PERMIT EXTENSION RECEIVED KANSAS CORPORATION COMMISSION For KCC Use: Form C-1 Effective Date: OIL & GAS CONSERVATION DIVISION December 2002 MAR 2 2 2004 Form must be Typed District # Form must be Typed Form must be Signed blanks must be Filled NOTICE OF INTENT TO DRILL Must be approved by KCC five (5) days prior to commencing well 04 30 2004 Expected Spud Date Snot month dav . Twp. _ year OPERATOR: License# 4894 1250 N / S Line of Section Loc feet from 1250 Name: Horseshoe Operating, Inc. W Line of Section PC feet from Address: 500 W. Texas, Suite 1190 Is SECTION Regular Irregular? City/State/Zip: Midland, Tx 79701 (Note: Locate well on the Section Plat on reverse side) Contact Person: S. L. Burns County: Hamilton Phone: 432 683 1448 Lease Name: Betty Field Name: Bradshaw CONTRACTOR: License# Is this a Prorated / Spaced Field? Yes Target Formation(s): Winfield Nearest Lease or unit boundary: 1250 Well Drilled For Well Class: Type Equipment: Ground Surface Elevation: 3419.4 feet MSL Oil Enh Rec ✓ Infield Mud Rotary Water well within one-quarter mile: Yes No V Gas Storage Pool Ext. Air Rotary Public water supply well within one mile: Yes 🗸 No **OWWD** Disposal Wildcat Cable Depth to bottom of fresh water: 200 Seismic: # of Holes Other 1060 Depth to bottom of usable water: 4000 Other Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: 200 If OWWO: old well information as follows: Length of Conductor Pipe required: NONE Operator: Projected Total Depth: 2700 Well Name: Winfield Formation at Total Depth:_ Original Completion Date: Original Total Depth: Water Source for Drilling Operations: Yes 🗡 No Directional, Deviated or Horizontal wellbore? Well Farm Pond If Yes, true vertical depth: DWR Permit #: Bottom Hole Location: (Note: Apply for Permit with DWR X) KCC DKT #: Will Cores be taken? Yes XNo Permit Extension if Yes, proposed zone: _ Request Received **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: * PERMITEXTENSION 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 soud 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. Signature of Operator or Agent: Remember to:

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

Conductor pipe required

This authorization expires:

Spuc date:___

Minimum surface pipe required.

.00

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

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;

Submit plugging report (CP-4) after plugging is completed; Obtain written approval before disposing or injecting salt water.

check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent.

If this permit has expired (See: authorized expiration date) please

Notify appropriate district office 48 hours prior to workover or re-entry;