

FOR KCC USE:

EFFECTIVE DATE: 9-30-2001  
DISTRICT # 1  
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 ..10.....01.....01.....  
month day year

Spot C 3E SE Sec .24. Twp .18 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: (935) 683-1448

.....660.....feet from South / North line of Section  
.....660..... feet from East / West line of Section  
IS SECTION —X— REGULAR IRREGULAR?  
(NOTE: Locate well on the Section Plat on Reverse Side)  
County: Greeley

CONTRACTOR: License #: 5382  
Name: Cheyenne Drilling

Lease Name: Hoffman ... Well #: 2-H  
Field Name: Bradshaw  
Is this a Prorated/Spaced Field?  yes  no  
Target Formation(s): Winfield

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

Nearest lease or unit boundary: 660  
Ground Surface Elevation: 3502.0 feet MSL  
Water well within one-quarter mile: yes ..X. no  
Public water supply well within one mile: yes ..X. no

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:

Depth to bottom of fresh water: 200'  
Depth to bottom of usable water: 200' 1500 FORMIAN  
Surface Pipe by Alternate: 1 ..X. 2  
Length of Surface Pipe Planned to be set: 220'  
Length of Conductor pipe required:  
Projected Total Depth: 2850'

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:

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: 9/17/01 Signature of Operator or Agent: Title: TREASURER

FOR KCC USE: 071-20750-0000  
API # 15  
Conductor pipe required NONE feet  
Minimum surface pipe required 210 feet per Alt. X(2)  
Approved by: JK 9-25-2001 EXT 3-4-2002  
This authorization expires: 3-25-2002 EYP 9-25-2002  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: Agent:

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24  
18  
40W

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 Hoffman  
 WELL NUMBER 2-H  
 FIELD Bradshaw

LOCATION OF WELL: COUNTY Greeley  
 \_\_\_\_\_ 660 feet from south north line of section  
 \_\_\_\_\_ 660 feet from east west line of section  
 SECTION 24 TWP 18S RG 40W

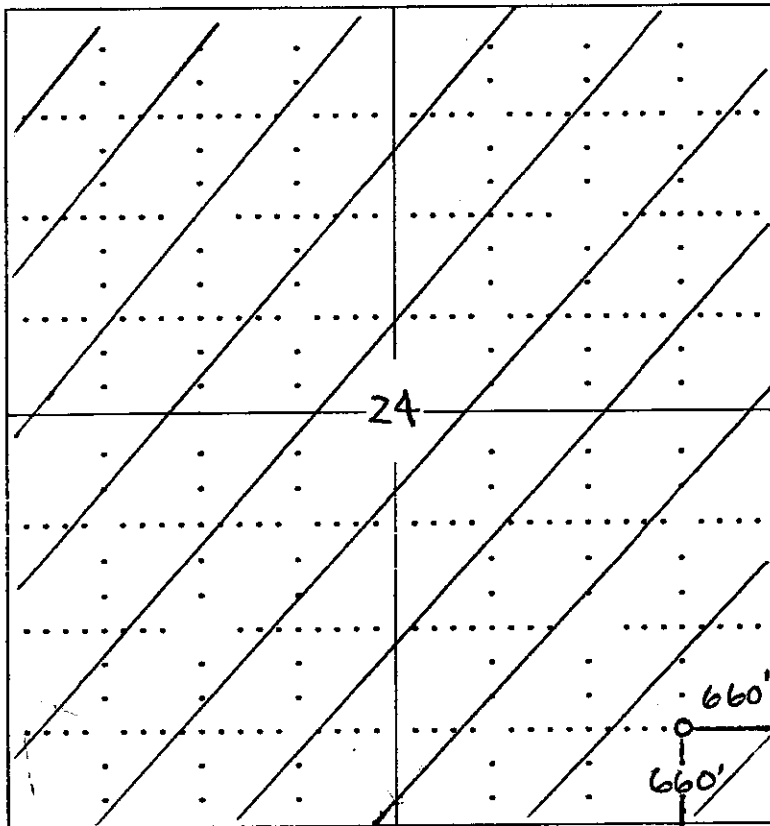
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640  
 QTR/QTR/QTR

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

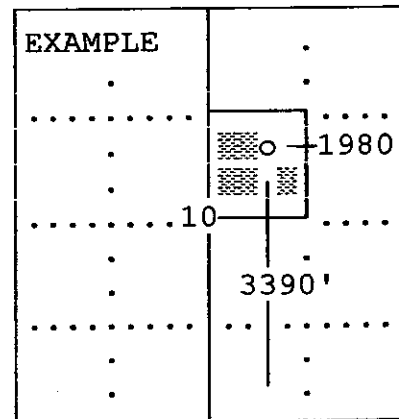
Section corner used: \_\_\_\_\_ NE \_\_\_\_\_ NW \_\_\_\_\_ SE \_\_\_\_\_ SW

**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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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.