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): 15-171-20731 0000
Lease Name: Kirk
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 - NW - NE - SW
Sec. 24 Twp. 19S R. 32 [ ] East [x] West
2100 Feet from [ ] North / [x] South Line of Section
1870 Feet from [ ] East / [x] West Line of Section
Scott County

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

Amount of waste: 3 No. of loads 240 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 [x] No

Location of waste disposal:
Date of Waste Transfer: 9/25/09
Operator Name: Walker Tank Service
License No.: 4313
Lease Name: Thon SWD
Sec. 10 Twp. 17S R. 29 [ ] East [x] West
Docket No.: D-24,051
County: Lane

RECEIVED
DEC 16 2009
KCC WICHITA

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 15th day of December, 2009.

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-2013

Carla R. Penwell
Notary Public Carla R. Penwell

My Commission Expires: October 6, 2013

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