

RECEIVED

SEP 21 2010

KCC WICHITA

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): 15-135-25152 0000 Lease Name: James-Kleweno

Source of Waste: [ ] Dike [ ] Emergency Pit [ ] Settling Pit [ ] Workover Pit [ ] Drilling Pit [ ] Burn Pit [ ] Haul-off Pit [ ] Steel Pit [ ] Spill / Escape  
Well Number: 1  
Source Location (QQQQ): NE - NW - NW - SW  
Sec. 2 Twp. 19S R. 22 [ ] East [x] West  
2526 Feet from [ ] North / [x] South Line of Section  
357 Feet from [ ] East / [x] West Line of Section  
Ness County

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

Amount of waste: 2 No. of loads 160 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: 9/20/10  
Operator Name: Robert F. Hembree License No.: 8247  
Lease Name: Parker #5 SWD Sec. 25 Twp. 18S R. 24 [ ] East [x] West  
Docket No.: D-30634 County: Ness

The undersigned hereby certifies that (he) / she is President  
for Palomino Petroleum, Inc. (or), 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 20th day of September, 2010

NOTARY PUBLIC - State of Kansas  
CARLA R. PENWELL  
My Commission Expires: September 6, 2013  
Carla R. Penwell  
Notary Public Carla R. Penwell