

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
CLOSURE OF SURFACE PIT**

Form CDP-4  
April 2004  
Form must be Typed

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>15-009-25046 0000</b>	Lease Name & Well No.: <b>Demel #2</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>NE - SE - NE -</b> Sec. <b>20</b> Twp. <b>16S</b> R. <b>12</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1560</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>330</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Barton</b> County

Date of closure: 1/15/09

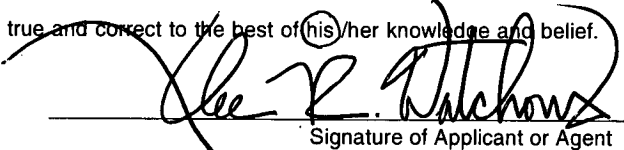
Was an artificial liner used?  Yes  No

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:  
**Backfill and releveled location.**

**RECEIVED  
KANSAS CORPORATION COMMISSION  
JAN 23 2009  
CONSERVATION DIVISION  
WICHITA, KS**

The undersigned hereby certifies that (he) / she is President for Palomino Petroleum, Inc. (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 22nd day of January, 2009

  
 Notary Public Carla R. Penwell

My Commission Expires: October 6, 2009