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Damar Resources Inc.
Valle Trust Unit #1
SW-SW-NE-SW; Section 24-21s-15w
Pawnee County, Kansas
Page No. 1

15-145-21542-00-00

Dry and Abandoned

Contractor: Southwind Drilling Co. (Rig #2)

Commenced: June 7, 2006

Completed: June 15, 2006

Elevation: 1963' K.B.; 1956' D.F.; 1954' G.L.

Casing Program: Surface; 8 5/8" @ 868'
Production; none.

Samples: Samples saved and examined 2900' to the Rotary Total Depth.

Drilling Time: One (1) foot drilling time recorded and kept 2900' to the Rotary Total Depth.

Measurements: All depths measured from the Kelly Bushing.

Formation Testing: There was one (1) Drill Stem Test ran by Trilobite Testing Co.

Electric Log: By Log Tech; Dual Induction, Dual Compensated Porosity Log, Microresistivity Log and Borehole Compensated Sonic Log.

Gas Detector: By MBC Well Logging.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	904	+1059
Topeka	2969	-1006
Heebner	3328	-1365
Toronto	3346	-1383
Douglas	3362	-1399
Brown Lime	3435	-1472
Lansing	3445	-1482
Base Kansas City	3670	-1707
Conglomerate	3722	-1759
Viola	3740	-1777
Simpson Shale	3769	-1806
Simpson Sand	3779	-1816
Arbuckle	3821	-1858
Rotary Total Depth	3828	-1865
Log Total Depth	3828	-1865

(All tops and zones corrected to Electric Log measurements).

SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

HERINGTON THROUGH TOPEKA SECTION

1900-3327'

There were several zones of well developed porosity encountered in the drilling of the Herington (Chase) through Topeka Section but no shows of oil and/or gas was noted.

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TORONTO SECTION

3346-3346' Limestone; cream, tan, finely crystalline, fossiliferous, poor visible porosity, trace gray and white chert.

LANSING SECTION

3445-3454' Limestone; cream, white, finely crystalline, chalky, poor visible porosity, trace gray chert.

3455-3461' Limestone; white, tan, finely crystalline, chalky, poorly developed porosity, no shows.

3476-3481' Limestone; white, cream, finely crystalline, slightly fossiliferous, poor visible porosity, no shows.

3491-3500' Limestone; gray, white, finely crystalline, slightly chalky, poor porosity, trace white and gray chert.

3513-3524' Limestone; gray, white, finely fossiliferous, oolitic/fossiliferous, chalky in part, scattered porosity, no shows, trace white and gray, opaque chert.

3530-3546' Limestone; tan, buff, oolitic, oomoldic, fair oomoldic porosity, (barren).

3574-3579' Limestone; gray, light gray, finely oomoldic fair oomoldic porosity (barren).

3590-3595' Limestone; cream, white, oolitic, trace black tarry stain, no show of free oil or odor in fresh samples, poor porosity.

3606-3616' Limestone; tan, oolitic, sub oomoldic, chalky in part, poorly developed oomoldic type porosity, no shows.

3634-3644' Limestone; tan, gray, oolitic/fossiliferous, fine to medium crystalline, scattered porosity, no shows.

3660-3666' Limestone; tan, cream, finely crystalline, chalky, no shows.

CONGLOMERATE SECTION

3722-3736' Chert; gray, yellow, white, opaque, few boney, trace black spotty edge staining, trace orange bright red chert.

VIOLA SECTION

3740-3750' Chert; white, gray, boney, trace black to gray stain, no show of free oil or odor in fresh samples.

3750-3760' Chert; as above, trace chert, white, semi-tripolitic, brown to black stain, no show of free oil or odor in fresh samples.

3760-3769' Chert; as above, spotty pinpoint type porosity, no shows.

SIMPSON SECTION

3779-3788' Dolomite; tan, finely crystalline, sandy in part, no shows.

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ARBUCKLE SECTION

3821-3824' Dolomite; tan, buff, finely crystalline, sucrosic, poor porosity, no shows.

3824-3828' Dolomite; tan, buff, finely crystalline, sucrosic, scattered pinpoint type porosity, trace light brown stain, trace of free oil and questionable odor in fresh samples.

Drill Stem Test #1 **3756-3828'**

Times: 15-30-30-45

Blow: Weak to good

Recovery: 620' slightly gas cut watery mud
(5% gas, 15% water, 80% mud)
130' gas cut water
(5% gas, 95% water)

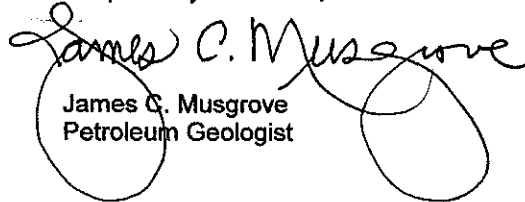
Pressures: ISIP 1242 psi
FSIP 1239 psi
IFP 40-162 psi
FFP 167-364 psi
HSH 1898-1860 psi

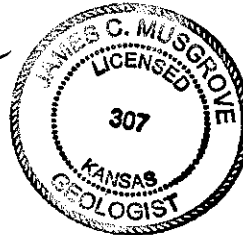
Rotary Total Depth 3828 (-1865)
Log Total Depth 3828 (-1865)

Recommendations:

On the basis of the negative Drill Stem Test and there being no other zones worthy of any further testing it was recommended by all parties involved that the Valley Trust #1 be plugged and abandoned at the Rotary Total Depth 3828 (-1865).

Respectfully submitted;


James C. Musgrove
Petroleum Geologist



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