API #: 071-20023-000

Well Operator: Horseshoe Operating, Inc.

Address: 110 W. Louisiana, Suite 200

City: Midland

State: Texas

Zip Code: 79701

Contact Phone: (432) 683-1448

Less: Miller A

Well #: 1

Sec. 23

Twp. 20

S. 40

East

West

NE - SW - SW - Spot Location / QQQQ

County: Greeley

1320 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

1320 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: 8.51b

Cemented with: Sacks

Surface Casing Size: Set at: 2.94

Cemented with: 225

Production Casing Size: Set at: 2.843

Cemented with: 250

List (ALL) Perforations and Bridgeplug Sets: 2814 - 2818

Is Well Log attached to this application as required? [ ] Yes [ ] No Is ACO-1 filed? [ ] Yes [ ] No

If not 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.

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

Address: 110 W. Louisiana, Suite 200

City / State: Midland, Texas 79701

Plugging Contractor: Allied Cementing

Address: Russell, KS

Phone: (785) 483-2627

Proposed Date and Hour of Plugging (if known?):

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

Date: 10/28/05

Authorized Operator / Agent: (Signature)

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Dodge City, KS 67801

(620) 225-8888
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

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

Re: MILLER #1-A
API 15-071-20023-00-00
SW 23-20S-40W, 1320 FSL 1320 FWL
GREELEY COUNTY, KANSAS

November 07, 2005

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 constiutes 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