KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

For KCC Use

Effective Date: 7-24-04
District #
SGA? Yes No

Expected Spud Date 21 04

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

KCC WICHITA

CONTRACTOR: Licensee
Name: ADVISE ON ACO-1 MUST BE LICENSED WITH KCC

Well Drilled For: Oil Gas Storage OMEO Other
Well Class: Infield Pool Ext. Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable

If OWNO: 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:

WELL LOCATION EXCEPTION GRANTED 7-15-04

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:

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: 5/11/2004 Signature of Operator or Agent: Title: Vice President

For KCC Use ONLY

API # 15 - 075. 20815 00

Conductor pipe required. NO

Minimum surface pipe required. 220 feet per Alt. +

Approved by RSP 7-19-04

This authorization expires: 1-19-05

Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - Location of Well: County: Hamilton
Operator: Yoder 1500 feet from $N / S Line of Section
Lease: Bradshaw 2310 feet from $E / $W Line of Section
Well Number: 1 Sec. 34 Twp. 22 S. R. 40 $East $West
Field: Bradshaw

Number of Acres attributable to well: 640

QTR / QTR / QTR of acreage: NW Sec. 34 - SW Sec 11

W 1/2 Sec. 34
S 1/2 Sec. 11

IS Section: [ ] Regular or [ ] Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: [ ] NE [ ] NW [ ] SE [ ] SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

RECEIVED
MAY 13 2004
KCC Wichita

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).