

15-135-24618-0000  
**KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION**

Form CDP-1  
 April 2004  
 Form must be Typed

**APPLICATION FOR SURFACE PIT**

**REVISED**

*Submit in Duplicate*

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</b> ) <b>799 - 1000</b>	
Lease Name & Well No.: <b>Nyle #1</b>		Pit Location (QQQQ): <b>NE</b> Sec. <b>29</b> Twp. <b>17S</b> R. <b>23</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>2460 1860</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1530 11500</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section _____ <b>Ness</b> _____ County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> <del>Drilling Pit</del> <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)		Pit is: <b>500' NE of SE SW NE</b> <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>6800</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? <b>Drig. mud and shale from well bore.</b>			
Pit dimensions (all but working pits): <b>80</b> Length (feet) <b>80</b> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <b>3</b> (feet)			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit <b>3145</b> feet    Depth of water well <b>40</b> feet		Depth to shallowest fresh water <b>15</b> feet. Source of information: _____ _____ measured    _____ well owner    _____ electric log    _____ KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>fresh</b> Number of working pits to be utilized: <b>2</b> Abandonment procedure: <b>evaporate and backfill</b> _____ Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
_____ Date		_____ Signature of Applicant or Agent	
March 13, 2007		RECEIVED KANSAS CORPORATION COMMISSION MAR 15 2007	
<b>KCC OFFICE USE ONLY</b>			
CONSERVATION DIVISION WICHITA, KS SDG/ma			
Date Received: <b>3/15/07</b> Permit Number: <b>15-135-24618A</b> Permit Date: <b>3/21/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-135-24618A