

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

API Well Number: 15-135-24595-00-00
Spot: SENENW Sec/Twnshp/Rge: 7-19S-24W
1010 feet from N Section Line, 2310 feet from W Section Line
Lease Name: BORGER MCCOY Well #: 1
County: NESS Total Vertical Depth: 4500 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 | 222 | | |

\$ 146.25

Well Type: DH UIC Docket No: _____ Date/Time to Plug: 01/21/2007 4:00 PM

Plug Co. License No.: 33350 Plug Co. Name: SOUTHWIND DRILLING, INC.

Proposal Rcvd. from: DOUG ROBERTS Company: SOUTHWIND DRILLING, INC. Phone: (620) 564-3800

Proposed Plugging Method: 1ST PLUG AT 1680' WITH 50 SX CMT. 2ND PLUG AT 850' WITH 80 SX CMT. 3RD PLUG AT 425' WITH 40 SX CMT. 4TH PLUG AT 250' WITH 40 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 10 SX CMT.

Plugging Proposal Received By: STEVE PFEIFER
Date/Time Plugging Completed: 01/21/2007 6:45 PM

WitnessType: NONE
KCC Agent: STEVE PFEIFER

Actual Plugging Report:

1ST PLUG AT 1680' WITH 50 SX CMT. 2ND PLUG AT 850' WITH 80 SX CMT. 3RD PLUG AT 425' WITH 40 SX CMT. 4TH PLUG AT 250' WITH 40 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 10 SX CMT.

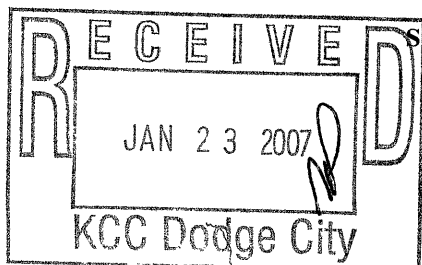
Perfs:

INVOICED
DATE 1-31-07
INV. NO. 2007061282

Remarks: USED 60/40 POZMIX 6% GEL 1/4# FLO SEAL BY ALLIED.

Plugged through: DP

District: 01



Signed

Stephen J. Pappas
(TECHNICIAN)

RECEIVED
JAN 30 2007
KCC WICHITA

Form CP-2/3

[Signature]