NOTICE OF INTENT TO DRILL

Must be approved by KCC (in 30 days prior to permitting well

Name: DONNING-NELSON OIL CO., INC.
Address: P.O. Box 372
City/State/Zip: ROYAL, KS 67661
Phone: (785) 628-3449

Contractor's Name: 31548

Discovery Drilling

Well Drilled For: X Lith.

Well Class: Inter

Typical Equipment:

Lith. X Mud Rotary

Storage X Air Rotary

Disposal X Water

Drilled: 204 ft

Applicant: Signed

For KCC Use ONLY

API #: 135

Cardio - approved 2004

Approval expires: 6.7.2005

KCC: 243423-000

Date: December 17, 2004

RECEIVED

DEC 23 2004

KCC WICHITA

Approved 02/05

The undersigned hereby attests that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-46 et seq.

This is to certify that the statements made herein are true and to the best of my knowledge and belief.

Remainder to:

File Oil Disposal Form (CDP-1) with Intent to Drill.

File Compliance Form KCC-1 within 120 days of start date.

File accuracy distribution plot according to field jurisdiction orders.

Notify adjacent district office 48 hours prior to workover in re-entry.

Submit plugging report (CD-4) after plugging is completed.

Obtain written approval before disposing of finished salt water.

If this permit has expired (see 120-day expiration date) please check the box below and return to the applicant below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, 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 1/2 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: Shafter "D" # 1
Well Number: 1
Field: Wildcat

Location of Well:

930

County: Ness

Line of Section:

10

Sec. 10

Two

N

East X

W

Line of Section

17

S.

R.

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 shafe 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. (GA-2 for oil wells; CG-8 for gas wells).