

15-195-22243-0000 RECEIVED

For KCC Use: Effective Date: 11-1-03 District #: 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

OCT 27 2003

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 operations

KCC WICHITA

Expected Spud Date December 11 2003 month day year

Spot 60'S&60'E of W/2 W/2 SE Sec. 21 Twp. 13 S. R. 21W West 1260 feet from N / S Line of Section 2250 feet from E / W Line of Section Is SECTION Regular Irregular?

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

County: Trego Lease Name: Sauer Well #: 1-21 Field Name:

CONTRACTOR: License# 31548 Name: Discovery Drilling

Is this a Prorated / Spaced Field? Yes No Target Information(s): LKC & Arbuckle Nearest Lease or unit boundary: 390'

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

Ground Surface Elevation: 2325 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: 150' Depth to bottom of usable water: 900' Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 200' Length of Conductor Pipe required: None Projected Total Depth: 4200' Formation at Total Depth: Arbuckle

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

Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: 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 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: 24 Oct 2003 Signature of Operator or Agent: Thomas H. AL Title: Agent

For KCC Use ONLY API # 15-195-22243-0000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. Approved by: RJP 10-27-03 This authorization expires: 4-27-04 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. Well Not Drilled - Permit Expired Signature of Operator or Agent: Date:

21 13 21w

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: Sauer

Well Number: 1-21

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____

Location of Well: County: Trego

1260 feet from N / S Line of Section

2250 feet from E / W Line of Section

Sec. 21 Twp. 13 S. R. 21W East West

Is Section: Regular or Irregular

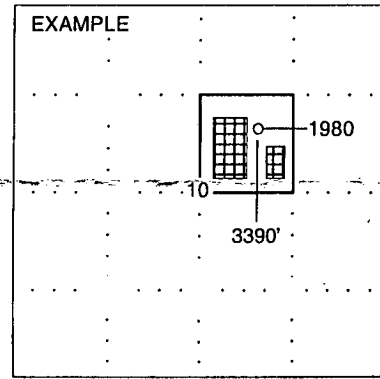
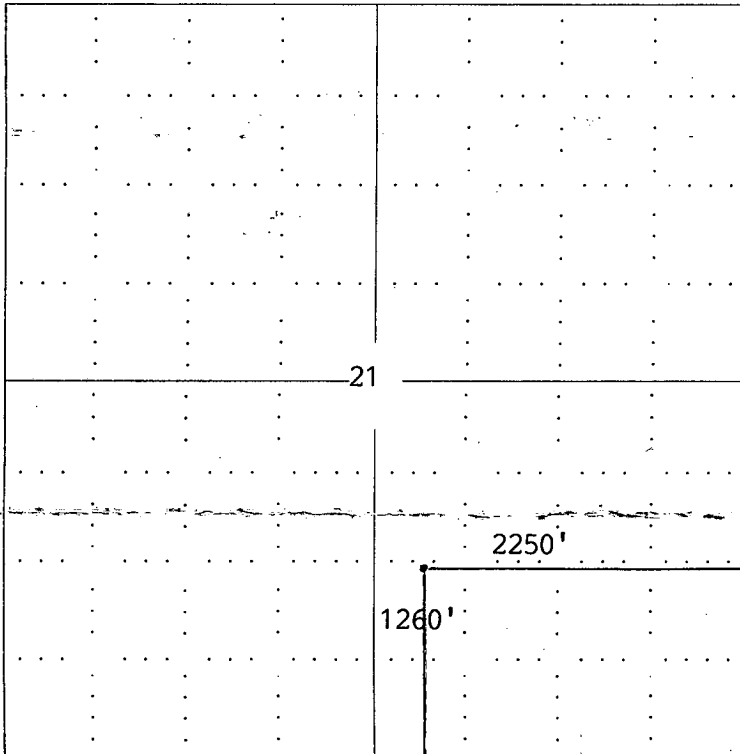
If Section is Irregular, locate well from nearest corner boundary.

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.

Trego 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: (C0-7 for oil wells; CG-8 for gas wells).