

FOR KCC USE:

15-071-20698-0000

FORM C-1 7/91

FORM MUST BE TYPED

EFFECTIVE DATE: 11-28-98

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

SGA? Yes X No

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

Expected Spud Date 12-15-99 month day year

Spot C.NE. Sec 22 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 1320 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: Diane Well #: 1 Field Name: Bradshaw

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

\* Is this a Prorated, Spaced Field? X yes no Target Formation(s): Winfield Nearest lease or unit boundary: Ground Surface Elevation: 3597.2 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: 1000 1600 Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 220 Length of Conductor pipe required: Projected Total Depth: 3000 Formation at Total Depth: Ft. Riley Water Source for Drilling Operations: well farm pond X other Will Cores Be Taken?: yes X no If yes, proposed zone:

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:

\* THE BRADSHAW FIELD IN GREELEY CO IS NOT PRORATED OR SPACED.

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: 11/18/98 Signature of Operator or Agent: Title: Treasurer

FOR KCC USE: API # 15- 071-206980000 Conductor pipe required NONE feet Minimum surface pipe required 220 feet per Alt. X(2) Approved by: JK 11-23-98 This authorization expires: 5-23-99 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

11-23-98

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.

72 17 4003

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

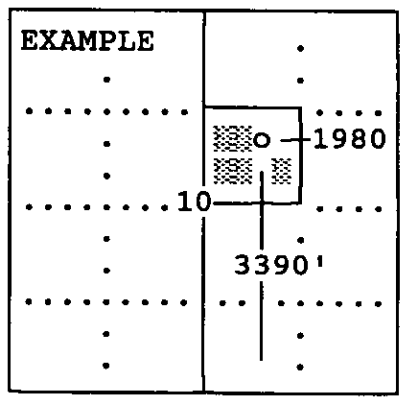
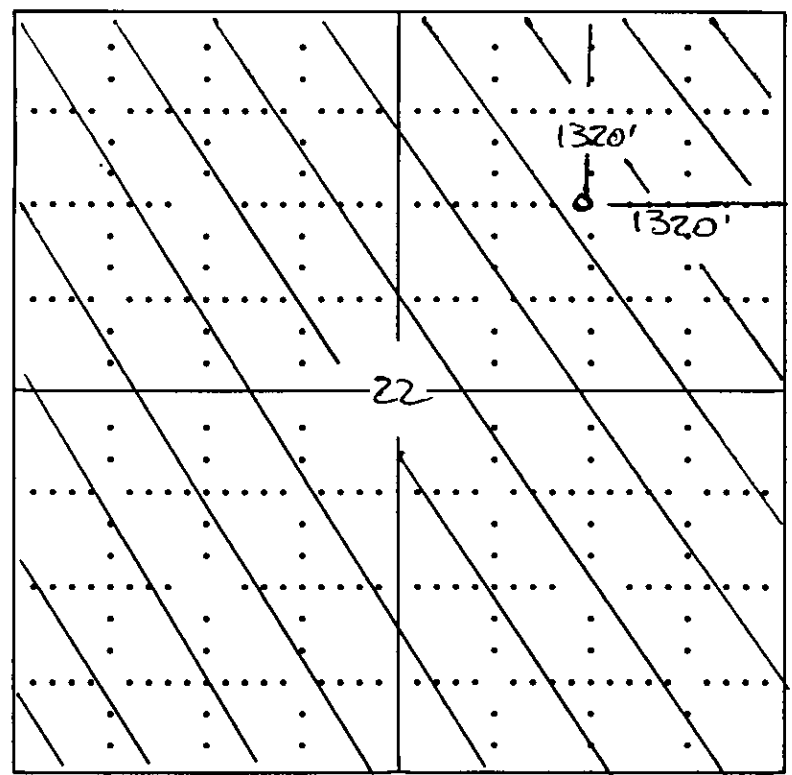
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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. 15- \_\_\_\_\_  
 OPERATOR Horseshoe Operating, Inc. \_\_\_\_\_  
 LOCATION OF WELL: COUNTY Greeley  
 LEASE Diane \_\_\_\_\_ 1320 feet from south/north line of section  
 WELL NUMBER 1 \_\_\_\_\_ 1320 feet from east/west line of section  
 FIELD Bradshaw \_\_\_\_\_ SECTION 22 TWP 17 S RG 40 W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640 IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR  
Sec 22 T17S - R40W **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.