

TO:
STATE CORPORATION COMMISSION
CONSERVATION DIVISION - PLUGGING
130 SOUTH MARKET, SUITE 2078
WICHITA, KANSAS 67202

API Well Number: 15-101-22389-00-00
Spot: NENWSESE Sec/Twnshp/Rge: 4-16S-28W
1318 feet from S Section Line, 896 feet from E Section Line
Lease Name: SHANLINE TRUSTS Well #: 1
County: LANE Total Vertical Depth: 4450 feet

Operator License No.: 30742
Op Name: PALOMINO PETROLEUM, INC.
Address: 4924 SE 84TH ST.
NEWTON, KS 67114

String	Size	Depth (ft)	Pulled (ft)	Comment
SURF	8.625	221		WITH 165 SX CMT

Well Type: DH UIC Docket No: _____ Date/Time to Plug: 07/10/2012 8:00 AM
Plug Co. License No.: 5822 Plug Co. Name: VAL ENERGY, INC.
Proposal Rcvd. from: JIMMY SCHULTZ Company: VAL ENERGY, INC. Phone: (316) 263-6688

Proposed Plugging Method: 1ST PLUG AT 2060' WITH 50 SX CMT. 2ND PLUG AT 1350' WITH 80 SX CMT. 3RD PLUG AT 700' WITH 50 SX CMT. 4TH PLUG AT 250' WITH 40 SX CMT. 5TH PLUG AT 60' WITH 20 SX CMT. 6TH PLUG TO CIRCULATE RAT HOLE WITH 30 SX CMT. 7TH PLUG TO CIRCULATE MOUSE HOLE WITH 20 SX CMT.

Plugging Proposal Received By: KEN JEHLIK WitnessType: NONE
Date/Time Plugging Completed: 07/10/2012 5:00 PM KCC Agent: KEN JEHLIK

Actual Plugging Report:

Perfs:

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Remarks: USED 60/40 POZMIX 4% GEL BY ALLIED.

Plugged through: DP

District: 01

RECEIVED
JUL 18 2012
KCC DODGE CITY

Signed [Signature]
RECEIVED [Signature] (TECHNICIAN)
JUL 23 2012
KCC WICHITA

[Handwritten initials]