

FOR KCC USE:

15-071-20725-0000 FORM C-1 7/91

EFFECTIVE DATE: 5-3-2000

State of Kansas

FORM MUST BE TYPED

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? Yes. X. No

Must be approved by the K.C.C. five (5) days prior to commencing well.

ALL BLANKS MUST BE FILLED

Spot

Expected Spud Date .05.....05.....00.....
month day year

E/2 NE Sec .26. Twp .17 S, Rg .40 X West

OPERATOR: License # ...4894...
Name: Horseshoe Operating, Inc...
Address: .500 W. Texas, Suite 1190...
City/State/Zip: .Midland, Tx 79701...
Contact Person: .S. L. Burns...
Phone: .(915) 683-1448...

1320..... feet from South / (North) Line of Section
660..... feet from (East) / West Line of Section
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)

County: ..Greeley.....

Lease Name: .Howard..... Well #: .1.....

Field Name: ..Bradshaw.....

Is this a Prorated/Spaced Field? ..X yes X no

Target Formation(s): .Winfield.....

Nearest lease or unit boundary: ..660'.....

Ground Surface Elevation: ..3598.1..... feet MSL

Water well within one-quarter mile: yes ..X no

Public water supply well within one mile: yes ..X no

Depth to bottom of fresh water: ..200'.....

Depth to bottom of usable water: ..4200'..1600' PERMIAN

Surface Pipe by Alternate: 1 ..X. 2

Length of Surface Pipe Planned to be set: ...220'.....

Length of Conductor pipe required:

Projected Total Depth: ..3040'

Formation at Total Depth:Winfield.....

Water Source for Drilling Operations:

... well farm pond ..X. other

Will Cores Be Taken?: yes ..X. no

If yes, proposed zone:

CONTRACTOR: License #: ...30606...
Name: ...Murfin Drilling Co., Inc.....

Well Drilled For: Well Class: Type Equipment:

Oil Enh Rec ..X Infield .X. Mud Rotary
X. Gas Storage Pool Ext. Air Rotary
OWWO Disposal Wildcat Cable
Seismic; # of Holes Other

If OWWO: old well information as follows:

Operator:

Well Name:

Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes ..X. no

If yes, true vertical depth:

Bottom Hole Location:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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: 4/25/00 Signature of Operator or Agent: [Signature] Title: TREASURER

FOR KCC USE:
API # 15- 071-20725 0000
Conductor pipe required NONE feet
Minimum surface pipe required 220 feet per Alt. X(2)
Approved by: JK 4-28-2000
This authorization expires: 10-28-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

26
17

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.

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

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APR 28 2000

CONSERVATION DIVISION Wichita, Kansas

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

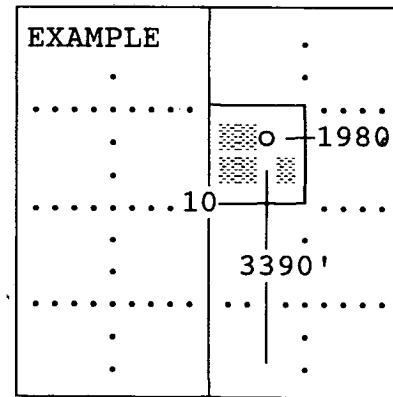
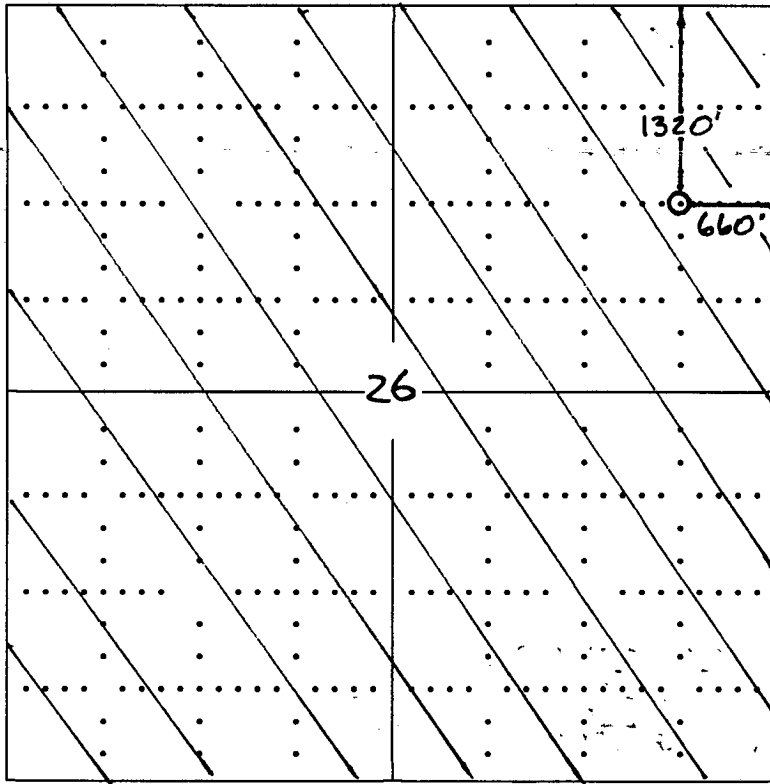
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells 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. _____
 OPERATOR Horseshoe Operating, Inc.
 LOCATION OF WELL: COUNTY Greeley
 LEASE Howard _____ 1320 feet from south/north line of section
 WELL NUMBER 1 _____ 660 feet from east/west line of section
 FIELD Bradshaw _____ SECTION 26 TWP 17 RG 40

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640 IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR ALL OF SEC 26 **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.)



SEWARD CO.

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; and
- 3) the distance to the nearest lease or unit boundary line.

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