

For KCC Use:
Effective Date: 1-1-07
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OWWO

Form C-1
December 2002

Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date January 10 2007
month day year

Spot East
W/2 SE SE Sec. 32 Twp. 9s S. R. 23w West
660' feet from N / S Line of Section
990' feet from E / W Line of Section

OPERATOR: License# 30717
Name: Downing-Nelson Oil Co., Inc.
Address: POB 372
City/State/Zip: Hays, Kansas 67601
Contact Person: Ron Nelson
Phone: 785-621-2610

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 33695
Name: Mid-Kan Well Service

County: Graham
Lease Name: Mitchell Well #: 2-A
Field Name: Butcher

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LKC

Nearest Lease or unit boundary: 660'

Ground Surface Elevation: 2448" 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: 100'

Depth to bottom of usable water: 500'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe ~~to be set~~ 192'

Length of Conductor Pipe required: none

Projected Total Depth: 4028'

Formation at Total Depth: lower Penn

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #: NA

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

If OWWO: old well information as follows:
Operator: Dreiling Oil
Well Name: Woodward #2
Original Completion Date: 2-4-71 Original Total Depth: 4030'

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

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; 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: 12-21-06 Signature of Operator or Agent: Ron Nelson Title: President

For KCC Use ONLY
API # 15 - 065-20411-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 192 feet per Alt. X(2)
Approved by: WTHM 12-27-06
This authorization expires: 6-27-07
(This authorization void if drilling not started within 6 months of approval 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: DEC 26 2006

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

CONSERVATION DIVISION
WICHITA, KS

32
9
23W

RECEIVED

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 - 065-20411-00-00
Operator: Downing-Nelson Oil Co., Inc.
Lease: Mitchell
Well Number: 2-A
Field: Butcher

Location of Well: County: Graham
660' _____ feet from N / S Line of Section
990' _____ feet from E / W Line of Section
Sec. 32 Twp. 9s S. R. 23w East West

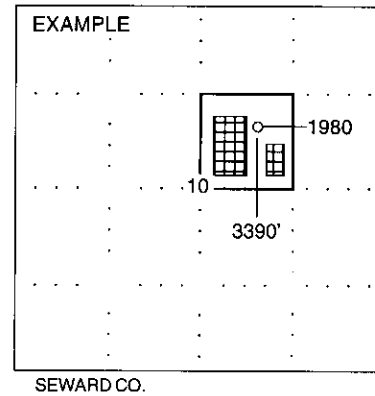
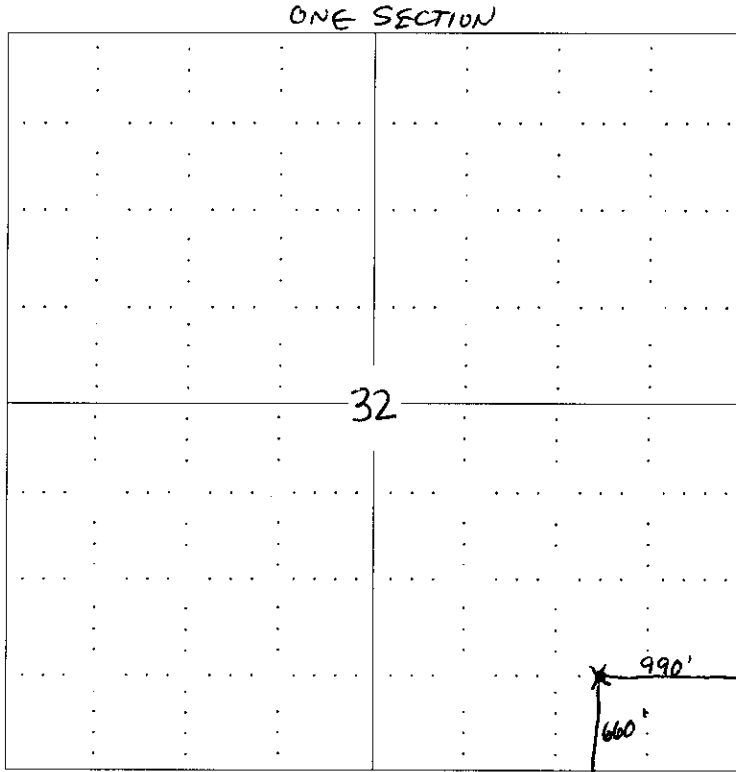
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: W/2 - SE - SE

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 (CG-7 for oil wells; CG-8 for gas wells).

RECEIVED
KANSAS CORPORATION COMMISSION


DEC 26 2006

CONSERVATION DIVISION
WICHITA, KS

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Downing-Nelson Oil Co., Inc.		License Number: 30717
Operator Address: POB 372		
Contact Person: Ron Nelson		Phone Number: (785) 621 - 2610
Lease Name & Well No.: Mitchell #2-A		Pit Location (QQQQ): W/2 - SE - SE -
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input checked="" type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 150 (bbls)	Sec. 32 Twp. 9 R. 23 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 660 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 990 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Graham County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Native Soil
Pit dimensions (all but working pits): <u>17</u> Length (feet) <u>10</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>5</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. NA
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet NA feet NA feet		Depth to shallowest fresh water <u>25 ?</u> feet. <input checked="" type="checkbox"/> Source of information: _____ measured _____ well owner _____ electric log _____ KDWR
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>fresh water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>let dry and return to original condition as nearly as possible</u> Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
12-21-06 Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION DEC 26 2006
KCC OFFICE USE ONLY		
Date Received: <u>12/26/06</u>	Permit Number: _____	Permit Date: <u>12/26/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

15-065-20411-00-02