NOTICE OF INTENT TO DRILL

Expected Spud Date: December 15, 2003

OPERATOR:
Name: Downing-Nelson Oil Co., Inc.
Address: P.O. Box 372, Hays, KS 67601
Contact Person: Ron Nelson
Phone: (785) 628-3449

CONTRACTOR:
Name: Discovery Drilling

Well Drilled For:
- [X] Oil
- [ ] Gas
- [ ] QWO
- [ ] Seismic

Well Class:
- [X] Infield
- [ ] Pool Ext.
- [ ] Wildcat

Type Equipment:
- [X] 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? [X] Yes

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

API County Code was 195

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Dec 01 2003

KCC WICHITA

For KCC Use ONLY

API # 15 - OGS - 22952.00.00
Conductor pipe required [X] None
Minimum surface pipe required 200 feet per Ait.
Approved by: [XSP122.039]
This authorization expires: 2004
Spud date: [G2.04]

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: 29 Nov 2003
Signature of Operator or Agent:
Title: Agent

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

Location of Well: County: Graham

<table>
<thead>
<tr>
<th>Location from</th>
<th>N</th>
<th>E</th>
<th>Line of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2570 feet</td>
<td></td>
<td></td>
<td>W</td>
</tr>
<tr>
<td>2310 feet</td>
<td></td>
<td></td>
<td>S</td>
</tr>
</tbody>
</table>

Sec. 21 Twp. 9S S. R. 21W East West

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.)

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).