

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: Palomino Petroleum, Inc. Address: 4924 SE 84th St., Newton, Kansas 67114-8827 Phone: (316) 799-1000 Operator License #: 30742 Type of Well: Oil, D&A Docket #: The plugging proposal was approved on: 10/17/07 by: Steve Durant 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. Depth to Top: Bottom: T.D. Depth to Top: Bottom: T.D.

API Number: 15-135-24317-0000 Lease Name: Anderson-Tillitson Well Number: #1 230' n + 150' w of KCC per CP2/B Spot Location (QQQQ): NE - NE - NE - NE 100 Feet from [X] North / [] South Section Line 480 Feet from [X] East / [] West Section Line Sec. 28 Twp. 16 S. R. 24 [] East [X] West County: Ness Date Well Completed: 12/14/04 Plugging Commenced: 10/17/07 Plugging Completed: 10/17/07

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

Table with 7 columns: Formation, Content, From, To, Size, Put In, Pulled Out. Row 1: 0, 264', 8 5/8" new 23#, 264', 0'

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.

Plugged well with 235 sacks of 60/40 Pozmix, 4% gel. Plugged bottom w/35 sx. cement mixed with 150 lbs. cotton seed hulls, pumped gel spacer at 2000', ran to surface, pumped 50 sx. cement down backside.

swift services Inc KCC per CP2/B

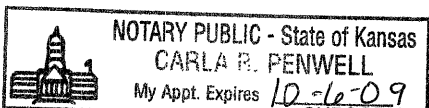
Name of Plugging Contractor: D. S. & W. Servicing, Inc. License #: 6901 3 2382 Address: P. O. Box 231, Claflin, KS 67525 RECEIVED KANSAS CORPORATION COMMISSION

Name of Party Responsible for Plugging Fees: Palomino Petroleum, Inc. JAN 28 2008

State of Kansas County, Harvey, ss. Klee R. Watchous CONSERVATION DIVISION WICHITA, KS

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



SUBSCRIBED and SWORN TO before me this 25th day of January, 2008. My Commission Expires: October 6, 2009 Carla R. Penwell Notary Public



P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
10/16/2007	12493

BILL TO
Palomino Petroleum Inc. 4924 S E 84th Street Newton, KS 67114-8827

RECEIVED
OCT 19 2007

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1	Anderson Til...	Ness		Oil	Workover	PTA	Roger
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575W	Mileage - 1 Way				20	Miles	4.00	80.00T
576W-P	Pump Charge - PTA				1	Job	800.00	800.00T
275	Cotton Seed Hulls				3	Sack(s)	28.00	84.00T
581W	Service Charge Cement				235	Sacks	1.10	258.50T
583W	Drayage				198	Ton Miles	1.00	198.00T
327	60/40 Pozmix (2% Gel)				235	Sacks	8.35	1,962.25T
279	Bentonite Gel				4	Sack(s)	21.00	84.00T
279	Bentonite Gel - On Side				19	Sack(s)	21.00	399.00T
	Subtotal							3,865.75
	Sales Tax Ness County						5.30%	204.88

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 28 2008
CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business!

Total

\$4,070.63

PKT



CHARGE TO: Palamio Petroleum
 ADDRESS _____
 CITY, STATE, ZIP CODE _____

RECEIVED
 KANSAS CORPORATION COMMISSION

TICKET 174

JAN 28 2008

No 12493

PAGE 1 OF 1

CONSERVATION DIVISION

SERVICE LOCATIONS 1. <u>Hays, KS</u>	WELL/PROJECT NO. <u>#1</u>	LEASE <u>Anderson Titellon</u>	COUNTY/PARISH <u>Ness</u>	STATE <u>Ks</u>	CITY <u>WICHITA, KS</u>	DATE <u>10-16-07</u>	OWNER <u>Same</u>
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR	RIG NAME/NO.	SHIPPED VIA <u>GIT</u>	DELIVERED TO <u>Loc.</u>	ORDER NO.	
3.	WELL TYPE <u>Oil</u>	WELL CATEGORY <u>Workover</u>	JOB PURPOSE <u>Plug To Abandon</u>	WELL PERMIT NO.	WELL LOCATION		
4.	REFERRAL LOCATION	INVOICE INSTRUCTIONS					

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT		
		LOC	ACCT	DF									
<u>575</u>		<u>1</u>			<u>MILEAGE #103</u>	<u>20</u>	<u>mi</u>			<u>4</u>	<u>00</u>	<u>80</u>	<u>00</u>
<u>576 P</u>		<u>1</u>			<u>Pump Service</u>	<u>1</u>	<u>ea</u>			<u>800</u>	<u>00</u>	<u>800</u>	<u>00</u>
<u>275</u>		<u>1</u>			<u>Cotton Seed Hulls</u>	<u>3</u>	<u>sk</u>			<u>28</u>	<u>00</u>	<u>84</u>	<u>00</u>
<u>581</u>		<u>1</u>			<u>Service Charge</u>	<u>235</u>	<u>sk</u>			<u>1</u>	<u>10</u>	<u>259</u>	<u>50</u>
<u>583</u>		<u>1</u>			<u>Drayage</u>	<u>198</u>	<u>TON</u>	<u>mi</u>		<u>1</u>	<u>00</u>	<u>198</u>	<u>00</u>
<u>327</u>		<u>1</u>			<u>60/40 Poz 2% Gel</u>	<u>235</u>	<u>sk</u>			<u>8</u>	<u>35</u>	<u>1962</u>	<u>05</u>
<u>279</u>		<u>1</u>			<u>2% Additional Gel</u>	<u>4</u>	<u>sk</u>			<u>21</u>	<u>00</u>	<u>84</u>	<u>00</u>
<u>279</u>		<u>1</u>			<u>19 sk Bentonite on side</u>	<u>19</u>	<u>sk</u>			<u>21</u>	<u>00</u>	<u>399</u>	<u>00</u>

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X
 DATE SIGNED _____ TIME SIGNED _____ A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	<u>3865</u>	<u>75</u>
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?						
WE UNDERSTOOD AND MET YOUR NEEDS?						
OUR SERVICE WAS PERFORMED WITHOUT DELAY?						
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				<u>NESS TAX 5.3%</u>	<u>204</u>	<u>88</u>
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	<u>4070</u>	<u>03</u>
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND						

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR Roger B. Lytle

APPROVAL _____

Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 7-16-07 PAGE NO. 1

CUSTOMER *Palomino Pet.* WELL NO. #1 LEASE *Anderson - Tillitson* JOB TYPE *Plug To Abandon* TICKET NO. *12493*

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1300							On Loc. Set up trucks
	1325							Hook up to 5 1/2" Csg.
		4	9				0	Mix 35 sks 60/40 Poz 4% Gel
								Mix 150 # Hulls in cement
		4	57					Mix 19 sks Gel Spacer
								Mix 175 sks 60/40 Poz 4% Gel
		2	78				1000	78 ^{SS} pumped Press. 1,000 psi 2 BPM
								Finish mixing 112 ^{SS} total pumped
							800	Holding 800 psi. Shut in @ well head
								Hook up to 2 5/8
							300	pump 25 sks down Ann. 300 psi
								wash and rack up trucks
	1500							Job complete.

RECEIVED
 MINERAL CORPORATION COMMISSION
 JAN 28 2008
 CONSERVATION DIVISION
 WICHITA, KS

Frank R. Lee
Ryan, Josh, Rob
PLT