

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**

Lease Operator: H & M Petroleum Corporation
 Address: 731 N. Weber Street, Suite 200; Colorado Springs, CO 80903
 Phone: (719) 590-6060 Operator License #: 34055
 Type of Well: D & A Docket #: _____
 (Oil, Gas D&A, SWD, ENHR, Water Supply Well, Cathodic, Other) (If SWD or ENHR)
 The plugging proposal was approved on: 1/17/2008 (Date)
 by: Herb Deines (KCC District Agent's Name)
 Is ACO-1 filed? 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. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____
 _____ Depth to Top: _____ Bottom: _____ T.D. _____

API Number: 15 - 065-23392-00-00
 Lease Name: Penland
 Well Number: 1
 Spot Location (QQQQ): SW - NE - NE - NW
550 Feet from North / South Section Line
2150 Feet from East / West Section Line
 Sec. 29 Twp. 8 S. R. 24 East West
 County: Graham
 Date Well Completed: 1/17/2008
 Plugging Commenced: 1/18/2008
 Plugging Completed: 1/18/2008

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

Oil, Gas or Water Records		Casing Record (Surface Conductor & Production)				
Formation	Content	From	To	Size	Put In	Pulled Out
		Surface	219	8 5/8	219	None

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. If cement or other plugs were used, state the character of same depth placed from (bottom), to (top) for each plug set.

Plugging commenced on 1/18/08 @ 8:00 am, 25 sx @ 2100', 100 sx @ 1225', 40 sx @ 275', 10 sx @ 40', 15 sx Rathole, Total of 190 sx 60/40 poz - 4% gel - 1/4 # per sx flo-seal, job was completed @ 10:00 am on 1/18/08 by Quality Cementing, Inc.

Name of Plugging Contractor: WW Drilling, LLC License #: 33575

Address: P.O. Box 307 WaKeeney, Kansas 67672

Name of Party Responsible for Plugging Fees: H & M Petroleum Corporation

State of Colorado County, El Paso, ss.

Donald Allen

(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) [Signature]

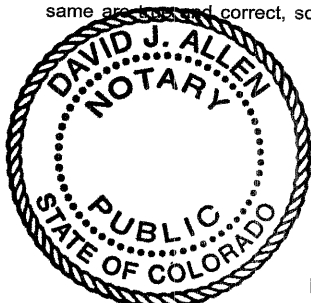
(Address) 731 N. Weber Street, Suite 200; Colorado Springs, CO 80903

SUBSCRIBED and SWORN TO before me this 24th day of January, 2008

[Signature]
Notary Public

My Commission Expires: _____

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



My Commission Expires 02/25/2009

RECEIVED
KANSAS CORPORATION COMMISSION

JAN 30 2008

CONSERVATION DIVISION

[Signature]