

TO:
STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Well Number: 15-135-24549-00-00
Spot: NWNESW Sec/Twnshp/Rge: 32-19S-24W
2170 feet from S Section Line, 1770 feet from W Section Line
Lease Name: HARKNESS TRUST Well #: 1
County: NESS Total Vertical Depth: 4470 feet

Operator License No.: 30742
Op Name: PALOMINO PETROLEUM, INC.
Address: 4924 SE 84TH STREET
NEWTON, KS 67114

| String | Size | Depth (ft) | Pulled (ft) | Comment |
|--------|-------|------------|-------------|------------|
| SURF | 8.625 | 220 | | 160 SX CMT |

145.28

Well Type: DH UIC Docket No: _____ Date/Time to Plug: 10/25/2006 5:45 PM

Plug Co. License No.: 5123 Plug Co. Name: PICKRELL DRILLING COMPANY, INC.

Proposal Rcvd. from: MIKE KERNS Company: PICKRELL DRILLING COMPANY, I Phone: (620) 786-7133

Proposed Plugging Method: 1ST PLUG AT 1650' WITH 50 SX CMT. 2ND PLUG AT 840' WITH 80 SX CMT. 3RD PLUG AT 420' WITH 40 SX CMT. 4TH PLUG AT 240 WITH 40 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT.

Plugging Proposal Received By: JERRY W. STAPLETON

WitnessType: NONE

Date/Time Plugging Completed: 10/25/2006 7:45 PM

KCC Agent: JERRY W. STAPLETON

Actual Plugging Report:

Perfs:

1ST PLUG AT 1650' WITH 50 SX CMT. 2ND PLUG AT 840' WITH 80 SX CMT. 3RD PLUG AT 420' WITH 40 SX CMT. 4TH PLUG AT 240 WITH 40 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT.

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

Plugged through: DP

INVOICED
DATE 11-15-06
INV. NO. 2007060818

District: 01

Signed Jerry W. Stapleton
(TECHNICIAN)
PART II

RECEIVED
NOV 13 2006
KCC WICHITA

Handwritten initials