

PERMIT EXTENS 162

REPLACES API 15-133-25973-00-00, WHICH EXPIRED 12-05-03

For KCC Use:

Effective Date:

District #

SGA? Yes No

3-31-04
3

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED

KANSAS CORPORATION COMMISSION

Form C-1
December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

NOTICE OF INTENT TO DRILL

MAR 26 2004

Must be approved by KCC five (5) days prior to commencing well

CONSERVATION DIVISION
WICHITA, KS

Expected Spud Date 4 1 04
month day year

Spot SE - SE SE Sec. 20 Twp. 30 S. R. 18
 East
 West

OPERATOR: License# 32187
Name: Southwind Exploration, LLC
Address: P.O. Box 34
City/State/Zip: Piqua, KS 66761
Contact Person: F.L. Ballard
Phone: (620) 468-2885

350 feet from N Line of Section
350 feet from E Line of Section
Is SECTION X Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 33072
Name: Well Refined Drilling Company, Inc.

County: Neosho
Lease Name: Hughes Well #: 1

Field Name: Morehead

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippi

Nearest Lease or unit boundary: 350

Ground Surface Elevation: 980 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 150 +

Depth to bottom of usable water: 300 +

Surface Pipe by Alternate: 1 | X | 2

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: N/A NONE

Projected Total Depth: 1200'

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

Well Farm Pond Other None, Air drilled

DWR Permit #: (Note: Apply for Permit with DWR |)

Will Cores be taken? Yes No

If Yes, proposed zone:

Permit Extension -
Request Received 9-10-04

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

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

Date: 3/23/04 Signature of Operator or Agent: F.L. Ballard Title: Agent

For KCC Use ONLY

API # 15 - 133-26052-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 20 feet per AH

Approved by: FLP 3-26-04/RJP 9-14-04

This authorization expires: 9-26-04/3-26-05

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
 - File Completion Form ACO-1 within 120 days of spud date;
 - File acreage attribution plat according to field proration orders;
 - Notify appropriate district office 48 hours prior to workover or re-entry;
 - Submit plugging report (OP-4) after plugging is completed;
 - Obtain written approval before disposing or injecting well water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent: Date:

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

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