

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION

Please TYPE Form and File ONE Copy

Form CP-1
September 2003
This Form must be Typed
Form must be Signed
All blanks must be Filled

API # 15 - 101-20735 -86-00 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued,

indicate original spud or completion date 12/3/82

Well Operator: Palomino Petroleum, Inc. KCC License #: 30742

Address: 4924 SE 84th St. City: Newton

State: Kansas Zip Code: 67114-8827 Contact Phone: (316) 799 - 1000

Lease: Thomas Well #: 2 Sec. 16 Twp. 19S S. R. 28 East West

NE - SW - SW Spot Location / QQQQ County: Lane

990 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

990 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well
 SWD Docket # _____ ENHR Docket # _____ Other: _____

Conductor Casing Size: -- Set at: -- Cemented with: -- Sacks

Surface Casing Size: 8 5/8" Set at: 328' Cemented with: 225 Sacks

Production Casing Size: 5 1/2" Set at: 4680' Cemented with: 225 Sacks

List (ALL) Perforations and Bridgeplug Sets: 4383'-4389'

Elevation: 2765 (G.L. / K.B.) T.D.: 4710 PBTD: 4633 Anhydrite Depth: 2115

(Stone Corral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): As according to the KCC rules and regulations.

RECEIVED
KANSAS CORPORATION COMMISSION

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No

JAN 10 2008

If not explain why? _____

CONSERVATION DIVISION
WICHITA, KS

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations: Patrick J. Gerstner

Phone: (785) 798 - 5611

Address: 302 E. Sycamore City / State: Ness City, KS 67530

Plugging Contractor: Allied Cement Company, LLC KCC License #: N/A 99996

Address: P. O. Box 31, Russell, KS 67665-0031 Phone: (785) 483 - 2627

Proposed Date and Hour of Plugging (if known?): Unknown

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 1/9/08 Authorized Operator / Agent: [Signature]

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



CORPORATION COMMISSION

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

•PALOMINO PETROLEUM, INC.
4924 SE 84TH ST
NEWTON, KS 67114-8827

January 22, 2008

Re: THOMAS #2
API 15-101-20735-00-00
16-19S-28W, 990 FSL 990 FWL
LANE COUNTY, KANSAS

Dear Operator:

The purpose of this letter is twofold. First, this letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

This letter is also to notify you that during the central office's review of your CP-1 for license number verification, staff has discovered that you are not the current operator of record of the above well on file with the Conservation Division. **Central office staff is therefore requesting that you verify that you are the operator of record of the above well. The proper procedure for verifying operator authority is by filing a Conservation Division form T-1 (Request for Change of Operator; Transfer of Injection or Surface Pit Permit).** If a T-1 has already been filed with the Conservation Division reflecting the transfer of operator authority, please disregard this paragraph. If a T-1 has not been filed reflecting the transfer, please see the attached letter, which explains the T-1 filing process.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. Furthermore, this notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after July 20, 2008. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,

Steve Bond
Production Department Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888