

For KCC Use: 5-2-04
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION **PERMIT**
NOTICE OF INTENT TO DRILL EXTENSION

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date 04 26 04
month day year

Spot AP70'S of E/2 - NE Sec. 4 Twp. 23 S. R. 40
 East West

OPERATOR: License# 4894 3/30/05
Name: Horseshoe Operating, Inc.
Address: 500 W. Texas, Suite 1190
City/State/Zip: Midland, Texas 79701
Contact Person: S. L. Burns
Phone: 432-683-1448

1390 feet from N / S Line of Section
660 feet from E / W Line of Section
Is SECTION _____ Regular _____ Irregular?

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

County: Hamilton
Lease Name: Ashmore Well #: 1
Field Name: Bradshaw

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Winfield

Nearest Lease or unit boundary: 660
Ground Surface Elevation: 3441 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: 200 180
Depth to bottom of usable water: 1000 1100

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe required: none
Projected Total Depth: 2700

Formation at Total Depth: Winfield
Water Source for Drilling Operations:
 Well Farm Pond Other ?

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

Will Cores be taken? Yes No
If Yes, proposed zone: _____

CONTRACTOR: License# ADVISE ON ACO-1
Name: MUST BE LIC. W/KCC

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; _____ # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> 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 #: MAR 19 2004

* SPACED CHASE
CONSERVATION DIVISION
WICHITA, KS

AFFIDAVIT WELL LOCATION EXCEPTION

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: 3/18/2004 Signature of Operator or Agent: Wendell Wilson Title: Vice President

For KCC Use ONLY
API # 15 - 075-20814-0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. * ②
Approved by: RJP 4-27-04 / RJP 10-26-04
This authorization expires: 10-27-04 / 5-27-2005
(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

4
23
40W