KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form T-1 April 2004 Form must be Typed Form must be Signed All blanks must be Filled

REQUEST FOR CHANGE OF OPERATOR TRANSFER OF INJECTION OR SURFACE PIT PERMIT

Check Applicable Boxes.	1		
Oil Lease: No. of Oil Wells**	Effective Date of Transfer: May 1, 2004		
Gas Lease: No. of Gas Wells**	KS Dept of Revenue Lease No. 234733		
Gas Gathering System:	Lease Name: Watson "E" 3		
Saltwater Disposal Well - Permit No.:			
Spot Location: feet from N / S Line	<u>NWSENW_Sec. 12Twp. 20S_R. 40</u> EV_W		
feet from E / W Line	Legal Description of Lease:		
Enhanced Recovery Project Permit No.:	Sec. 12-20S-40W RECEIVED		
Entire Project: Yes No	County: Greeley		
Number of Injection Wells**	Production Zone(s):		
Field Name: Bradshaw			
** Side Two Must Be Completed.	Injection Zone(s): Winfield KCC WICHITA		
Surface Pit Permit No.:(API No. if Drill Pit, WO or Haul)	feet from N / S Line of Section feet from E / W Line of Section #8.2		
Type of Pit: Emergency Burn Settling	Haul-Off Workover Drilling		
Past Operator's License No. 33156	Contact Person: Charles H. Perrin		
Past Operator's Name & Address: Rockford Energy Partners, LLC	Phone: _918-583-9400 x16		
2800 First Place Tower, 15 E. 5th Street, Tulsa, Ok 74103	Date: May 1, 2004		
Title: President and CEO	Signature:		
New Operator's License No. 04894	Contact Person: Word B. Wilson		
New Operator's Name & Address: Horseshoe Operating, Inc.	Phone: 915-683-1448		
500 W. Texas, Suite 1190	Oil / Gas Purchaser: Duke Energy Field Services		
Midland, TX 79701	Date: May 1, 2004		
Title: Vice-President	Signature: Will B Wilm		
Acknowledgment of Transfer: The above request for transfer of injection noted, approved and duly recorded in the records of the Kansas Corpor Corporation Commission records only and does not convey any ownership			
is acknowleged as the	is acknowleged as the		
new operator and may continue to inject fluids as authorized by	new operator of the above named lease containing the surface pit		
Permit No.: Recommended action:	permitted by No.:		
Date: Authorized Signature	Date: Authorized Signature		
	PRODUCTION JUN 2 2 2004 UIC 6-22-04		
Mail to: Past Operator New Operator	District		

Side Two

Must Be Filed For All Wells

KDOR Lease	• No.:					
* Lease Name: Watson "E" 3			* Location: NW SE NW Sec. 12-20S-40W			
Well No.	API No. (YR DRLD/PRE '67)	Footage from (i.e. FSL = Feet	Section Line from South Line)	Type of Well (Oil/Gas/INJ/WSW)	Well Status (PROD/TA'D/Abandoned	
"E" 3	15-071-207780/2003	1650 Circle	1650 Circle	Gas	Prod	
		FSL/FNL	FEL/FWL			
		FSL/FNL	FEL/FWL			
		FSL/FNL	FEL/FWL	:		
		FSL/FNL	FEL/FWL			
		FSL/FNL	FEL/FWL			
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		FSL/FNL	FEL/FWL		JUN 1 4 2004	
		FSL/FNL	FEL/FWL		KCC WICHITA	

A separate sheet may be attached if necessary

^{*} When transferring a unit which consists of more than one lease please file a separate side two for each lease. If a lease covers more than one section please indicate which section each well is located.