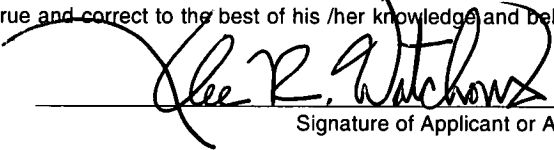

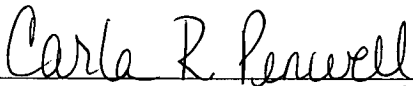


KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-4  
April 2004  
Form must be Typed

**CLOSURE OF SURFACE PIT**

Operator Name: <b>Palomino Petroleum, Inc.</b>	License Number: <b>30742</b>
Operator Address: <b>4924 SE 84th St., Newton, Kansas 67114-8827</b>	
Contact Person: <b>Klee R. Watchous</b>	Phone Number: ( <b>316</b> ) <b>799 - 1000</b>
Permit Number (API No. if applicable): <b>15-009-25030 00 c 0</b>	Lease Name & Well No.: <b>Penka #1</b>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit	Pit Location (QQQQ): <b>W/2 SW NW</b> Sec. <b>32</b> Twp. <b>16S</b> R. <b>13</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>2120</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>370</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Barton</b> County
Date of closure: <u>July 27, 2007</u>	
Was an artificial liner used? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If no, how were the sides and bottom sealed to prevent downward migration of the pit contents? <b>Native muds and clays.</b>	
Abandonment procedure of pit: <b>Backfilled and releveled location.</b>	
<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>MAY 22 2008</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>	
The undersigned hereby certifies that he / she is <u>President</u> for <u>Palomino Petroleum, Inc.</u> (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of his /her knowledge and belief.	
 Signature of Applicant or Agent	
Subscribed and sworn to me on this <u>21st</u> day of <u>May</u> , <u>2008</u>	
	 Notary Public <u>Carla R. Penwell</u>
My Commission Expires: <u>October 6, 2009</u>	