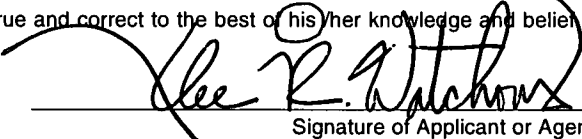

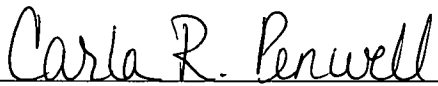


KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-4  
April 2004  
Form must be Typed

**CLOSURE OF SURFACE PIT**

Operator Name: Palomino Petroleum, Inc.	License Number: 30742
Operator Address: 4924 SE 84th St., Newton, Kansas 67114-8827	
Contact Person: Klee R. Watchous	Phone Number: ( 316 ) 799 - 1000
Permit Number (API No. if applicable): 15-135-24643-0000	Lease Name & Well No.: Vermilion #1
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): SW . NE . NE . Sec. 6 Twp. 17S R. 24 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 860 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 900 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Ness County
Date of closure: March 15, 2008	
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? Native muds and clays.	
Abandonment procedure of pit: Backfilled and releveled location.	RECEIVED KANSAS CORPORATION COMMISSION  APR 07 2008  CONSERVATION DIVISION WICHITA, KS
The undersigned hereby certifies that <u>he</u> / 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>4th</u> day of <u>April</u> , 2008	
	 Notary Public Carla R. Penwell
My Commission Expires: <u>October 6, 2009</u>	