KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form CDP-5
August 2004
Form must be Typed

EXPLORATION & PRODUCTION WASTE TRANSFER

67

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): 15-025-21416-0000
Lease Name: Loesch-Stephens
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): C - ____ - ____ - ____
Sec. 14 Twp. 32S R. 21 [ ] East [x] West
2600 Feet from [x] North / [ ] South Line of Section
2630 Feet from [x] East / [ ] West Line of Section
Clark County

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

Amount of waste: 1 No. of loads 120 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: 6/18/07
Operator Name: Nard II, Inc.
License No.: 1752
Lease Name: German #2
Sec. 28 Twp. 29S R. 22 [ ] East [x] West
Docket No.: 021021
County: Harper, Oklahoma

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 30 2007
CONSERVATION DIVISION
WICHITA, KS

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 26th day of July, 2007.

NOTARY PUBLIC - State of Kansas
CARLA R. PENWELL
My Appt. Expires 10-6-09

Carla R. Penwell
Notary Public Carla R. Penwell

My Commission Expires: October 6, 2009

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