

STATE OF KANSAS
 STATE CORPORATION COMMISSION
 200 Colorado Derby Building
 Wichita, Kansas 67202

WELL PLUGGING RECORD
 K.A.R.-82-J-117

API NUMBER 15-109-20,223-00-00

LEASE NAME Smoky Valley Y

WELL NUMBER 2

4950 Ft. from S Section Line

990 Ft. from E Section Line

SEC. 3 TWP. 14 RGE. 33W (E1or(4))

COUNTY Logan

Date Well Completed _____

Plugging Commenced 03-06-98

Plugging Completed 03-06-98

TYPE OR PRINT
 NOTICE: Fill out completely
 and return to Comm. Div.
 office within 30 days.

LEASE OPERATOR Palomino, Inc.

ADDRESS 4924 SE 84th Street Newton, KS 67114-8827

PHONE (316) 283-0232 OPERATORS LICENSE NO. 30742

Character of Well Oil

(Oil, Gas, PAA, SWD, Input, Water Supply Well)

The plugging proposal was approved on 03-06-98

by Herb Deines

(KCC District Agent's Name)

Is ACO-1 filed? Yes If not, is well log attached? _____

Producing Formation _____ Depth to Top 3957' Bottom 3446' T.N. 3986'

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put in	Pulled out
	Surface	-0-	338'	8 5/8"	338'	-0-
	Production	-0-	3985'	4 1/2"	3985'	-0-

Describe in detail the manner in which the well was plugged, indicating where the mud pills were placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from feet to feet each side.
Allied mixed 40 sacks cement 60/40% poz 105h gel with 300# hulls, followed by 10 sacks gel, then 80 sacks cement with 200# hulls. Maximum pressure 800 psi, shut in pressure 200psi. Mixed 20 sacks cement down backside, pressured to 150 psi, shut in. Job started 9:30 a.m. and completed 10:30 a.m.

Name of Plugging Contractor DS&W Well Servicing, KS

License No. 6901

Address P.O. Box 231 Claflin, KS 67525

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: Palomino Petroleum, Inc.

STATE OF Kansas COUNTY OF Barton, ss.

Arthur P. Strube (Employee of Operator) or (Operator) above-described well, being first duly sworn on oath, says: That I have knowledge of the statements, and matters herein contained and the log of the above-described well and that the same are true and correct, so help me God.

(Signature) Arthur P. Strube

(Address) P.O. Box 231 Claflin, KS 67525

SUBSCRIBED AND SWORN TO before me this 18 day of March, 1998

Brenda Urban

Notary Public

My Commission Expires: Nov 14, 2001
 USE ONLY ONE SIDE OF EACH FORM

BRENDA URBAN
 Notary Public - State of Kansas
 My Appt. Expires Nov 14, 2001

Form 67-1
 Revised 03-90