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

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

Expected Spud Date	September 15 2006	Spot 120' N of		
	month day year	S/2 - N/2 - NW Sec. 20 Twp. 16 S. R. 12		
OPERATOR: License# 30	742	870 feet from V N / S Line of Section		
Name: Palomino Petroleur	m. Inc.	1320 feet from E / V W Line of Section		
4924 SE 84th St.		Is SECTION Regular Irregular?		
City/State/Zip: Newton, Ka	nsas 67114-8827			
Contact Person: Klee R. W	atchous	(Note: Locate well on the Section Plat on reverse side) County: Barton		
Phone: (316) 799-1000		Lease Name: Staudinger Well #:1		
		Field Name: Beaver SW		
CONTRACTOR: License#	33350	Is this a Prorated / Spaced Field? Yes VNo		
Name: Southwind Drilling	j, Inc.	Target Formation(s): LKC, Arbuckle		
Well Drilled For:	Mall Classes Time Equipments	Nearest Lease or unit boundary: 450		
	Well Class: Type Equipment:	Ground Surface Elevation: 1890 feet MSL		
V Oil Enh R		Water well within one-quarter mile:		
Gas Storag		Public water supply well within one mile:		
OWWO Dispos		Depth to bottom of fresh water: 300		
Seismic;# of	Holes Other	Depth to bottom of usable water: 360		
Other		Surface Pipe by Alternate:		
If OWWO: old well informa	tion as follows:	Length of Surface Pipe Planned to be set: 380+		
Operator:		Length of Conductor Pipe required: None		
•		Projected Total Depth: 3400		
Original Completion Da	te:Original Total Depth;	Formation at Total Depth: Arbuckle		
	/	Water Source for Drilling Operations:		
Directional, Deviated or Ho	rizontal wellbore? Yes ✓ No	Well ✓ Farm Pond Other		
·		DWR Permit #:		
		(Note: Apply for Permit with DWR)		
KCC DKT #:		Will Cores be taken? Yes ✓ No		
		If Yes, proposed zone:		
	AF	FIDAVIT RECEIVED		
The undersigned hereby a	AF ffirms that the drilling, completion and eventua	FIDAVIT Plugging of this well will comply with K.S.A. 55 et. seg		
The undersigned hereby a	ffirms that the drilling, completion and eventual	PIDAVIT RECEIVED plugging of this well will comply with K.S.A. 55 et. seq. AUG 3 1 2006		
•	ffirms that the drilling, completion and eventualing minimum requirements will be met:	plugging of this well will comply with K.S.A. 55 et. seq. AUG 3 1 2006		
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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 - 009-24982-0000	Location of Well: County: Barton
Operator: Palomino Petroleum, Inc.	870feet from ✓ N / S Line of Section
Lease: Staudinger	1320 feet from E / V W Line of Section
Well Number: 1 Field: Beaver SW	Sec. 20 Twp. 16 S. R. 12 ☐ East ✓ West
Number of Acres attributable to well:	Is Section: ✓ Regular or ☐ Irregular
QTR / QTR / QTR of acreage: S/2 - N/2 - NW	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW

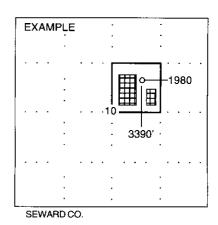
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

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RECEIVED AUG 3 1 2006 KCC WICHITA



NOTE: In all cases locate the spot of the proposed drilling locaton. BARTON 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, 4 sections, etc.
- 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.: Staudinger #1			Pit Location (QQQQ):		
Type of Pit:	Pit is:	120' N o	f <u>S/2</u> . <u>N/2</u> . <u>NW</u>		
Emergency Pit Burn Pit	✓ Proposed Existing		Sec. 20 _{Twp.} 16S _{R.} 12		
Settling Pit	If Existing, date constructed:		870 Feet from 🗸 North / 🗌 South Line of Section		
Workover Pit Haul-Off Pit	Pit capacity:		1320 Feet from East / 🗸 West Line of Section		
(If WP Supply API No. or Year Drilled)	6800	(bbls)	Barton County		
Is the pit located in a Sensitive Ground Water Area? Yes			Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)		
Is the bottom below ground level? ✓ Yes No	Artificial Liner? ☐ Yes ✓	No	How is the pit lined if a plastic liner is not used?		
			Drlg. mud and shale from well bore.		
Pit dimensions (all but working pits):	O Length (for comparison of the comparison of th	,	Width (feet) N/A: Steel Pits 3(feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe proce liner integrity, in	edures for periodic maintenance and determining RECEIVED AUG 3 1 2006 KCC WICHITA		
Distance to nearest water well within one-mile	e of pit	Depth to shallowest fresh waterfeet.			
feet Depth of water well	ခ62 feet	measured well owner electric log KDWR			
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:			
Producing Formation:		Type of material utilized in drilling/workover: fresh			
Number of producing wells on lease:		Number of working pits to be utilized: 2 Abandonment procedure: evaporate and backfill			
Barrels of fluid produced daily:		Abandonment	procedure: evaporate and backfill		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No		Drill pits must be closed within 365 days of spud date.			
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.					
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. hereby certify that the above statements are true and correct to the best of my knowledge and belief. August 30, 2006					
KCC OFFICE USE ONLY					
Date Received: 8/31/06 Permit Number: Permit Date: 8/31/06 Lease Inspection: Yes No					