TO:

STATE CORPORATION COMMISSION CONSERVATION DIVISION - PLUGGING

130 SOUTH MARKET, SUITE 2078 **WICHITA, KANSAS 67202**

API Well Number: 15-071-20077-00-00

Spot: SESE

Sec/Twnshp/Rge: 20-20S-40W

660 feet from S Section Line,

662 feet from E Section Line

Lease Name: PANNING

Well #: 1

County: GREELEY

Total Vertical Depth: 2855 feet

Operator License No.: 4894

Op Name: HORSESHOE OPERATING, INC.

Address: 110 W LOUISIANA STE 200

MIDLAND, TX 79701

String Size Depth (ft) Pulled (ft) Comment 2847

235

PROD 4.5 SURF 8.625 0

WITH 200 SX CMT

WITH 160 SX CMT

UIC Docket No:

Date/Time to Plug: 02/23/2012 3:00 PM

Plug Co. License No.: 99996

Well Type: GAS

Plug Co. Name: ALLIED CEMENT COMPANY

Proposal Revd. from: LARRY SPARGER

Company: HORSEHOE OPERATING

Phone: (432) 683-1448

Proposed SET CIBP W/2 SX CMT @ 2750' OR 50 SX CMT W/200# HULLS. LOAD CASING WITH WATER & TEST TO 700#.

Plugging RUN BOND LOG TO DETERMINE TOC. PERFORATE USABLE WATER AS REQUIRED.

Method:

Plugging Proposal Received By: KEN JEHLIK

WitnessType: COMPLETE (100%)

Date/Time Plugging Completed: 05/03/2012 11:00 AM

KCC Agent: KEN JEHLIK

Actual Plugging Report:

PUMP 75 SX CMT WITH 250# HULLS (2807' TO 1600'), TEST CASING TO 900#. HOLDING. 2/23/12: RAN BOND LOG FROM 2023' TO 150'. POSSIBLE CMT FROM 1670' TO 570' BUT LOGGER IS UNCERTAIN. WELL FILES CONTAIN NO INFO. REGARDING A POSSIBLE CASING LEAK SQUEEZE THROUGH THIS INTERVAL. PERFORATE AT 1310'. INJECTION RATE 2 BPM @ 1300#. SDFN, 2/24/12: INJECTION RATE 1 BPM @ 700# THRU PERFS @ 1310'. PUMP 125 SX CMT (45 SX OUT PERFS) & PRESSURE INCREASED TO 1300#, THEN BROKE BACK. CONTINUE PUMPING & WELL STARTED CIRCULATING. PUMPED TOTAL OF 240 SX (160 SX OUT PERFS) & ANNULUS PLUGGED OFF & PRESSURED TO 1300#. NO CMT TO SURFACE UP ANNULUS. TOC UNKNOWN. LEFT 4 1/2" CASING FULL OF CMT. UNABLE TO PUMP DOWN ANNULUS DUE TO LEAKING BRADEN HEAD. CUT BRADEN OFF & WELD ON PLATE. ATTEMPT TO PUMP DOWN ANNULUS @ 400#. COULD NOT. 4/23/12: RAN 1 1/4" TBG DOWN ANNULUS TO 276', 5/3/12: CIRCULATED CMT

Perfs:

Top Bot Thru Comments

2799 2807

Remarks:

USED 60/40 POZMIX 4% GEL BY ALLIED.

Plugged through: CSG

FROM 276' TO 0' USING 80 SX CMT.

RECEIVED MAY 1 5 2012

KCC WICHITA

District: 01

Signed

(TECHNICIAN)

RECEIVED MAY 1 0 2012

KCC DODGE CITY