

EFFECTIVE DATE: 3-28-98

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGA? Yes  No

Must be approved by the K.C.C. five (5) days prior to commencing well.

Expected Spud Date April 9th 1998 25 E N/2 SW Sec 2 Twp 18S, Rg 17W  East  West

OPERATOR: License # 30717  
Name: DOWNING-NELSON OIL CO. INC.  
Address: P.O. Box 372  
City/State/Zip: Hays, Kansas 67601  
Contact Person: Ron Nelson  
Phone: (785) 628-3449

feet from South MOCK line of Section  
feet from East SECK line of Section  
IS SECTION  REGULAR  IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)  
County: Rush

Lease Name: Oborny (DWWD) Well #: 1  
Field Name: Bison

Is this a Prorated/Spaced Field? yes  no   
Target Formation(s): Granite Wash

Nearest lease or unit boundary: 660'  
Ground Surface Elevation: 1998 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: 400

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 1071' (1978)

Length of Conductor pipe required: None  
Projected Total Depth: 3592'

Formation at Total Depth: Granite Wash  
Water Source for Drilling Operations:

well  farm pond  other

CONTRACTOR: License #: 31548  
Name: Discovery Drilling, Inc.

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

If OWMO: old well information as follows:  
Operator: Rains & Williamson Oil  
Well Name: Oborny # 1  
Comp. Date: 6/27/78 Old Total Depth 3592'

Directional, Deviated or Horizontal wellbore? yes  no   
If yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_

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: March 18, 1998 Signature of Operator or Agent: Thomas H. ... Title: Agent

DATE COMP RPT REC'D  
5/22/1998

FOR KCC USE:  
API # 15- 165-206890001  
Conductor pipe required NONE feet  
Minimum surface pipe required 1071 feet per Alt.  1  
Approved by: [Signature] 3-23-98  
This authorization expires: 9-23-98  
(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.

2  
18  
1703

**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 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 Obority (OWWO)  
 WELL NUMBER 1  
 FIELD Bison

LOCATION OF WELL: COUNTY Rush  
1980 feet from south/~~XXXX~~ line of section  
3935 feet from east/~~XXXX~~ line of section  
 SECTION 2 TWP 18s RG 17w

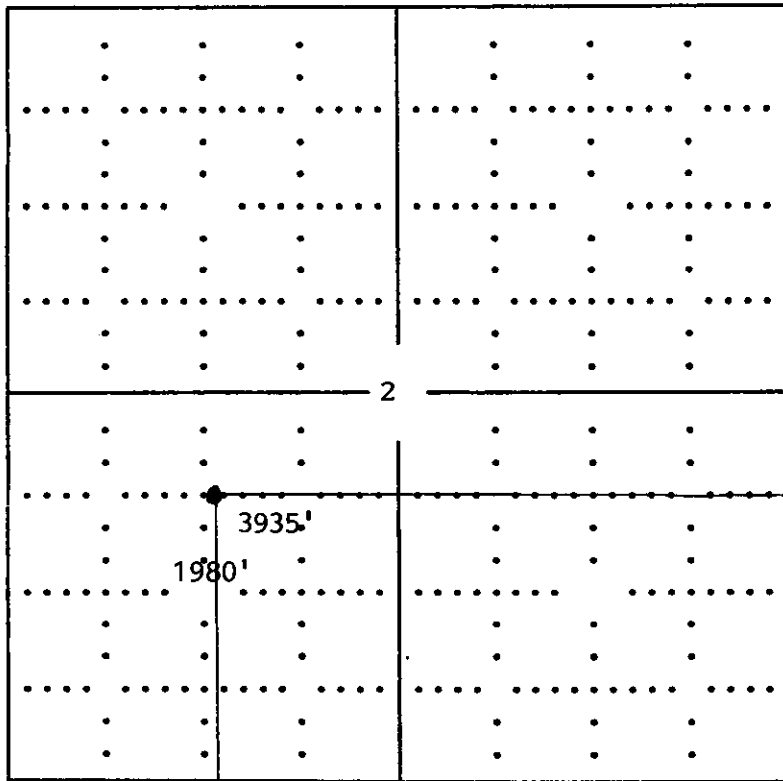
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_

IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR  
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

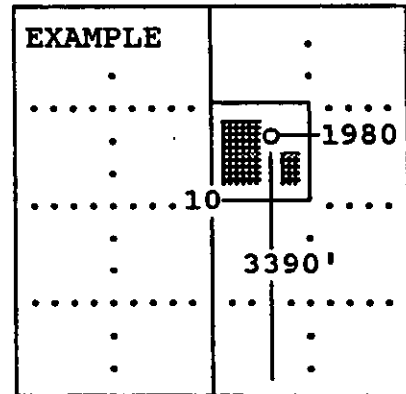
Section corner used: \_\_\_NE\_\_\_NW\_\_\_SE\_\_\_SW

**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.)



Rush Co.



SEWARD CO.

**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; and
- 3) the distance to the nearest lease or unit boundary line.