

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

API Well Number: 15-025-21417-00-00
Spot: SWNWSW Sec/Twnshp/Rge: 2-32S-21W
1600 feet from S Section Line, 470 feet from W Section Line
Lease Name: STEPHENS Well #: 1
County: CLARK Total Vertical Depth: 5270 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	737		WITH 225 SX CMT

\$ 171.28

Well Type: DH UIC Docket No: _____ Date/Time to Plug: 07/11/2007 12:00 PM
Plug Co. License No.: 5822 Plug Co. Name: VAL ENERGY, INC.
Proposal Rcvd. from: SKIP Company: VAL ENERGY, INC. Phone: (316) 263-6688

Proposed Plugging Method: 1ST PLUG AT 1150' WITH 50 SX CMT. 2ND PLUG AT 750' WITH 50 SX CMT. 3RD PLUG AT 250' WITH 40 SX CMT. 4TH PLUG AT 60' WITH 20 SX CMT. 5TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 10 SX CMT.

Plugging Proposal Received By: JIM HOLLAND WitnessType: NONE
Date/Time Plugging Completed: 07/11/2007 2:30 PM KCC Agent: JIM HOLLAND

Actual Plugging Report:

1ST PLUG AT 1150' WITH 50 SX CMT. 2ND PLUG AT 750' WITH 50 SX CMT. 3RD PLUG AT 250' WITH 40 SX CMT. 4TH PLUG AT 60' WITH 20 SX CMT. 5TH PLUG TO CIRCULATE RAT HOLE WITH 15 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 10 SX CMT.

Perfs:

INVOICED
DATE 7-30-07
INV. NO. 2008060194

RECEIVED
KANSAS CORPORATION COMMISSION

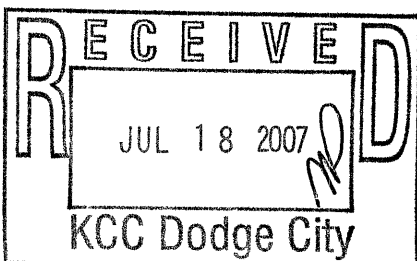
JUL 26 2007

CONSERVATION DIVISION
WICHITA, KS

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

Plugged through: DP

District: 01



Signed

Jim Holland PIRT III
(TECHNICIAN)