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FEB 11 2003

KCC WICHITA

STATE OF KANSAS
KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION
130 South Market - Room 2078
Wichita, Kansas 67202

FORM CP-1 (3/92)

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

API # 15-135-20,800-0001 (Identifier number of this well). This must be listed for wells drilled since 1967; if no API# was issued, indicate spud or completion date.

WELL OPERATOR Palomino Petroleum, Inc. KCC LICENSE # 30742
(owner/company name) (operator's)

ADDRESS 4924 SE 84th Street CITY Newton

STATE Kansas ZIP CODE 67114-8827 CONTACT PHONE # (316) 799-1000

LEASE Walters "A" WELL# #1 SEC. 15 T. 18 R. 26 (East West)

C - NW - SE SPOT LOCATION/OOOO COUNTY Ness

_____ FEET (in exact footage) FROM S/N (circle one) LINE OF SECTION (NOT Lease Line)

_____ FEET (in exact footage) FROM E/W (circle one) LINE OF SECTION (NOT Lease Line)

Check One: OIL WELL GAS WELL D&A SWD/ENHR WELL DOCKET# _____

CONDUCTOR CASING SIZE _____ SET AT _____ CEMENTED WITH _____ SACKS

SURFACE CASING SIZE 8-5/8" SET AT 330' CEMENTED WITH 250 SACKS

PRODUCTION CASING SIZE 5-1/2" SET AT 4664' CEMENTED WITH 150 SACKS

LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: 4458'-4561'

ELEVATION 2609' T.D. 4665' PBD 4464' ANHYDRITE DEPTH 1946'
(G.L. K.B.) (Stone Corral Formation)

CONDITION OF WELL: GOOD POOR CASING LEAK JUNK IN HOLE

PROPOSED METHOD OF PLUGGING As per KCC

(If additional space is needed attach separate page)

IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED? No 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:

Edward S. Nemnich PHONE# (620) 587-3361

ADDRESS P.O. Box 231 City/State Clafflin, KS 67525

PLUGGING CONTRACTOR D.S. & W. Well Servicing, Inc. KCC LICENSE # 6901
(company name) (contractor's)

ADDRESS P.O. Box 231, Clafflin, KS 67525 PHONE # (620) 587-3361

PROPOSED DATE AND HOUR OF PLUGGING (If known?) Unknown

PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT

DATE: 02/10/03 AUTHORIZED OPERATOR/AGENT: Edward S. Nemnich

(signature)



Kansas Corporation Commission

Kathleen Sebelius, Governor John Wine, Chair Cynthia L. Claus, Commissioner Brian J. Moline, Commissioner

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

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

February 13, 2003

Re: WALTER "OWWO" #1
API 15-135-20800-00-01
CNWSE 15-18S-26W, 1980 FSL 1980 FEL
NESS COUNTY, KANSAS

Dear Operator:

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.

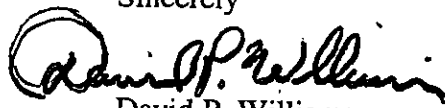
Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the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

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(316) 225-8888

Sincerely


David P. Williams
Production Supervisor