KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

API #: 15-071-20714-0000 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued.

Indicate original spud or completion date: 10/1999

Well Operator: Horseshoe Operating, Inc.

KCC License #: 4894

Address: 110 W. Louisiana, Suite 200

City: Midland

State: Texas Zip Code: 79701

Contact Phone: (432) 683-1448

Lease: Clift B

Well #: 2-34 Sec. 34 Twp. 18 R. 40

East [✓] West

SW - NE Spot Location / QQQQ County: Greeley

1980 Feet (in exact footage) From [✓] North / [✓] South (from nearest outside section corner) Line of Section (Not Lease Line)

1980 Feet (in exact footage) From [✓] East / [✓] West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: [✓] Oil Well [✓] Gas Well [✓] D&A [✓] Cathodic [✓] Water Supply Well

[ ] SWD Docket # [ ] ENHR Docket # [ ] Other:

Conductor Casing Size: [ ] Set at: Cemented with: Sacks

Surface Casing Size: 8-5/8 Set at: 304 Cemented with: 155 Sacks

Production Casing Size: 4-1/2 Set at: 2972 Cemented with: 435 Sacks

List (ALL) Perforations and Bridgeplug Sets: 2884-2889 & 2909-2914

Elevation: 3577 T.D.: 2980

([GL] / [KJ]) TD.: 2923 Anhydrite Depth:

PBT: 2923 (Stone Corral Formation)

Condition of Well: [✓] Good [ ] Poor [ ] Casing Leak [ ] Junk in Hole

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

[ ] Yes [ ] No Is ACO-1 filed? [✓] Yes [ ] No

RECEIVED

2-5-2005

KCC WICHITA

Plugging of this Well will be done in accordance with K.S.A. 65-101 et. seq, and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations: Dave Olson

Phone: (620) 376-8190

Address: P. O. Box 175

City / State: Tribune, KS 67879

Plugging Contractor: Allied Cementing (Company Name) KCC License #: (Contractor's)

Address: P. O. Box 31 Russell, Kansas

Phone: ( )

Proposed Date and Hour of Plugging (if known?): Week of April 4, 2005

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 3-30-05 Authorized Operator / Agent: [Signature]

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Horseshoe Operating, Inc.
110 W. Louisiana, Suite 200
Midland, TX 79701

April 26, 2005

Re: Clift B #2-34
API 15-071-20714-00-00
GREELEY COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

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.

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-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

David P. Williams
Production Supervisor

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