

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION

Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act,
MUST be submitted with this form.

Form CP-1

March 2010

This Form must be Typed

Form must be Signed

All blanks must be Filled

OPERATOR: License #: 30742
Name: Palomino Petroleum Inc.
Address 1: 4924 SE 84th St.
Address 2: _____
City: Newton State: KS Zip: 67114 + 8827
Contact Person: Rick Schreiber
Phone: (620) 793-2032

API No. 15 - 009-23,922 - 2000
If pre 1967, supply original completion date: _____
Spot Description: SW SE SW
SW SE SW Sec. 26 Twp. 19 S. R. 15 ☐ East ☒ West
330 Feet from ☐ North / ☒ South Line of Section
1,650 Feet from ☐ East / ☒ West Line of Section
Footages Calculated from Nearest Outside Section Corner:
☐ NE ☐ NW ☐ SE ☐ SW
County: BARTON
Lease Name: SCHARTZ Well #: #3

Check One: ☐ Oil Well ☐ Gas Well ☐ OG ☐ D&A ☐ Cathodic ☐ Water Supply Well ☐ Other: _____
☒ SWD Permit #: _____ ☐ ENHR Permit #: _____ ☐ Gas Storage Permit #: _____
Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: 8 5/8 Set at: 870 Cemented with: 400 Sacks
Production Casing Size: 5 1/2 Set at: 3642 Cemented with: 150 Sacks
List (ALL) Perforations and Bridge Plug Sets:

Elevation: 1923 (☐ G.L. / ☒ K.B.) T.D.: _____ PBDT: _____ Anhydrite Depth: 864 + 1059
(Stone Corral Formation)

Condition of Well: ☐ Good ☐ Poor ☐ Junk in Hole ☐ Casing Leak at: _____
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

According to State and District #4 recommendations

Is Well Log attached to this application? ☐ Yes ☒ No Is ACO-1 filed? ☒ Yes ☐ No

If ACO-1 not filed, 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

Company Representative authorized to supervise plugging operations: Palomino Petroleum
Address: 4924 SE 84th City: Newton State: KS Zip: 67114 + 8827
Phone: (316) 799-1000
Plugging Contractor License #: 6901 Name: D.S.&W. Well Servicing
Address 1: 1822 24th Street Address 2: _____
City: Great Bend State: KS Zip: 67530 + _____
Phone: (620) 793-5838

Proposed Date of Plugging (if known): _____

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 8-2-11 Authorized Operator / Agent: Rick Schreiber
(Signature)

RECEIVED

AUG 05 2011

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

KCC WICHITA

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: ☐ C-1 (Intent) ☐ CB-1 (Cathodic Protection Borehole Intent) ☐ T-1 (Transfer) ☒ CP-1 (Plugging Application)

OPERATOR: License # 30742
Name: Palomino Petroleum Inc.
Address 1: 4924 SE 84th St.
Address 2: _____
City: Newton State: KS Zip: 67114 + 8827
Contact Person: Klee Watchous
Phone: (316) 799-1000 Fax: (316) 799-2728
Email Address: klee@palominopetroleum.com

Well Location:
SW SE SW Sec. 26 Twp. 19 S. R. 15 ☐ East ☒ West
County: BARTON
Lease Name: SCHARTZ Well #: #3

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: William Stoss
Address 1: 324 NW 50 RD
Address 2: _____
City: Great Bend State: KS Zip: 67530 + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- ☒ I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- ☐ I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 8-2-11 Signature of Operator or Agent: [Signature] Title: Agent



Sam Brownback, Governor, Mark Sievers, Chairman, Ward Loyd, Commissioner, Thomas E. Wright, Commissioner

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

PALOMINO PETROLEUM, INC.
4924 SE 84TH ST
NEWTON, KS 67114-8827

August 08, 2011

Re: SCHARTZ #3
API 15-009-23922-00-00
26-19S-15W, 382 FSL 3750 FEL
BARTON COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least 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 in accordance with K.A.R. 82-3-600.**

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 above well by persons not having legal rights of ownership or interest in the well.

This notice is void after February 4, 2012. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,

Steve Bond
Production Department Supervisor

District: #4
2301 E. 13th
Hays, KS 67601
(785) 625-0550