

PERMIT EXTENSION

For KCC Use:

Effective Date:

3-31-04

District #

SGA?  Yes  No

KANSAS CORPORATION COMMISSION RECEIVED  
OIL & GAS CONSERVATION DIVISION

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 04 5 04  
month day year

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

OPERATOR: License# 32187

350 feet from N /  S Line of Section

Name: Southwind Exploration, LLC

2290 feet from  E /  W Line of Section

Address: P.O. Box 34

Is SECTION  Regular  Irregular?

City/State/Zip: Piqua, KS 66761

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

Contact Person: F.L. Ballard

County: Neosho

Phone: 620/468-2885

Lease Name: Hughes Well #: 3

CONTRACTOR: License# 33072

Field Name: Morehead

Name: Well Refined Drilling Company

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 |  2

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: 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: \_\_\_\_\_

Well Drilled For:

Well Class:

Type Equipment:

- Oil  Enh Rec  Infield  Mud Rotary
- Gas  Storage  Pool Ext.  Air Rotary
- OWO  Disposal  Wildcat  Cable
- Seismic; # of Holes  Other
- Other

If OWWO: old well information as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

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: 03/23/04 Signature of Operator or Agent: F.L. Ballard Title: Agent

For KCC Use ONLY

API # 15 - 133-26053-0000

Conductor pipe required NONE feet

Minimum surface pipe required 20 feet per Alt. + 2

Approved by: [Signature] 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 (CP-4), after plugging is completed.
- Obtain written approval before disposing or injecting salt 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

20 18E