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: 15-145-21535-00-00

Spot: W2W2W2 Sec/Twnshp/Rge: 11-20S-20W

2510 feet from S Section Line, 330 feet from W Section Line

Lease Name: HEART BAR

Well #: 1 Total Vertical Depth: 4307 feet

String Size Depth (ft) Pulled (ft) Comment

SURF 8.625 505 WITH 275 SX CMT

Well Type: DH

UIC Docket No:

Date/Time to Plug: 03/13/2006 12:00 PM

Plug Co. License No.: 5184

Plug Co. Name: SHIELDS OIL PRODUCERS INC

County: PAWNEE

Proposal Revd. from: BURT BEERY

Company: SHIELDS OIL PRODUCERS INC

Phone: (785) 483-3141

Method:

Proposed 1ST PLUG AT 1380' WITH 50 SX CMT. 2ND PLUG AT 510' WITH 50 SX CMT. 3RD PLUG AT 60' WITH 20 SX Plugging CMT. 4TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. 5TH PLUG TO CIRCULATE WITH 10 SX CMT.

Plugging Proposal Received By: STEVE DURRANT

WitnessType: NONE

Date/Time Plugging Completed: 03/13/2006 2:00 PM

KCC Agent: STEVE DURRANT

Actual Plugging Report:

Perfs:

1ST PLUG AT 1380' WITH 50 SX CMT. 2ND PLUG AT 510' WITH 50 SX CMT. 3RD PLUG AT 60' WITH 20 SX CMT. 4TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX

CMT. 5TH PLUG TO CIRCULATE WITH 10 SX CMT.

Remarks: USED 60/40 POZMIX 6% GEL BY ALLIED.

Plugged through: DP

District: 01

INYOICED

MAR 15 2006 KCC Dodge

Signed < (TECHNICIAN)

> MAR 2 0 2006 KCC WICHITA

Form CP-2/3