

FIRST-CORRECTED

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use:

Effective Date: 12-7-03

District #: 4

SGA? Yes No

NOTICE OF INTENT TO DRILL

DEC 01 2003

KCC WICHITA

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

Expected Spud Date: December 15 2003

OPERATOR: License# 30717

Name: DOWNING-NELSON OIL CO., INC.

Address: P.O. Box 372

City/State/Zip: Hays, KS 67601

Contact Person: Ron Nelson

Phone: (785) 628-3449

CONTRACTOR: License# 31548

Name: Discovery Drilling

Well Drilled For, Well Class, Type Equipment checkboxes for Oil, Gas, OWD, Seismic, Enh Rec, Storage, Disposal, Infield, Pool Ext, Wildcat, Other, Mud Rotary, Air Rotary, 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 #:

API County Code was = 195 IS = 065

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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;
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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 29 Nov 2003 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY box containing API # 15 - 065 - 22952.00.00, Conductor pipe required NONE, Minimum surface pipe required 200, Approved by: [Signature], This authorization expires: 6.2.04

Spot NE 1/2 NE 5W Sec. 21 Twp. 9 S. R. 21W East West checkboxes, 2310 feet from N/S, 2570 feet from E/W

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

County: Graham

Lease Name: Darnell-McCellan Farms Well #: 1-21

Field Name: Morel

Is this a Prorated / Spaced Field? Yes No

Target Information(s): LKC & Arbuckle

Nearest Lease or unit boundary: 330' (unit)

Ground Surface Elevation: 2280 EGL 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: 150'

Depth to bottom of usable water: 1000'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200' +

Length of Conductor Pipe required: None

Projected Total Depth: 3950'

Formation at Total Depth: Arbuckle

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:

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.

If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

21921W

**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: DOWNING-NELSON OIL CO., INC.  
 Lease: Darnell-McCellan Farms  
 Well Number: 1-21  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Location of Well: County: Graham  
2310 feet from  N /  S Line of Section  
2570 feet from  E /  W Line of Section  
 Sec. 21 Twp. 9S S. R. 21W  East  West

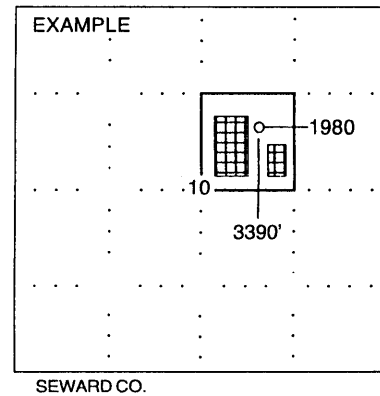
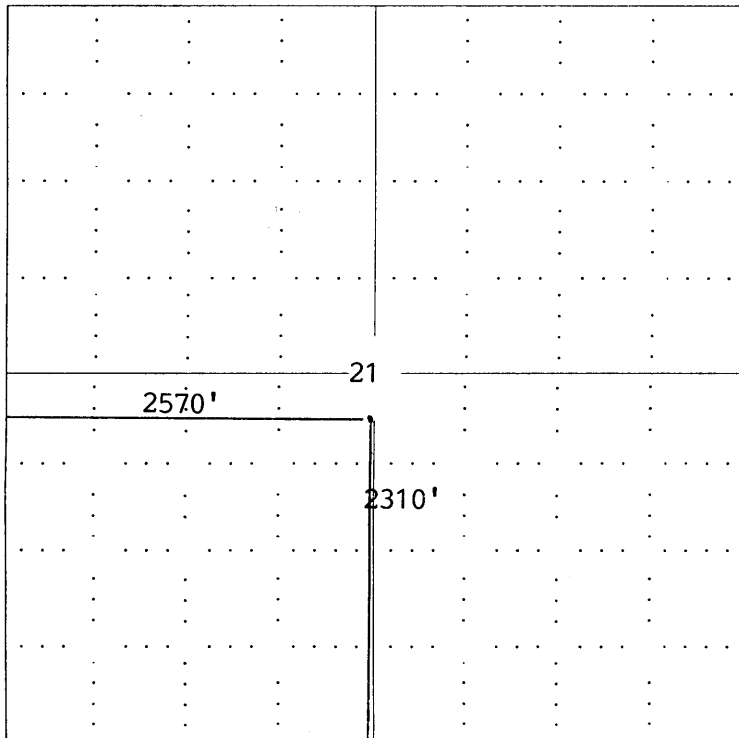
Is Section:  Regular or  Irregular

**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.**  
 Graham Co., KS

**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).