

FOR KCC USE:

15-071-20731-0000

FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 7-15-2000
DISTRICT # 4
SGAP Yes No

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date ..07.....18.....00.....
month day year

Spot SW Sec .04. Twp .20 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...

.....1320.....feet from South North line of Section
.....1320..... feet from East / West line of Section
IS SECTION REGULAR IRREGULAR?
(NOTE: Locate well on the Section Plat on Reverse Side)
County: ..Greeley...
Lease Name: .Nickelson.. Well #: .2...
Field Name: ...Bradshaw.....

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

*Is this a Prorated/Spaced Field? yes no
Target Formation(s): .Winfield...
Nearest lease or unit boundary: ..1320...
Ground Surface Elevation: ..3518.3..... feet MSL
Water well within one-quarter mile: yes no
Public water supply well within one mile: ... yes no
Depth to bottom of fresh water: ..200'.....
Depth to bottom of usable water: ~~200'~~ 1300' PERMIAN
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: ...220'.....
Length of Conductor pipe required:
Projected Total Depth: 2700
Formation at Total Depth:Winfield.....
Water Source for Drilling Operations:
... well farm pond other

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 wellbore? ... yes no

If yes, true vertical depth:.....

Bottom Hole Location.....

Will Cores Be Taken? yes no
If yes, proposed zone:

AFFIDAVIT

* GREELEY COUNTY IS NOT SPACED OR
PRORATED FOR CHASS GAS.

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: 7/6/00 Signature of Operator or Agent: [Signature] Title: IRGASURCOR

FOR KCC USE: 071-20731-0000
API # 15
Conductor pipe required NONE feet
Minimum surface pipe required 220 feet per Alt. (2)
Approved by: [Signature] 7-10-2000
This authorization expires: 1-10-2001
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED:
KANSAS CORPORATION COMMISSION

JUL 07 2000
07-07-00
CONSERVATION DIVISION
WICHITA, KS

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form AC0-1 within 120 days of spud date;
- File acreage attribution plat according to field prorations 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.

7
20
3900

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 Nickelson _____
 WELL NUMBER 2 _____
 FIELD Bradshaw _____

LOCATION OF WELL: COUNTY Greeley _____
 _____ 1320 feet from south/north line of section
 _____ 1320 feet from east/west line of section
 SECTION 04 TWP 20 RG 39 _____

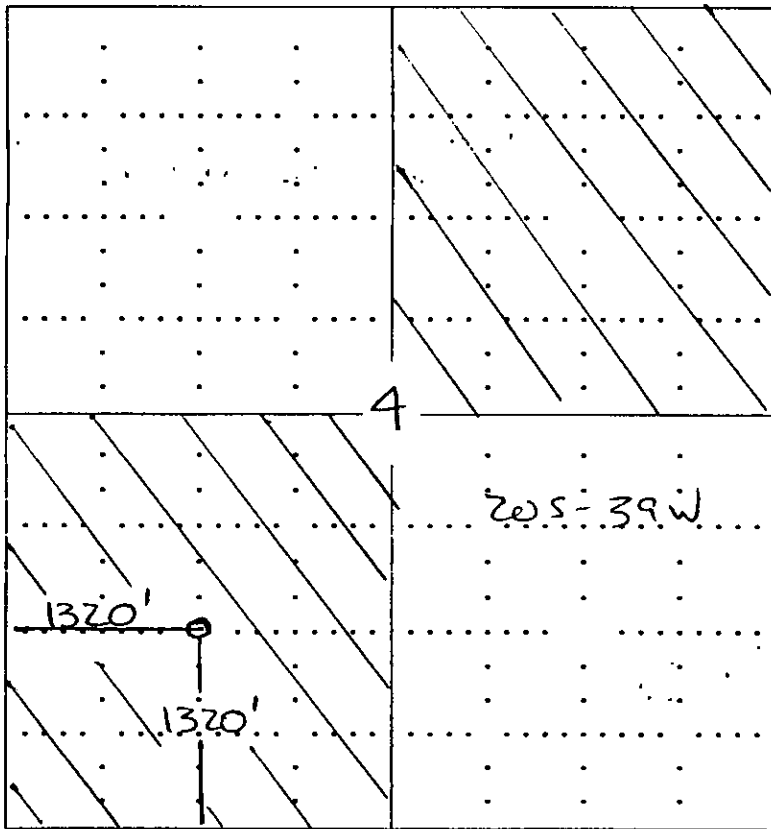
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR _____
 NE 1/4 SW 1/4 sec 4 20-39
 S/2 sec 33 19s-39w

IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

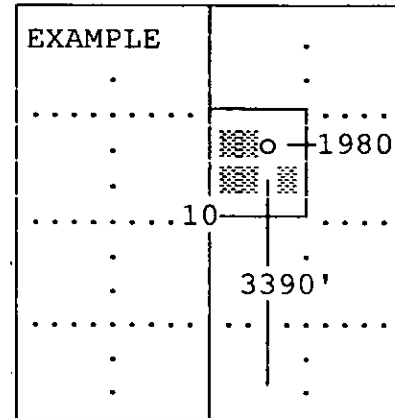
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



RECEIVED
 OIL AND GAS CORPORATION COMMISSION

JUL 07 2000

OPERATION DIVISION
 WIGHT 15



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.