KCC OIL/GAS REGULATORY OFFICES

| Date: <u>09/26/12</u> | District: <u>01</u> |
|--|---|
| | New Situation Lease Inspection |
| | Response to Request Complaint |
| | Follow-Up Field Report |
| Operator License No: 30742 | API Well Number: <u>15-135-25469-00-00</u> |
| Op Name: Palomino Petroleum, Inc. | Spot: NE NE SE NE Sec 28 Twp 19 S Rng 25 E / W |
| Address 1: 4924 SE 84th St. | 1582 (1581) Feet from N/ S Line of Section |
| Address 2: | 258 (228) Feet from Feet from E/W Line of Section |
| City: Newton | GPS: Lat: 38.37347 Long: 100.08155 Date: 9/26/12 |
| State: Kansas Zip Code: 67114 -8827 | Lease Name: Eggers-Horchem Well #: 1 |
| Operator Phone #: (316) 799-1000 | County: Ness |
| Reason for Investigation: | |
| Company request witness for alternate 2 com | npletion. |
| Problem: | |
| None | • |
| Persons Contacted: | |
| None . | |
| Findings: | |
| 8 5/8" set at 225' with 186 sx cmt | |
| 5 1/2" set at 4639' with 225 sx cmt | |
| TD at 4650' | RECEIVED |
| Port collar set at 1739', cemented with 130 sa | x cmt, 20sx to pit. OCT 1 1 2012 |
| Used SMD by Swift Services. | KCC WICHITA |
| | |
| Action/Recommendations: Follow | Up Required Yes No Date: |
| Alternate 2 cementing requirements fulfilled. | |
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| | |
| Verification Sources: | Photos Taken:O |
| | A Program By: Dantel Bernasconi |
| | Courthouse January Semusian |
| Other: RECEIVED | |
| Retain 1 Copy District Office Send 1 Copy to Conservation Division CT - 5 2012 | _ |
| 2012 | Form: |
| KCC DODGE CITY | |

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