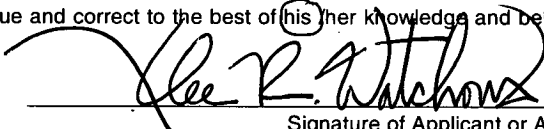

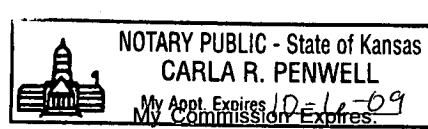


KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
CLOSURE OF SURFACE PIT

Form CDP-4
April 2004
Form must be Typed

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): 15-135-24595-0000	Lease Name & Well No.: Borger-McCoy #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): SE NE NW Sec. 7 Twp. 19S R. 24 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1010 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Ness County
Date of closure: February 12, 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.	
The undersigned hereby certifies that <u>he</u> 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 13th day of February , 2008	
 Notary Public Carla R. Penwell	
 NOTARY PUBLIC - State of Kansas CARLA R. PENWELL My Comm. Expires 10-6-09	October 6, 2009

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 14 2008
CONSERVATION DIVISION
WICHITA, KS