

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 9-10-96

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGA? Yes / No

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

Expected Spud Date 9 / 24 / 96  
month day year

Spot E/2 - E/2 - SE/4 Sec 2 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  
330 feet from East / West line of Section  
IS SECTION X REGULAR        IRREGULAR?

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

(NOTE: Locate well on the Section Plat on Reverse Side)  
County: Greeley  
Lease Name: Burks Well #: 2  
Field Name: Bradshaw  
Is this a Prorated/Spaced Field?        yes X no  
Target Formation(s): Winfield  
Nearest lease or unit boundary: 330'  
Ground Surface Elevation: 3565.2 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: 200-370'  
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: 3,000'  
Formation at Total Depth: Winfield  
Water Source for Drilling Operations:  
       well        farm pond X 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  
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:       

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

**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:

RECEIVED  
KANSAS CORPORATION COMMISSION  
9-5-96  
SEP 05 1996  
REGISTRATION DIVISION  
WICHITA, KANSAS

- 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: 8/30/96 Signature of Operator or Agent: [Signature] Title: TREASURER

FOR KCC USE:  
API # 15- 071-206590000  
Conductor pipe required NONE feet  
Minimum surface pipe required 240 feet per Alt. X(2)  
Approved by: [Signature] 9-5-96  
This authorization expires: 3-5-97  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

2  
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.

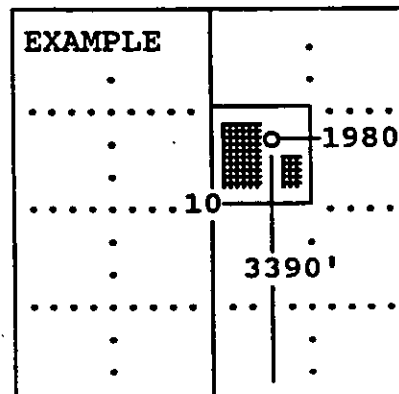
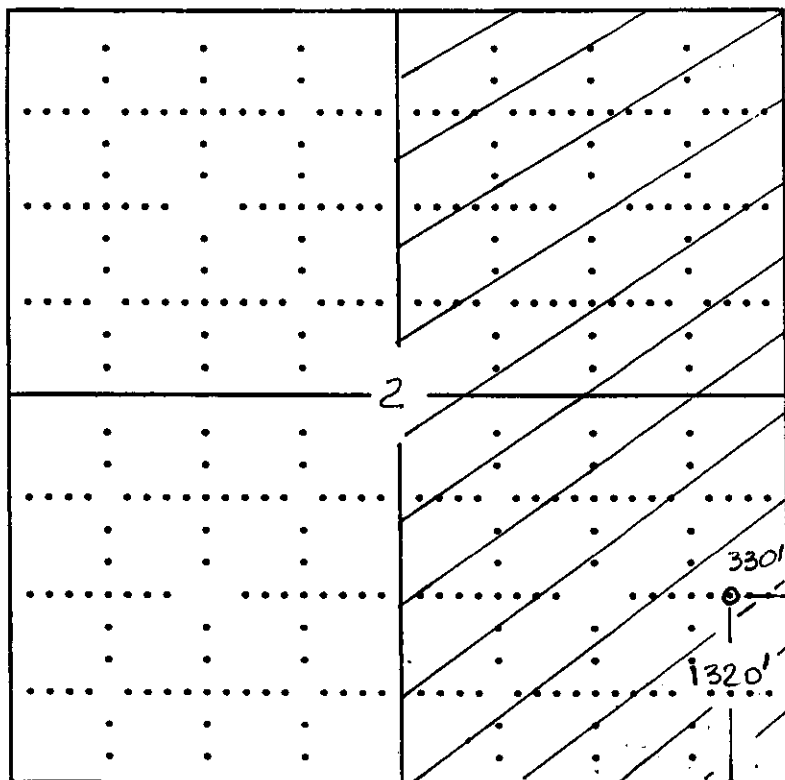
API NO. 15- \_\_\_\_\_  
 OPERATOR Horseshoe Operating, Inc. LOCATION OF WELL: COUNTY Greeley  
 LEASE Burske 1320 feet from south/north line of section  
 WELL NUMBER #2 330 feet from east/west line of section  
 FIELD Bradshaw SECTION 2 TWP 20 RG 40

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