

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
EXPLORATION & PRODUCTION WASTE TRANSFER**

Form CDP-5
August 2004
Form must be Typed

07

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): 15-025-21417-0000		Lease Name: Stephens
Source of Waste:		Well Number: 1
<input type="checkbox"/> Dike <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Haul-off Pit <input type="checkbox"/> Steel Pit <input type="checkbox"/> Spill / Escape		Source Location (QQQQ): SW - NW - SW - Sec. 2 Twp. 32S R. 21 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1600 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 470 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Clark County

Type of waste to be disposed: Fluid Soil Mud / Cuttings Other: _____

Amount of waste: 1 No. of loads 120 Barrels _____ Tons _____ YDS

Destination of waste: Reserve Pit 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: <u> 7/19/07 </u>
Operator Name: <u> Nard II, Inc. </u>	License No.: <u> 1752 </u>
Lease Name: <u> German #2 </u>	Sec. <u> 28 </u> Twp. <u> 29S </u> R. <u> 22 </u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West
Docket No.: <u> 021021 </u>	County: <u> Harper, Oklahoma </u>

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 14 2007
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.

 Klee R. Watchous
Agent Signature

Subscribed and sworn to before me this 13th day of August 2007

CARLA R. PENWELL
My Appt. Expires 10-6-09

 Carla R. Penwell
Notary Public **Carla R. Penwell**

My Commission Expires: October 6, 2009