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

WELL PLUGGING APPLICATION FORM (PLEASE TYPE FORM and File ONE COPY)

API # 15-109-20,223-00-00 (Identifier number of this well). This must be listed for wells drilled since 1967; if no API# was issued, indicate spud or completion date. KCC LICENSE # 30742 WELL OPERATOR Palomino Petroleum, Inc. ADDRESS 4924 SE 84th Street CITY Newton (operator's) STATE Kansas ZIP CODE 67114-8827 CONTACT PHONE # (316) 283-0232 LEASE Smoky Valley Y WELL# 2 SEC. 3 T. 14 R. 33 (East/Nest) - NW - NE - NE SPOT LOCATION/QQQQ COUNTY Logan 4950 FEET (in exact footage) FROM S/N (circle one) LINE OF SECTION (NOT Lease Line) 990 FEET (in exact footage) FROM E/W (circle one) LINE OF SECTION (NOT Lease Line) Check One: OIL WELL X GAS WELL ___ DGA ___ SWD/ENHR WELL ___ DOCKET#____ CONDUCTOR CASING SIZE _____ SET AT ____ CEMENTED WITH ____ SACKS SET AT 338' CEMENTED WITH 225 SACKS SURFACE CASING SIZE 8 5/8" PRODUCTION CASING SIZE 41" SET AT 39851 CEMENTED WITH 175 SACKS LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: 3957-58' 3863-66' 3639-41' 3444-46' 2823 T.D. 3986' PBTD 3970' ANHYDRITE DEPTH (Stone Corral Formation) CONDITION OF WELL: GOOD X POOR CASING LEAK JUNK IN HOLE PROPOSED METHOD OF PLUGGING As recommended by the KCC. (If additional space is needed attach separate page) IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? _____ IS ACO-1 FILED? __Yes____ If not explain why? PLUGGING OF THIS WELL WILL BE DONE IN ACCORDANCE WITH K.S.A. 55-101 et. seq. AND THE RULES AND REGULATIONS OF THE STATE CORPORATION COMMISSION. LIST NAME OF COMPANY REPRESENTATIVE AUTHORIZED TO BE IN CHARGE OF PLUGGING OPERATIONS: Palomino Petroleum, Inc. PHONE # (316 283-0232 AUDRESS 4924 SE 84th Street Newton Clty/State Kansas 67114-8827 PLUGGING CONTRACTOR DS&W Well Servicing, Inc. KCC LICENSE # 6901 (company name) (contractor's) ADDRESS P.O. Box 231 Claflin, KS 67525 PHONE # (316 587-3361 JIATER PROPOSED DATE AND HOUR OF PLUGGING (If Known?) PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED DY OFFICE OR AGENT DATE: 02-17-99 AUTHORIZED OPERATOR/AGENT: (signature)



Kansas Corporation Commission

Bill Graves, Governor John Wine, Chair Susan M. Seltsam, Commissioner Cynthia L. Claus, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

February 27, 1998

Palomino Petroleum Inc 4924 SE 84th Street Newton KS 67114-8827

Smokey Valley Y #2 API 15-109-20,223 NW NE NE Sec. 03-14S-33W Logan County

Dear Palomino Petroleum, Inc.,

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least at five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the abovecaptioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

David P. Williams Production Supervisor

District: #4
2301 E 13th

Hays KS 67601 (913) 628-1200