

FOR KCC USE:

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

EFFECTIVE DATE: 7-22-2000
DISTRICT # 4
SGAR... 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.....25.....00.....
month day year

Spot C. SE Sec .10. 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: .Harding... Well #: .3...
Field Name: ..Bradshaw...
Is this a Prorated/Spaced Field? ..X yes ..X no
Target Formation(s): .Winfield...
Nearest lease or unit boundary: ..1320...
Ground Surface Elevation: ..3572.6..... 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: ~~1200~~ 1350 PERMAN.
Surface Pipe by Alternate: 1 ..X. 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 ..X. other
Will Cores Be Taken?: yes ..X. no
If yes, proposed zone:

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

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 ..X. no
If yes, true vertical depth:.....
Bottom Hole Location.....

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: 7/13/00 Signature of Operator or Agent: [Signature] Title: TREASURER

FOR KCC USE: 071-207320000
API # 15-
Conductor pipe required NONE feet
Minimum surface pipe required 220 feet per Alt. X(2)
Approved by: JK 7-17-2000 1-17-2001
This authorization expires: _____
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION

JUL 13 2000
7-13-00
CONSERVATION DIVISION
Wichita, Kansas

10
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 production 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 2074, Wichita, Kansas 67202.

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

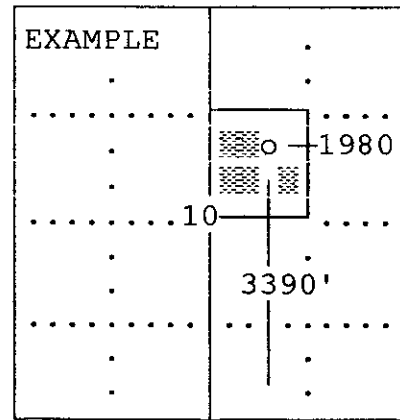
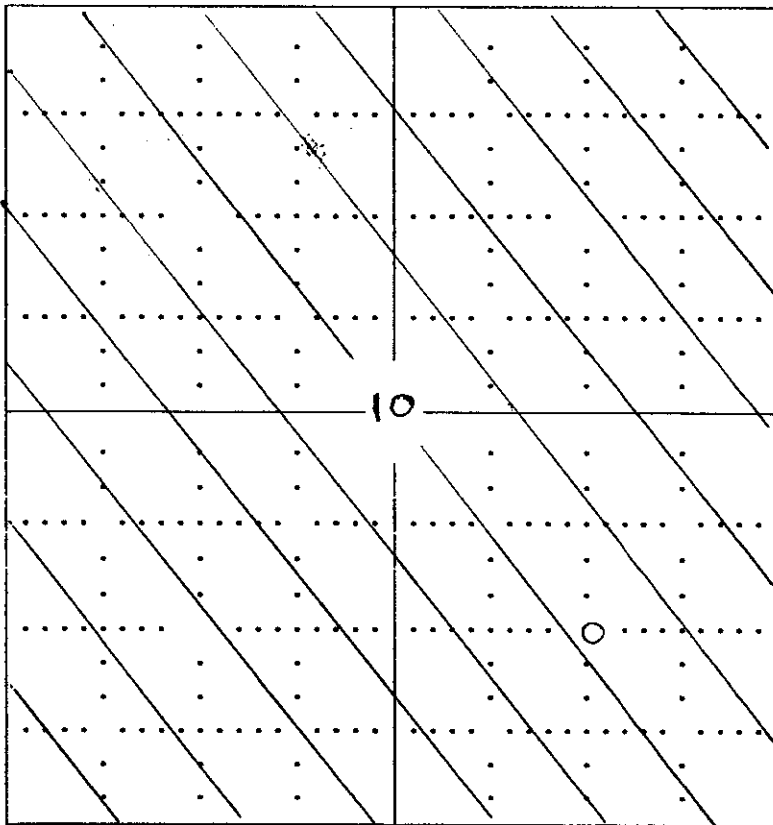
Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market, Room 2078
Wichita, Kansas 67202

API NUMBER LOCATION OF WELL: COUNTY Greeley

OPERATOR Horseshoe Operating, Inc.
LEASE Harding 1320 feet from south/north line of section
WELL NUMBER 3 1320 feet from east west line of section
FIELD Bradshaw

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640 SECTION 10 TWP 20 (S) RG 40 E/W
QTR/QTR OF ACREAGE ALL SECTION 10 20S-40W IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY. (check line below)
Section corner used: NE NW SE SW

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



SEWARD CO.

The undersigned hereby certifies as Treasurer (title) for

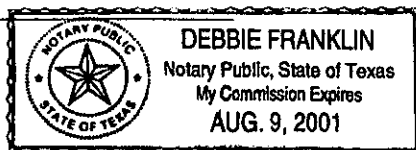
Horseshoe Operating, Inc. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Signature [Handwritten Signature]

Subscribed and sworn to before me on this 10 day of July, 2000

[Handwritten Signature] RECEIVED
Notary Public STATE CORPORATION COMMISSION

Commission expires 8-9-2001



FORM CG-8 (12/94)
JUL 13 2000

CONSERVATION DIVISION
Wichita, Kansas