

For KCC Use:
 Effective Date: 5-22-02
 District #: 1
 SGA? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 NOTICE OF INTENT TO DRILL**

Form C-1
 September 1999
Form must be Signed
All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date 06 month 13 day 2002 year

OPERATOR: License# 4894
 Name: Horseshoe Operating, Inc.
 Address: 500 W. Texas, Suite 1190
 City/State/Zip: Midland, Tx 79701
 Contact Person: Skipper L. Burns
 Phone: 915 683-1448

CONTRACTOR: License# Advise on ACO-1
 Name: MUST BE LICENSED WITH KCC

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic;	<input type="checkbox"/> # of Holes	<input type="checkbox"/> Other
<input type="checkbox"/> Other		
		<input checked="" type="checkbox"/> Mud Rotary
		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot _____ East
 C SE SE Sec. 24 Twp. 18 S. R. 40 West
660 feet from S / N (circle one) Line of Section
660 feet from E / W (circle one) Line of Section

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Greeley

Lease Name: Hoffman Well #: 2-H

Field Name: Bradshaw

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Winfield

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 3502.0 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: 1600

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 220'

Length of Conductor Pipe required: NONE

Projected Total Depth: 2850

Formation at Total Depth: Winfield

Water Source for Drilling Operations:

Well _____ Farm Pond _____ Other

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes 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: 5-14-02 Signature of Operator or Agent: Devin Franklin Title: Production Assistant

For KCC Use ONLY

API # 15 - 071-20757-0006

Conductor pipe required NONE feet

Minimum surface pipe required 220 feet per Alt. (2)

Approved by: RJP 5-17-2002

This authorization expires: 11-17-2002
 (This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

24 18 40w

RECEIVED

MAY 16 2006

KCC WICHITA

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 and 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.
Lease: Hoffman
Well Number: 2-H
Field: Bradshaw

Location of Well: County: Greeley
660 feet from S / N (circle one) Line of Section
660 feet from E / W (circle one) Line of Section
Sec. 24 Twp. 18 S. R. 40 East West

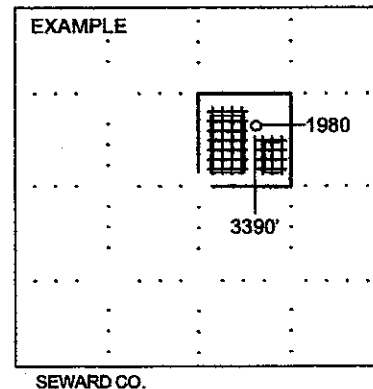
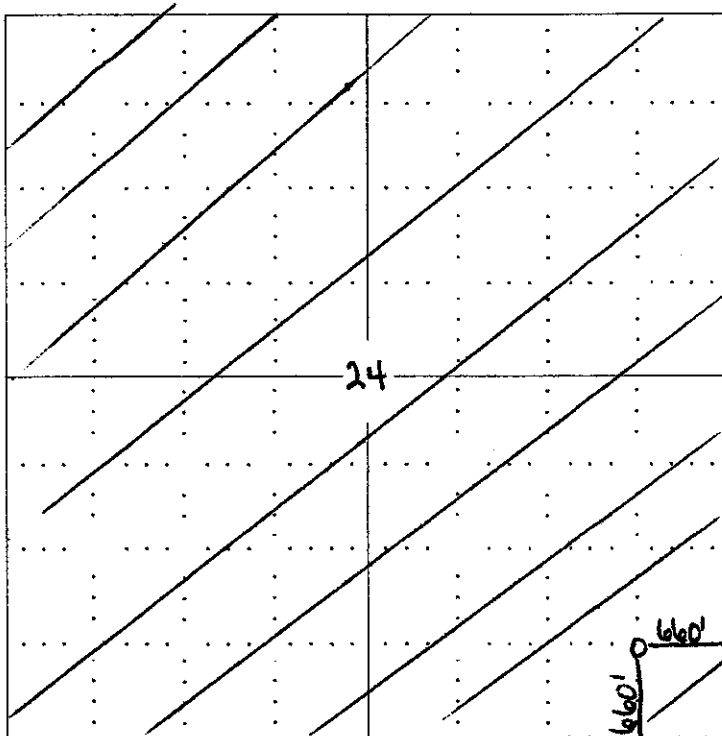
Number of Acres attributable to well: 640
QTR / QTR / QTR of acreage: C - SE - SE

Is Section 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.)



NOTE: In all cases locate the spot of the proposed drilling location.

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).