

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-5  
August 2004  
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

07

Operator Name: <b>Palomino Petroleum, Inc.</b>		License Number: <b>30742</b>
Operator Address: <b>4924 SE 84th St., Newton, Kansas 67114-8827</b>		
Contact Person: <b>Klee R. Watchous</b>		Phone Number: ( <b>316</b> ) <b>799 - 1000</b>
Permit Number (API No. if applicable): <b>15-025-21417-0000</b>		Lease Name: <b>Stephens</b>
Source of Waste: <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		Well Number: <b>1</b> Source Location (QQQQ): <b>SW - NW - SW -</b> Sec. <b>2</b> Twp. <b>32S</b> R. <b>21</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1600</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>470</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Clark</b> County

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

Amount of waste: 6 No. of loads    600 Barrels    \_\_\_\_\_ Tons    \_\_\_\_\_ YDS

Destination of waste:  Reserve Pit     Disposal Well     Lease Road     Dike / Berm     Other: \_\_\_\_\_

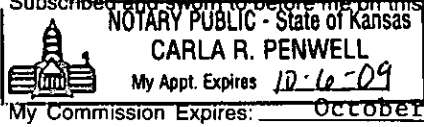
If waste is transferred to another reserve pit, is the lease active?  Yes     No

Location of waste disposal:	Date of Waste Transfer: <b>7/18/07</b>
Operator Name: <b>Nard II, Inc.</b>	License No.: <b>1752</b>
Lease Name: <b>German #2</b>	Sec. <b>28</b> Twp. <b>29S</b> R. <b>22</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West
Docket No.: <b>021021</b>	County: <b>Harper, Oklahoma</b>

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.

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

 \_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Notary Public Carla R. Penwell