TO:

STATE CORPORATION COMMISSION **CONSERVATION DIVISION - PLUGGING**

130 SOUTH MARKET, SUITE 2078

WICHITA, KANSAS 67202

Operator License No.: 30742

Op Name: PALOMINO PETROLEUM, INC.

NEWTON, KS 67114

Address: 4924 SE 84TH STREET

API Well Number: 15-135-24618-00-00

Spot: SESWNE

Sec/Twnshp/Rge: 29-17S-23W

2460 feet from N Section Line,

1530 feet from E Section Line

Lease Name: NYLE

Well #: 1

County: NESS

Total Vertical Depth: 4500 feet

String Size

Depth (ft) Pulled (ft) Comment

SURF 8.625 223 WITH 160 SX CMT

\$ 146.25

Well Type: DH

UIC Docket No:

Date/Time to Plug: 03/23/2007 11:00 AM

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 1ST PLUG AT 1700' WITH 50 SX CMT. 2ND PLUG AT 950' WITH 80 SX CMT. 3RD PLUG AT 450' WITH 50 SX Plugging CMT. 4TH PLUG AT 240' WITH 50 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE

Method: RAT HOLE WITH 15 SX CMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 10 SX CMT.

Plugging Proposal Received By: STEVE PFEIFER

WitnessType: NONE

Date/Time Plugging Completed: 03/23/2007 1:30 PM

KCC Agent: STEVE PFEIFER

Actual Plugging Report:

Perfs:

1ST PLUG AT 1700' WITH 50 SX CMT. 2ND PLUG AT 950' WITH 80 SX CMT. 3RD PLUG AT 450' WITH 50 SX/CMT. 4TH PLUG AT 240' WITH 50 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.

Remarks:

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

Plugged through: DP

District: 01

Signed 200 KCC Dodge C

Form CP