NOTICE OF INTENT TO DRILL

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

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#: ADVISE ON ACO-1
Name: MUST BE LIC W/KCC

Well Drilled For:
- Oil
- Gas
- Storage
- OWNO
- Disposal
- Wildcat
- Seismic
- # of Holes
- Other

Well Class:
- Enh Rec
- Storage
- Pool Ext.
- Air Rotary
- Wildcat
- Cable
- Other

Type Equipment:
- Infield
- Mud Rotary
- Air Rotary
- Cable

Spot: 1390 E1/2 NE Sec. 4
- 23 S E 40
- East
- West

AP7050

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

Count: Hamilton
Lease Name: Ashmore
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
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Deph to bottom of fresh water: 0.00
Deph to bottom of usable water: 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: 3200
Formation at Total Depth: Winfield
Water Source for Drilling Operations:
- Well
- Farm Pond
- Other

DWR Permit #:

Will Cores be taken?
- Yes
- No

If proposed zone:

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 when 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 #133,691-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: 3/18/2004
Signature of Operator or Agent:

Title: Vice President

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