

FOR KCC USE:

EFFECTIVE DATE: 3-11-2001

DISTRICT # 1

SGAP...Yes...X...No

State of Kansas

NOTICE OF INTENTION TO DRILL

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

Permit Extension Request Received 8-7-2001

FORM C-1 7/92

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

Expected Spud Date ..03.....26.....01.....
month day year

Spot 32 SW NE Sec .33. Twp .19 S. Rg .39 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

.....2310.....feet from South North line of Section
.....1980..... 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: ..Sandifer.. Well #: 2.....

Field Name: ..Bradshaw.....

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

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

Nearest lease or unit boundary: ..1980.....

Ground Surface Elevation: ..3514.3..... 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: 220' 1415 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:2775.....

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 #: ADVISE ON ACO-1; MUST BE LICENSED WITH KCC
Name:

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
... Other

If OWWO: old well information as follows:

Operator:

Well Name:

Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellboref ... 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: 3/10/01 Signature of Operator or Agent: [Signature] Title: TREASURER

FOR KCC USE: 071-20744-0000
 API # 15
 Conductor pipe required NOALS feet
 Minimum surface pipe required 220 feet per Alt. X (2)
 Approved by: JK 3-6-2001 EXT 9-6-2001
 This authorization expires: 9-6-2001 EXP 3-6-2002
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
 STATE CORPORATION COMMISSION
 MAR 5 2001
 03-05-01
 CONSERVATION DIVISION
 Topeka, Kansas

33
19
39W

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.

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.
 LEASE Sandifer
 WELL NUMBER 2
 FIELD Bradshaw

LOCATION OF WELL: COUNTY Greeley
2310 feet from south/north line of section
1980 feet from east/west line of section
 SECTION 33 TWP 19 RG 39W

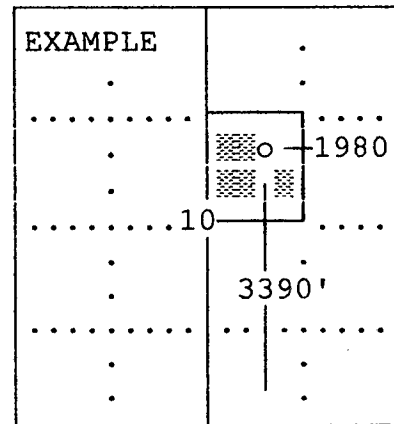
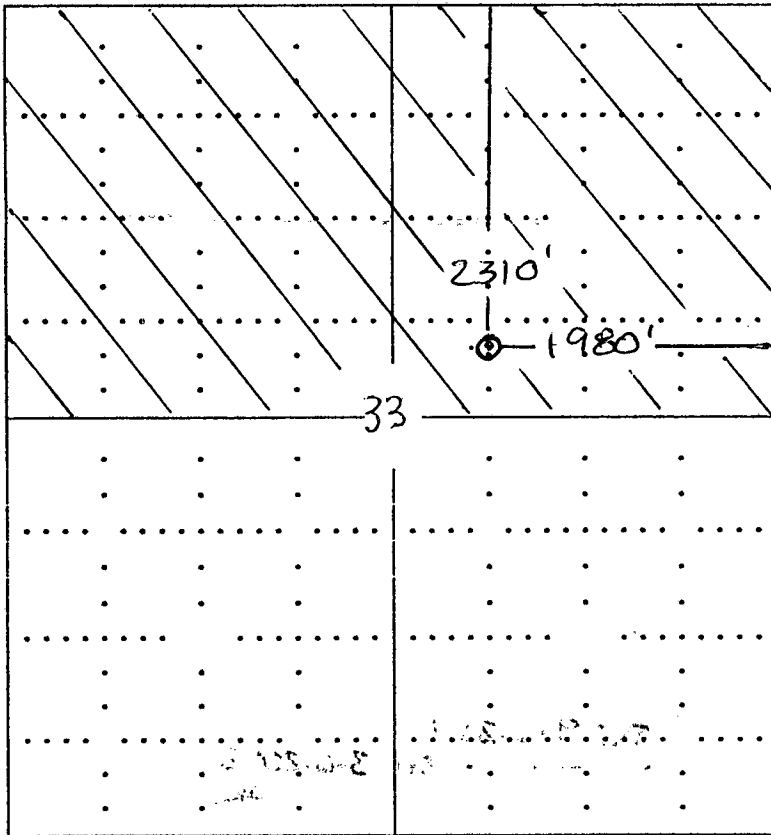
NUMBER OF ACRES ATTRIBUTABLE TO WELL 320
 QTR/QTR/QTR N/2 sec 33-19S-39W

IS SECTION X 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 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.

RECEIVED
 STATE CORPORATION COMMISSION

MAR 5 2001

CONSERVATION DIVISION
 STATE OF TEXAS