TO:

STATE CORPORATION COMMISSION **CONSERVATION DIVISION - PLUGGING**

130 SOUTH MARKET, SUITE 2078

WICHITA, KANSAS 67202

API Well Number: 15-195-22366-00-00

Spot: N2S2SW

Sec/Twnshp/Rge: 25-15S-22W

1050 feet from S Section Line,

1270 feet from W Section Line

Lease Name: HB RANCH

County: TREGO

Well #: 1 Total Vertical Depth: 4400 feet

Operator License No.: 30742

Op Name: PALOMINO PETROLEUM, INC.

Address: 4924 SE 84TH STREET

NEWTON, KS 67114

Proposal Revd. from: DOUG ROBERTS

SURF 8.625 224

String Size Depth (ft) Pulled (ft) Comment

\$ 143.00

Well Type: DH

UIC Docket No:

Date/Time to Plug: 06/29/2006 2:00 PM

Plug Co. License No.: 33350

ALLIED CEMENTING COMPANY.

Plug Co. Name: SOUTHWIND DRILLING, INC.

Company: SOUTHWIND DRILLING, INC.

Phone: (620) 564-3800

Proposed Order 200 sxs 60/40 posmix - 6% gel with 1/4# flocele per sack.

Plugging |Space all plugs with heavy drilling mud through drill pipe.

Method:

Plugging Proposal Received By: HERB DEINES

WitnessType: NONE

Date/Time Plugging Completed: 06/29/2006 3:45 PM

KCC Agent: HERB DEINES

Actual Plugging Report:

1st. Plug at 1800' w/25 sxs.

2nd. Plug at 925' w/100 sxs.

3rd. Plug at 275' w/40 sxs.

4th. Plug at 40' w/10 sxs. Rathole with 15 sxs.

Mousehole with 10 sxs.

Perfs:

RECEIVED

JUL 0 5 2006

KCC WICHITA

Plugged through: DP

District: 04

Remarks:

(TECHNICIAN)

Form CP-2/3