

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-5  
August 2004  
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

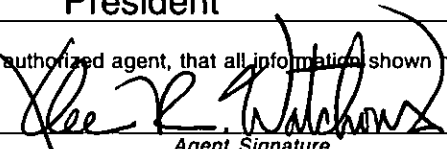
07

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 ) 799 - 1000</b>	
Permit Number (API No. if applicable): <b>15-025-21416-0000</b>		Lease Name: <b>Loesch-Stephens</b>	
Source of Waste:  <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Dike <input type="checkbox"/> Workover Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Burn Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Steel Pit <input type="checkbox"/> Haul-off Pit <input type="checkbox"/> <input type="checkbox"/> Spill / Escape		Well Number: <b>1</b>	
		Source Location (QQQQ): <b>C</b> - - - - Sec. <b>14</b> Twp. <b>32S</b> R. <b>21</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>2600</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2630</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Clark</b> County	
Type of waste to be disposed: <input checked="" type="checkbox"/> Fluid <input type="checkbox"/> Soil <input type="checkbox"/> Mud / Cuttings <input type="checkbox"/> Other: _____			
Amount of waste: <u>4</u> No. of loads <u>400</u> Barrels    _____ Tons    _____ YDS			
Destination of waste: <input type="checkbox"/> Reserve Pit <input checked="" type="checkbox"/> Disposal Well <input type="checkbox"/> Lease Road <input type="checkbox"/> Dike / Berm <input type="checkbox"/> Other: _____			
If waste is transferred to another reserve pit, is the lease active? <input type="checkbox"/> Yes <input type="checkbox"/> No			

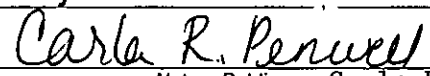
Location of waste disposal:	Date of Waste Transfer: <b>6/22/07</b>
Operator Name: <b>Nard II, Inc.</b>	License No.: <b>1752</b>
Lease Name: <b>German #2</b>	Sec. <b>28</b> Twp. <b>29S</b> R. <b>22</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West
Docket No.: <b>021021</b>	County: <b>Harper, Oklahoma</b>

RECEIVED  
KANSAS CORPORATION COMMISSION  
  
**JUL 30 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.

  
 Agent Signature

Subscribed and sworn to before me on this 26th day of July, 2007

  
 Notary Public    Carla R. Penwell

NOTARY PUBLIC - State of Kansas  
**CARLA R. PENWELL**  
 Commission Expires October 6, 2009