION - PLUGGING** 130 SOUTH MARKET, SUITE 2078

WICHITA, KANSAS 67202

API Well Number: 15-101-21862-00-00

Spot: S2S2NE

Sec/Twnshp/Rge: 31-20S-30W

2310 feet from N Section Line,

1410 feet from E Section Line

Lease Name: ALGRIM OGDEN

Well #: 1

County: LANE

Total Vertical Depth: 4789 feet

Operator License No.: 30742

Op Name: PALOMINO PETROLEUM, INC.

Address: 4924 SE 84TH STREET **NEWTON, KS 67114**

SURF Size: 8.625 feet: 363

Well Type: DH

UIC Docket No:

Date/Time to Plug: 01/12/2005 11:45 AM

Plug Co. License No.: 33350

Proposal Revd. from: DARYL KRIER

Plug Co. Name: SOUTHWIND DRILLING, INC.

Company: SOUTHWIND DRILLING, INC.

Phone: (620) 564-3800

Proposed 1ST PLUG AT 2130' WITH 50 SX CMT. 2ND PLUG AT 1400' WITH 80 SX CMT. 3RD PLUG AT 700' WITH 30 SX Plugging CMT. 4TH PLUG AT 400' WITH 50 SX CMT. 5TH PLUG AT 40' WITH 10 SX CMT. 6TH PLUG TO CIRCULATE

Method: RAT HOLE WITH 15 SX CMT. NO MOUSE HOLE.

Plugging Proposal Received By: KEN JEHLIK

WitnessType: NONE

Date/Time Plugging Completed: 01/12/2005 2:00 PM

KCC Agent: KEN JEHLIK

Actual Plugging Report:

Perfs:

1ST PLUG AT 2130' WITH 50 SX CMT. 2ND PLUG AT 1400' WITH 80 SX CMT. 3RD PLUG AT 700' WITH 30 SX CMT. 4TH PLUG AT 400' 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.

RECEIVED

JAN 2 1 2005

KCC WICHITA

Remarks:

USED 60/40 POZMIX 6% GEL 1/4# FLO SEAL BY COPELAND.

Plugged through: DP

District: 01

JAN 13 2005 KCC Dodge Cit

Signed .