NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use:

Effective Date: 5-2-04

District #

SGA? Yes ☐ No ☑

Expected Spud Date: 04 26 04

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

CONTRACTOR: License#: A01-6
Name: ADVISE CN ACO-1
MUST BE LIC. W/ KCC

Well Drilled For:

Oil ☐ Gas ☑ Enr Rec ☐ Storage ☐ Pool Ext. ☑
OWO ☐ Disposal ☐ Wildcat ☐ Air Rotary ☐
Seismic ☑ # of Holes: 1 ☐ Other ☐

Well Class: ☑ Infill ☐ Mud Rotary ☐
Type Equipment:

If OWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal well: ☑ RECEIVED ☐ Yes ☐ No ☑
If Yes, true vertical depth:
KCC DKT #:
X SPACED CHASE

CONSERVATION DIVISION
WICHITA, KS

SPOT

E/2. NE Sec. 4
Twp. 23 S. R. 40

1390 feet from ☑ N / S Line of Section
660 feet from ☑ E / W Line of Section

Is SECTION Regular ☐ Irregular ☑
(Note: Locate well on the Section Plat on reverse side)

County:
Hamilton
Lease Name: Ashmore, W.
Field Name: Bradshaw

Is this a Prorated / Spaced Field? ☑ Yes ☐ No
Target Formation(s): Winfield
Nearest Lease or unit boundary: 660
Ground Surface Elevation: 3441 feet MSL
Water well within one-quarter mile:
Public water supply well within one mile:
Depth to bottom of fresh water: 200' - 180'
Depth to bottom of usable water: 4000' - 1100'
Surface Pipe by Alternate: ☑ 1 ☐ 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor Pipe required: none
Projected Total Depth: 4700'
Formation at Total Depth: Winfield
Water Source for Drilling Operations:
☐ Well ☑ Farm Pond ☐ Other ☐
DWR Permit #: ☐
Will Cores be taken? ☐ Yes ☐ No
(Note: Apply for Permit with DWR ☑)

KANSAS CORPORATION COMMISSION

AFFIDAVIT
WELL LOCATION EXCEPTION

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.

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: 3-19-04
Signature of Operator or Agent: W. B. Wilson
Title: Vice President

Remember to:
- File Drill Pit Application (form CDP-1) with intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (see authorized expiration date) please check the box below and return to the address below.

☐ Well Not Drilled - Permit Expired
Signature of Operator or Agent:

Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, 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 -
Operator: Horseshoe Operating, Inc.
Lease: Ashmore
Well Number: 1
Field: Bradshaw

Number of Acres attributable to well: 320
OTR / OTR / OTR of acreage:
NE 4 Sec. 4 - 235.40W
SW 4 Sec. 11 - 235.40W

NON-CONTINUOUS UNIT
GRANTED 4-27-04

Location of Well: County: Hamilton
1390 feet from N / S Line of Section
860 feet from E / W Line of Section
Sec. 4 Twp. 23 S R 40 East West
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 unit or unit boundary line.)

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 19 2004
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

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).