KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-5
August 2004
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

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*): 15-135-24806-0000
Lease Name: Kleweno
Well Number: 1

Source of Waste:
- [ ] Dike
- [ ] Emergency Pit
- [ ] Settling Pit
- [ ] Workover Pit
- [x] Drilling Pit
- [ ] Burn Pit
- [ ] Haul-off Pit
- [ ] Steel Pit
- [ ] Spill / Escape

Source Location (QQQQ): SE - SE - SE - ____
Sec. 35 Twp. 18S R. 22 [ ] East [x] West
420 Feet from [ ] North / [x] South Line of Section
430 Feet from [x] East / [ ] West Line of Section
Ness County

Type of waste to be disposed: [x] Fluid [ ] Soil [ ] Mud / Cuttings [ ] Other: ____

Amount of waste: 4 No. of loads 320 Barrels ____ Tons ____ YDS

Destination of waste: [ ] Reserve Pit [x] Disposal Well [ ] Lease Road [ ] Dike / Berm [ ] Other: ____

If waste is transferred to another reserve pit, is the lease active? [ ] Yes [ ] No

Location of waste disposal:
Date of Waste Transfer: 6/9/08
Operator Name: Cheyenne Oil Service
License No.: 7146
Lease Name: Snodgrass SWD
Sec. 17 Twp. 17S R. 23 [ ] East [x] West
Docket No.: ~~CD-28310~~ (C-21762)
County: Ness

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 27 2008
CONSERVATION DIVISION
WICHITA, KS

The undersigned herby 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.

Klee R. Watchous
Agent Signature

Subscribed and sworn to before me on this 26th day of June, 2008.

Carla R. Penwell
Notary Public Carla R. Penwell

My Commission Expires: October 6, 2009

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202