

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

Form CP-1
March 2009
This Form must be Typed
Form must be Signed
All blanks must be Filled

OPERATOR: License #: 4894
Name: Horseshoe Operating, Inc.
Address 1: 110 W. Louisiana, Ste. 200
Address 2: _____
City: Midland State: TX Zip: 79701 + _____
Contact Person: S. L. Burns / Janice Ripley
Phone: (432) 683-1448

API No. 15 - 071-20077-00-00
If pre 1967, supply original completion date: _____
Spot Description: _____
C - SE SE Sec. 20 Twp. 20 S. R. 40 East West
660 Feet from North / South Line of Section
~~660~~ 662 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner: *Per OF 3/2/10.*
 NE NW SE SW
County: Greeley
Lease Name: Panning Well #: 1

Check One: Oil Well Gas Well OG D&A Cathodic Water Supply Well Other: _____
 SWD Permit #: _____ ENHR Permit #: _____ Gas Storage Permit #: _____
Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks
Surface Casing Size: 8-5/8 Set at: 235 Cemented with: 160 Sacks
Production Casing Size: 4-1/2 Set at: 2847 Cemented with: 200 Sacks

List (ALL) Perforations and Bridge Plug Sets:
Perfs 2799-2807'

Elevation: 3583 (G.L. / K.B.) T.D.: 2855 P.B.T.D.: _____ Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Junk in Hole Casing Leak at: _____
(Interval)

Proposed Method of Plugging (attach a separate page if additional space is needed):

Plug 4-1/2" w/250# hulls & 185 sx 60/40 poz 4% gel. Plug annulus w/100 sx 60/40 poz 4% gel.

Is Well Log attached to this application? Yes No Is ACO-1 filed? Yes No

If ACO-1 not filed, explain why:

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission

Company Representative authorized to supervise plugging operations: Dave Olson
Address: 110 W. Louisiana, Ste. 200 City: Midland State: TX Zip: 79701 + _____
Phone: (620) 376-8190
Plugging Contractor License #: 49996 99996 Name: Allied Cementing Co., Inc.
Address 1: P. O. Box 31 Address 2: _____
City: Russell State: KS Zip: 67665
Phone: (785) 483-2627
Proposed Date of Plugging (if known): _____

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MAY 31 2011

KCC WICHITA

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent
Date: 5/18/11 Authorized Operator/ Agent: Skipper 2 Burns (Signature)

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1

July 2010

Form Must Be Typed

Form must be Signed

All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 4894
Name: Horseshoe Operating, Inc.
Address 1: 110 W. Louisiana, Ste. 200
Address 2: _____
City: Midland State: TX Zip: 79701 + _____
Contact Person: S. L. Burns / Janice Ripley
Phone: (432) 683-1448 Fax: (432) 686-9449
Email Address: jripley@horseshoeinc.com

Well Location:
C SE SE Sec. 20 Twp. 20 S. R. 40 East West
County: Greeley
Lease Name: Panning Well #: 1

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: SEE ATTACHED
Address 1: _____
Address 2: _____
City: _____ State: _____ Zip: _____ + _____

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

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

Date: 5/25/11 Signature of Operator or Agent: Janice Ripley Title: Production Assistant

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MAY 31 2011

KCC WICHITA

PANNING #1 - ROYALTY OWNERS

OWNERS

JEFFRY L. CROCKETT & JENNIFER
330 PAUMA VALLEY DRIVE
COLORADO SPRINGS, CO 80921

EXXON MOBIL PRODUCTION
P. O. BOX 951027
DALLAS, TX 75395-1027

LORI M. GREENFIELD
2114 MARVONNE ROAD
LAWRENCE, KS 66047-2326

DOUGLAS R. PANNING
126 S.E. 130 AVENUE
ELLINWOOD, KS 67526

MARVIN D. PANNING
300 S.E. 10 ROAD
GREAT BEND, KS 67530

JILL S. WIECHMAN
7018 CHAPARRAL STREET
VALLEY CENTER, KS 67147-8401

JOSEPH P. KLOPPER & JULIA
LIVING TRUST
16414 RIGGS ROAD
STILWELL, KS 66085

ARLENE DANIELS
BOX 189
TRIBUNE, KS 67879

SHERRILYN I. COAKES LIV. TRUST
26465 N. PASO TRAIL
SCOTTSDALE, AZ 85255

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MAY 31 2011
KCC WICHITA



CORPORATION COMMISSION

Sam Brownback, Governor, Mark Sievers, Chairman, Ward Loyd, Commissioner, Thomas E. Wright, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

HORSESHOE OPERATING, INC.
110 W LOUISIANA STE 200
MIDLAND, TX 79701-3414

June 03, 2011

Re: PANNING #1
API 15-071-20077-00-00
20-20S-40W, 660 FSL 662 FEL
GREELEY COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division has received your plugging proposal, form CP-1, for the above well and has reviewed the proposal for completeness. The central office will now forward your CP-1 to the district office listed below for review of the proposed plugging method. **Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113(b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit in accordance with K.A.R. 82-3-600.**

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well. This notice in no way constitutes authorization to plug the above well by persons not having legal rights of ownership or interest in the well.

This notice is void after November 30, 2011. The CP-1 filing does not bring the above well into compliance with K.A.R. 82-3-111 with regard to the Commission's temporary abandonment requirements.

Sincerely,

Steve Bond
Production Department Supervisor

District: #1
210 E Frontview, Suite A
Dodge City, KS 67801
(620) 225-8888