Notice of Intent to Drill

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

Expected Spud Date: September 10, 2004

Operator: Downing-Nelson Oil Co., Inc.
Address: P.O. Box 372
City/State/Zip: Hays, KS 67601
Contact Person: Ron Nelson
Phone: (785) 628-3449

Contractor: License #31548
Name: Discovery Drilling

Well Drilled: X Oil Eni Rec Infield X Mud Rotary
Gas Storage Pool Ext Air Rotary
DWO Disposal X Wildcat Cable
Seismic: # of Holes Other

If DWO: old well information as follows:
Operator: 
Well Name: 
Original Completion Date: 
Original Total Depth: 
Directional, Deviated or Horizontal well? Yes [X] No
If Yes, true vertical depth:
Bottom Hole Location: 
KCC DKT #: 

Spud 140'S & 70'W of
CS/2, NE - SW
Sec. 10 Twp. 17 S. R. 21W

Is SECTION X Regular Irregular? (Note: Locate well on the Section Plat or reverse side)
County: Ness
Lease Name: Swartz
Well #: 1-10
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes [X] No
Target Information(s): Cherokee

Nearest Lease or unit boundary: 730'
Ground Surface Elevation: 2215
Water well within one-quarter mile:
Public water supply well within one mile:
Depth to bottom of fresh water:
Depth to bottom of usable water:
Surface Pipe by Alternate: 200'
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe required:
Projected Total Depth: 4225'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
Well Farm Pond Other

Will Cores be taken? Yes [X] No

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: 1 Sept. 2004
Signature of Operator or Agent: Title: Agent

For KCC Use Only
API 15: 135 - 24309 00 00
Conductor pipe required: None
Minimum surface pipe required: 200
Approved by: RSP 9-3-04
This authorization expires: 3-5-05
(THIS AUTHORIZATION VOID IF DRILLING NOT STARTED WITHIN 6 MONTHS OF EFFECTIVE DATE)
Spud Date: 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:
Well Number: 1-10
Field: Wildcat
Location of Well: County: Ness

- 1510 feet from N / S Line of Section
- 1910 feet from E / W Line of Section
Sec. 10 Twp. 17 S. R. 2T W.

Is Section: [X] Regular or [ ] Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: [ ] NW [ ] 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.

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