

RECEIVED CORRECTED

For KCC Use:
Effective Date: 4-1-06
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

MAR 24 2006

Form C-1
December 2002
Form must be Typed
Form must be Signed
blanks must be Filled

KCC WICHITA

Expected Spud Date March 28 2006
month day year

Spot 5'S & 155'W of
C NE NE Sec. 29 Twp. 13 S. R. 21W East
665 feet from N / S Line of Section
815 feet from E / W Line of Section
Is SECTION X Regular Irregular?

OPERATOR: License# 30717
Name: DOWNING-NELSON OIL CO., INC.
Address: P.O. Box 763
City/State/Zip: Hays, KS 67601
Contact Person: Ron Nelson
Phone: (785) 621-2610

(Note: Locate well on the Section Plat on reverse side)
County: Trego
Lease Name: BERNICE Well #: 1-29
Field Name: Wildcat

CONTRACTOR: License# 31548
Name: Discovery Drilling

Is this a Prorated / Spaced Field? Yes No
Target Information(s): LKC & Conglomerate
Nearest Lease or unit boundary: 665'

Well Drilled For: Well Class: Type Equipment:
Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ext. Air Rotary
OWWO Disposal Wildcat Cable
Seismic: # of Holes Other

Ground Surface Elevation: 2300 EGL feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth:

Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 900'
Surface Pipe by Alternate: 1 2

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Length of Surface Pipe Planned to be set: 200' +
Length of Conductor Pipe required: None
Projected Total Depth: 4150'
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
Well Farm Pond Other
DWR Permit #:

WAS: 1519522343-00-00

AFFIDAVIT IS: 15195223420000

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; 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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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: March 21, 2006 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
API # 15 - 195-22342-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: DPW 3-27-06 / PAV 3-31-06
This authorization expires: 9-27-06
(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.
- 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:

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

29 13 2/06