

CORRECTION

FORM MUST BE TYPED  
FORM MUST BE SIGNED  
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 8-11-96

State of Kansas

DISTRICT # 1  
SGA? ... Yes ... No

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 3 5 97  
month day year

Spot \* C SW/4 SW/4 Sec 17 Twp 20 S, Rg 39 East 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

\* 660 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: Watson Well #: 1  
Field Name: Bradshaw

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

Is this a Prorated/Spaced Field? ... yes X no  
Target Formation(s): Winfield  
\* Nearest lease or unit boundary: 660 WAS: 830

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 \_\_\_\_\_

Ground Surface Elevation: 3520 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: 230  
Depth to bottom of usable water: 1,200

Surface Pipe by Alternate: 1 X 2  
Length of Surface Pipe Planned to be set: 350'  
Length of Conductor pipe required: \_\_\_\_\_  
Projected Total Depth: 3000'  
Formation at Total Depth: Winfield  
Water Source for Drilling Operations:  
... well ... farm pond X other

Directional, Deviated or Horizontal wellbore? ... yes X no  
If yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_

Will Cores Be Taken? ... yes X no  
If yes, proposed zone: \_\_\_\_\_

\* SPOT WAS: 170'E OF W/2 SW  
SPOT IS: C SW SW

AFFIDAVIT

RECEIVED

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:

WAS: 1320' FSL 830' FWL  
IS: 660' FSL 660' FWL

MAR 04 1997

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.

CONSERVATION DIVISION  
WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 2-28-97 Signature of Operator or Agent: [Signature] Title: Treasurer

FOR KCC USE:  
 API # 15- 071-206560000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 250 feet per Alt. X (2)  
 Approved by: JK 3-5-97 / ORIG 8-6-96  
 This authorization expires: EXT 8-6-97  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

PERMIT EXTENSION  
WAS GRANTED 2-4-97

- 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.

17  
80  
39W

**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.

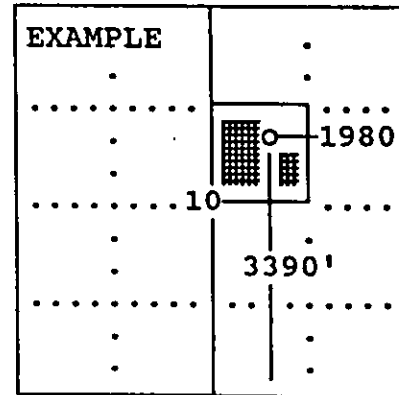
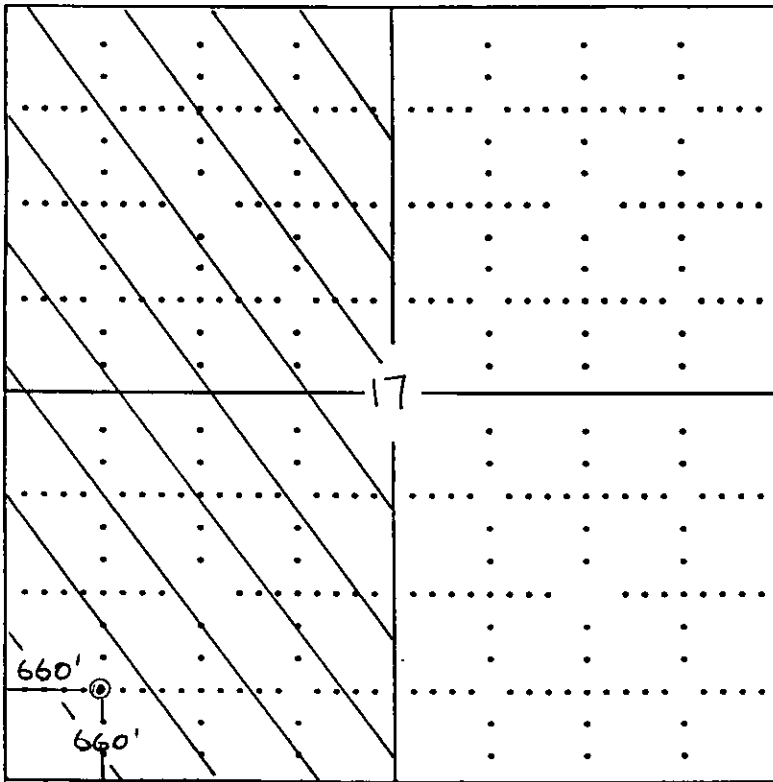
API NO. 15- \_\_\_\_\_  
 OPERATOR Horseshoe Operating, Inc. LOCATION OF WELL: COUNTY Greeley  
 LEASE Watson 660 feet from south/north line of section  
 WELL NUMBER #1 660 feet from east/west line of section  
 FIELD Bradshaw SECTION 17 TWP 20 RG 39

NUMBER OF ACRES ATTRIBUTABLE TO WELL 320 IS SECTION X REGULAR or IRREGULAR  
 QTR/QTR/QTR OF ACREAGE W/2 - - - **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.

HORSESHOE OPERATING, INC.

OIL AND GAS

500 West Texas, Suite 1190 • Midland, Texas 79701 • (915) 683-1448 FAX (915) 686-9449

February 3, 1997

Fax (316) 337-6211

Kansas Corporation Commission  
130 S. Market, Room 2078  
Wichita, KS 67202  
Attn: Mr. Jeff Klock

Re: Watson #1  
Greeley Co., Kansas

Dear Mr. Klock,

We are requesting an extension on our Intent to Drill on the following location:

Watson #1  
Sec. 17, T20S, R39W  
Greeley Co., Kansas  
API # 071-206560000

If you have any questions, please do not hesitate to contact me.

Sincerely,



Debbie Hanson

/dh