For KCC Use: Effective Date: District # SGA? Yes X No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date	eptember 8	3 2006	Spot 60	S & 30' E	of			East
		ay year	W/2 NW			Twp. <u>20</u> S.	<u>. </u>	Vest
20740	/		720	56	feet from	<u> </u>	Line of Section	
OPERATOR: License# 30742			2280				V Line of Section	
Name: Palomino Petroleum, Inc	C		Is SECTION _	Regular			Line of Geello	
Address: 4924 SE 84th St. City/State/Zip: Newton, Kansas	67114-8827			_	_			
City/State/Zip: Klee R. Watch	OLIS	•	. (A County: Ness	Vote: Locate well	on the Sect	ion Plat on reve	rse side)	
Phone: (316) 799-1000	- Cua		Lease Name: S	Sorensen			Mail #. 1	
Phone: (515)			Field Name: H	air West			vveii #	
CONTRACTOR: License# 512	3		Is this a Prorate		nld2		Yes [v	Z No
Name: Pickrell Drilling Compa	any, Inc.		Target Formation				∐ ies [¥	
			Nearest Lease					
Well Drilled For:	Well Class:	Type Equipment:	Ground Surface				feet	MSL
Oil Lenh Rec	Infield	✓ Mud Rotary		in one-quarter r			Yes ✓	
Gas Storage	Pool Ext	Air Rotary		pply well within			Yes 🗸	= -
OWWO Disposal	Wildcat	Cable	Depth to botton					
Seismic;# of Holes	s Other		Depth to botton					
Other			Surface Pipe by	y Alternate:	1 🗸 2	2 _		
If OWWO: old well information	as follows:		Length of Surfa	ace Pipe Planne	ed to be se	et:		
	45 10110113.		Length of Cond	ductor Pipe req	uired: None	9		
Well Name:			Projected Total	Depth: 4450				
Original Completion Date:			Formation at To	otal Depth:	/lississippia	เท		
			Water Source f	or Drilling Oper	ations:	~		
Directional, Deviated or Horizon		Yes ✓ No	Well ✓	Farm Pond	Other_			
If Yes, true vertical depth:			DWR Permit #:.					
Bottom Hole Location:			-	(Note: App	ly for Permi	t with DWR	·	_
KCC DKT #:			 Will Cores be to 	aken?			Yes ✓	′]No
			If Yes, propose			RS		
			If Yes, propose		K		CEIVED	ISSION
The undersigned bereby affirm	s that the drilling	Al	If Yes, propose	ed zone:		ANSAS CORPO	CEIVED	ISSION
The undersigned hereby affirm	s that the drilling,	Al completion and eventua	If Yes, propose	ed zone:		ANSAS CORPO	CEIVED	ISSION
It is agreed that the following n	ninimum requirem	All completion and eventual ents will be met:	If Yes, propose	ed zone:		ANSAS CORPO	CEIVED DRATION COMMI	
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Side Two

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

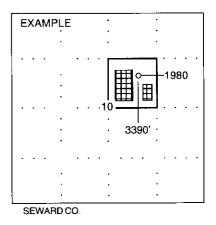
API No. 15 - 135-24536-0000	Location of Well: County: Ness
Operator: Palomino Petroleum, Inc.	720 feet from VN / S Line of Section
Lease: Sorensen	2280 feet from ✓ E / W Line of Section
Well Number: 1 Field: Hair West	Sec. 6 Twp. 20 S. R. 24 East ✓ West
Number of Acres attributable to well: QTR / QTR / QTR of acreage:	If Section: Regular or Irregular If Section is Irregular, locate well from nearest corner boundary. Section corner used: VNE NW SE SW

PLAT (Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)

6

RECEIVED KANSAS CORPORATION COMMISSION AUG 2 1 2006

CONSERVATION DIVISION WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton. NESS CO.

In plotting the proposed location of the well, you must show:

- 1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections,
- 2. The distance of the proposed drilling location from the section's south / north and east / west.
- 3. The distance to the nearest lease or unit boundary line.
- 4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Palomino Petroleum, Inc.		License Number: 30742			
Operator Address: 4924 SE 84th	St., Newton	, Kansas	67114-8827		
Contact Person: Klee R. Watchous			Phone Number: (316) 799 - 1000		
Lease Name & Well No.: Sorensen #1			Pit Location (QQQQ):		
Type of Pit:		S & 30' E	f_ <u>W/2</u>		
Emergency Pit Burn Pit	✓ Proposed Existing		Sec. 6 Twp. 20S R. 24 ☐ East ✓ West		
Settling Pit	If Existing, date constructed:		720 Feet from 🗹 North / South Line of Section		
Workover Pit Haul-Off Pit Pit capacity:			2280 Feet from 🗸 East / 🗌 West Line of Section	,	
(If WP Supply API No. or Year Drilled)	6 <u>80</u> 0	(bbls)	Ness County	,	
Is the pit located in a Sensitive Ground Water	Area? Yes	No	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?		
✓ Yes No	Yes ✓ N		Drlg. mud and shale from well bore.	-	
Pit dimensions (all but working pits):	BO Length (fe	et)80	Width (feet) N/A: Steel Pits		
Depth f	rom ground level to de		3 (feet)	4	
If the pit is lined give a brief description of the material, thickness and installation procedur		Describe procliner integrity,	edures for periodic maintenance and determiniscEIVED notuding any special monitoring. KANSAS CORPORATION COMMIS	SSIO	
			AUG 2 1 2006		
			AUG 2 1 2006 Conservation division Wichita, ks	i i	
Distance to nearest water well within one-mi	le of pit	Depth to shalk Source of info	CONSERVATION DIVISION WICHITA, KS		
Distance to nearest water well within one-mi		Source of info	CONSERVATION DIVISION WICHITA, KS		
_	2.30 feet	Source of info	CONSERVATION DIVISION WICHITA, KS owest fresh water feet. rmation:		
3999_feet Depth of water well_	2.30 feet	Source of info meas Drilling, Work Type of mater	CONSERVATION DIVISION WICHITA, KS owest fresh water feet. rmation: feet. ured well owner electric log KDWR cover and Haul-Off Pits ONLY: al utilized in drilling/workover:	/5//3/	
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		Source of info meas Drilling, Work Type of mater Number of wo	CONSERVATION DIVISION WICHITA, KS owest fresh water feet. rmation: feet. ured well owner electric log KDWR cover and Haul-Off Pits ONLY: al utilized in drilling/workover:	7/35	
3999 feet Depth of water well _ Emergency, Settling and Burn Pits ONLY Producing Formation:		Source of info meas Drilling, Work Type of mater Number of wo Abandonment	CONSERVATION DIVISION WICHITA, KS Division Fresh water	7/35	
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	230 feet : If spilled fluids to	Source of info meas Drilling, Work Type of mater Number of wo Abandonment Drill pits must correct to the beau	CONSERVATION DIVISION WICHITA, KS Division west fresh water	735 747500	