

EFFECTIVE DATE: 10-9-96

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

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

SGA? Yes No

Expected Spud Date 11 20 96
month day year

Spot C NW/4 Sec 21 Twp 20 S, Rg 40 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

1320 feet from South / North line of Section
1320 feet from East / West line of Section
IS SECTION REGULAR IRREGULAR?

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

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

Well Drilled For: Well Class: Type Equipment:
... Oil ... Enh Rec Infield Mud Rotary
 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 _____

Lease Name: King "L" Well #: 2
Field Name: Bradshaw
Is this a Prorated/Spaced Field? yes no
Target Formation(s): Winfield
Nearest lease or unit boundary: 1320
Ground Surface Elevation: 3588.5 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: 1200 1340
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 250'
Length of Conductor pipe required: 3,000'
Projected Total Depth: 3,000'
Formation at Total Depth: Winfield
Water Source for Drilling Operations:
... well ... farm pond other

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

RECEIVED
KANSAS CORPORATION COMMISSION

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:

OCT 04 1996
10-4-96

CONSERVATION DIVISION
WICHITA, KS

- 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: 10/3/96 Signature of Operator or Agent: _____ Title: Treasurer

FOR KCC USE:
API # 15- 071-206620000
Conductor pipe required NONE feet
Minimum surface pipe required 250 feet per Alt. (2)
Approved by: JK 10-4-96
This authorization expires: 4-4-97
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

21
20
40W

- 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.

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.

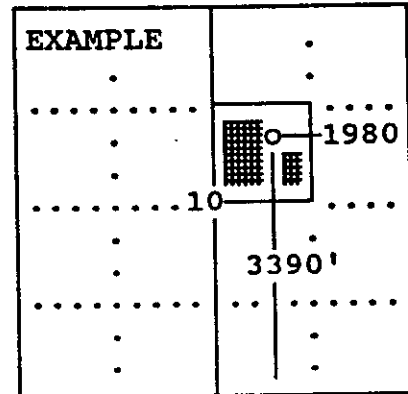
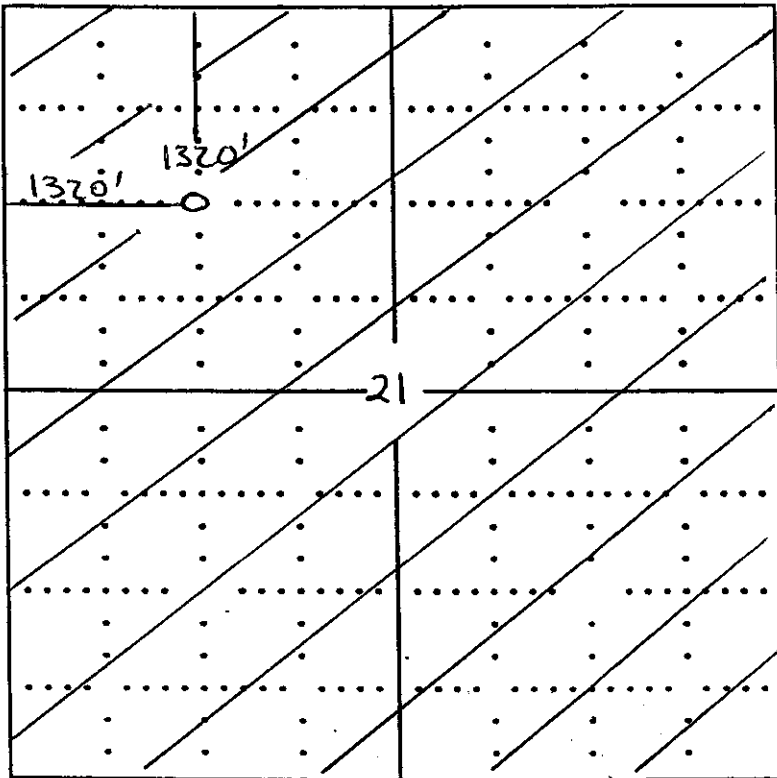
API NO. 15- _____
 OPERATOR Horseshoe Operating, Inc. LOCATION OF WELL: COUNTY Greeley
 LEASE King "L" 1320 feet from south/~~north~~ line of section
 WELL NUMBER 2 1320 feet from east/~~west~~ line of section
 FIELD Bradshaw SECTION 21 TWP 20 RG 40

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640 IS SECTION X REGULAR or IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
 All of Section 21 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.