

STATE OF KANSAS
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 South Market - Room 2078
Wichita, Kansas 67202

FORM CP-1 (3/92)

WELL PLUGGING APPLICATION FORM
(PLEASE TYPE FORM and File ONE Copy)

API # 15-145-21535-0000 (Identifier number of this well). This must be listed for wells drilled since 1967; if no API# was issued, indicate spud or completion date.

WELL OPERATOR Palomino Petroleum, Inc. KCC LICENSE # 30742
(owner/company name) (operator's)

ADDRESS 4924 SE 84th St. CITY Newton

STATE Kansas ZIP CODE 67114-8827 CONTACT PHONE # (316) 799-1000

LEASE Heart Bar WELL# 1 SEC. 11 T. 20 R. 20 (East/West)

130' of - W/2 - W/2 - W/2 SPOT LOCATION/OOOO COUNTY Pawnee

2,510 FEET (in exact footage) FROM SXX (circle one) LINE OF SECTION (NOT Lease Line)

330 FEET (in exact footage) FROM EXW (circle one) LINE OF SECTION (NOT Lease Line)

Check One: OIL WELL GAS WELL D&A SWD/ENHR WELL DOCKET# _____

CONDUCTOR CASING SIZE _____ SET AT _____ CEMENTED WITH _____ SACKS

SURFACE CASING SIZE 8 5/8 SET AT 505' CEMENTED WITH 275 SACKS

PRODUCTION CASING SIZE _____ SET AT _____ CEMENTED WITH _____ SACKS

LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: _____

ELEVATION 2,203' KB T.D. 4,307' PBD ANHYDRITE DEPTH 1,342'
(G.L./K.B.) (Stone Corral Formation)

CONDITION OF WELL: GOOD POOR CASING LEAK JUNK IN HOLE

PROPOSED METHOD OF PLUGGING _____

RECEIVED
MAY 04 2006

KCC WICHITA

(If additional space is needed attach separate page)

IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? Yes IS ACO-1 FILED? No

If not explain why? Operator will file

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:

Burt Beery PHONE# (785) 483-3141

ADDRESS Box 709 City/State Russell, KS 67665

PLUGGING CONTRACTOR Shields Drilling Co. KCC LICENSE # 5184
(company name) (contractor's)

ADDRESS Box 709, Russell, KS 67665 PHONE # (785) 483-3141

PROPOSED DATE AND HOUR OF PLUGGING (If Known?) 3-13-06 12PM

PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT
SHIELDS DRILLING CO.

DATE: 3-21-06 AUTHORIZED OPERATOR/AGENT: Jack P Beerman
(signature)

* Well Already plugged - Dlg kcc

Dist 01