

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

API Well Number: 15-135-24545-00-00  
Spot: S2N2S2 Sec/Twnshp/Rge: 10-18S-24W  
1650 feet from S Section Line, 2600 feet from W Section Line  
Lease Name: SCHULER UNIT Well #: 1  
County: NESS Total Vertical Depth: 4434 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
PROD	5.5	0		
SURF	8.625	212		160 SACKS. \$ 144.11

Well Type: DH UIC Docket No: \_\_\_\_\_ Date/Time to Plug: 11/15/2006 9:30 AM  
Plug Co. License No.: 33350 Plug Co. Name: SOUTHWIND DRILLING, INC.  
Proposal Rcvd. from: DOUG ROBERTS Company: SOUTHWIND DRILLING, INC. Phone: \_\_\_\_\_

Proposed Plugging Method: 1ST PLUG AT 1650' WITH 50 SX CMT. 2ND PLUG AT 950' WITH 80 SX CMT. 3RD PLUG AT 500' WITH 50 SX CMT. 4TH PLUG AT 220' WITH 50 SX CMT. 5TH PLUG AT 60' WITH 20 S XCMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 S XCMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 10 SX CMT.

Plugging Proposal Received By: STEVE PFEIFER WitnessType: NONE  
Date/Time Plugging Completed: 11/15/2006 11:30 AM KCC Agent: STEVE PFEIFER

Actual Plugging Report:

1ST PLUG AT 1650' WITH 50 SX CMT. 2ND PLUG AT 950' WITH 80 SX CMT. 3RD PLUG AT 500' WITH 50 SX CMT. 4TH PLUG AT 220' WITH 50 SX CMT. 5TH PLUG AT 60' WITH 20 S XCMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 S XCMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 10 SX CMT.

Perfs:

INVOICED  
DATE 12-7-06  
INV. NO. 2007060928

Remarks: USED 60/40 POZMIX 6% GEL BY QUALITY OIL WELL CONFIG

Plugged through: DP

District: 01

Signed Stephen J. Pearson  
(TECHNICIAN)

RECEIVED Form CP-2/3  
DEC 04 2006  
KCC WICHITA PST