

Notice: Fill out COMPLETELY and return to Conservation Division at the address below within 60 days from plugging date.

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION WELL PLUGGING RECORD K.A.R. 82-3-117

Form CP-4 December 2003 Type or Print on this Form Form must be Signed All blanks must be Filled

CONFIDENTIAL

Lease Operator: Palomino Petroleum, Inc.

Address: 4924 SE 84th St., Newton, Kansas 67114-8827

Phone: (316) 799-1000 Operator License #: 30742

Type of Well: Oil DH KCC PKT per CP 2/3 Docket #: (Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)

The plugging proposal was approved on: July 10, 2007 (Date)

by: Jim Hollins (KCC District Agent's Name)

Is ACO-1 filed? [X] Yes [] No If not, is well log attached? [] Yes [] No

Producing Formation(s): List All (If needed attach another sheet)

Depth to Top: Bottom: T.D. (repeated three times)

API Number: 15 - 025-21417-0000

Lease Name: Stephens KCC PKT 8/7/07 per RBDM S

Well Number: 1 Spot Location (QQQQ): SW - NW - SW

1600 Feet from [] North / [X] South Section Line

470 Feet from [] East / [X] West Section Line

Sec. 2 Twp. 32S S. R. 21 [] East [X] West

County: Clark

Date Well Completed: 7/11/07

Plugging Commenced: 7/11/07

Plugging Completed: 7/11/07

Show depth and thickness of all water, oil and gas formations.

Table with columns: Oil, Gas or Water Records (Formation, Content) and Casing Record (Surface Conductor & Production) (From, To, Size, Put In, Pulled Out)

Describe in detail the manner in which the well is plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole.

Drilling mud to 1150' & 50 sacks cement, drilling mud to 750' & 50 sacks cement, drilling mud to 250' & 40 sacks cement, drilling mud to 60' & 20 sacks cement, 15 sacks in RH, 10 sacks in MH, 60-40 Poz., 6% Gel.

RECEIVED KANSAS CORPORATION COMMISSION

Name of Plugging Contractor: VAL Energy, Inc. License #: 5822 JUL 30 2007

Address: 200 W. Douglas, Suite 520, Wichita, KS 67202-3005

CONSERVATION DIVISION WICHITA, KS

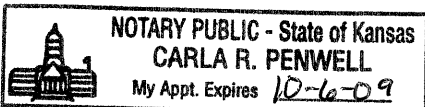
Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc.

State of Kansas County, Harvey, ss.

Klee R. Watchous (Employee of Operator) or (Operator) on above-described well, being first duly sworn on oath, says: That I have knowledge of the facts statements, and matters herein contained, and the log of the above-described well is as filed, and the same are true and correct, so help me God.

(Signature) [Handwritten Signature]

(Address) 4924 SE 84th St., Newton, Kansas 67114-8827



SUBSCRIBED and SWORN TO before me this 26th day of July, 20 07

Carla R. Penwell My Commission Expires: October 6, 2009 Notary Public Carla R. Penwell

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Handwritten initials 'PPT'