

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 6-26-2000

DISTRICT # _____

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.....13.....00.....
month day year
Spot C SW Sec .21. Twp .20 S. Rg .40 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: .King L..... Well #: .3.....
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: ..3585.6..... 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: ..1288' 1300' PERMAN.
Surface Pipe by Alternate: 1 ..2
Length of Surface Pipe Planned to be set: ...220'.....
Length of Conductor pipe required:
Projected Total Depth:3040.....
Formation at Total Depth:Winfield.....
Water Source for Drilling Operations:
..... well farm pond ..other

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
... 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:

* ALL WELLS IN GREELEY COUNTY FALL UNDER
STATE WIDE RULES + REGULATIONS.

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: Signature of Operator or Agent: [Signature] Title: TREASURER

FOR KCC USE: 071-207290000
API # 15-
Conductor pipe required NONE feet
Minimum surface pipe required 220 feet per Alt. 2
Approved by: JK 6-21-2000 EXP 12-21-2000
This authorization expires: _____
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION
JUN 19 2000
6-19-00
CONSERVATION DIVISION
Wichita, Kansas

21
20
400

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 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 King L
 WELL NUMBER 3
 FIELD Bradshaw

LOCATION OF WELL: COUNTY Greely
 _____ 1320 feet from south north line of section
 _____ 1320 feet from east west line of section
 SECTION 21 TWP 20 S RG 40 W

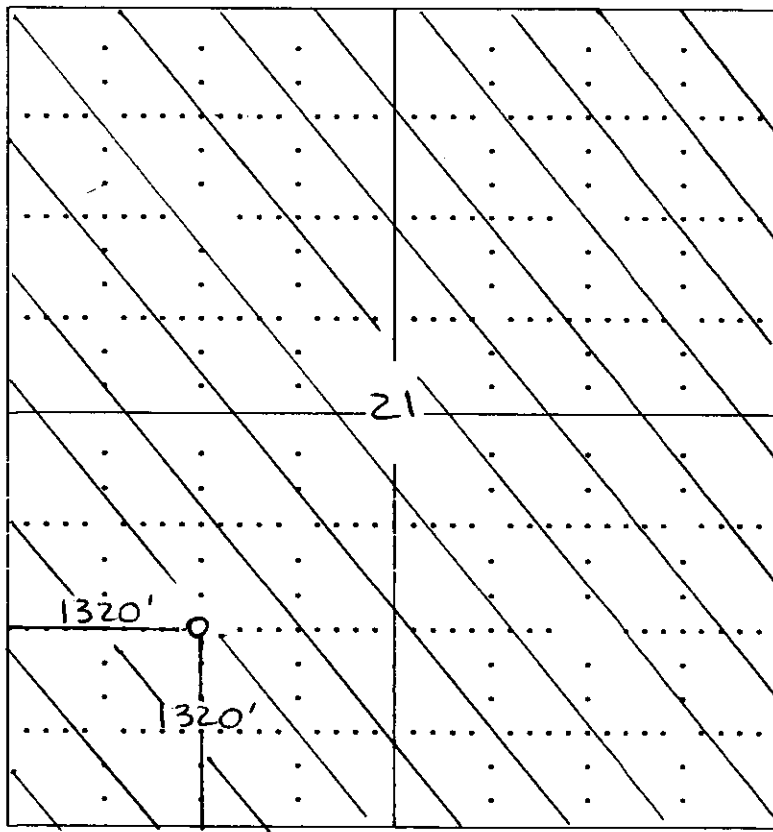
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR
 — All Section 21

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

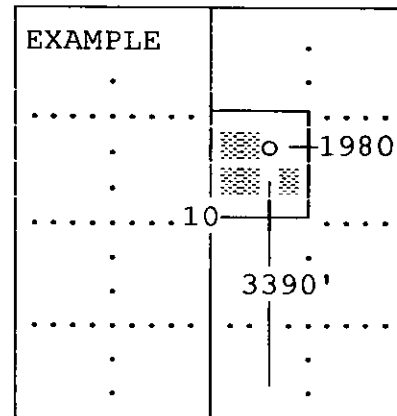
Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



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 CONSERVATION DIVISION
 Wichita, Kansas



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.