

JAMES C. MUSGROVE

Petroleum Geologist
P.O. Box 1162
Great Bend, KS 67530

Office (620) 792-7716

Res. Claflin (620) 587-3444

Damar Resources Inc.
Grimes Central Unit #1
100' FSL & 330' FWL (S/2-SW-SW-SW) Section 20-22s-13w
Stafford County, Kansas
Page No. 1

15-185-23361-00-00

Dry and Abandoned

Contractor: Southwind Drilling Co. (Rig #2)

Commenced: May 20, 2006

Completed: May 28, 2006

Elevation: 1913' K.B.; 1911' D.F.; 1904' G.L.

Casing Program: Surface; 8 5/8" @ 467'
Production; none.

Samples: Thirty (30) ft joint samples 1700' to 3100. Ten (10) ft samples 3100'
to the Rotary Total Depth.

Drilling Time: One (1) foot drilling time recorded and kept 1700' to the Rotary
Total Depth.

Measurements: All depths measured from the Kelly Bushing.

Formation Testing: There were four (4) Drill Stem Tests ran by Trilobite Testing Co.

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

Gas Detector: By MBC Well Logging.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	789	+1124
Heebner	3305	-1392
Toronto	3327	-1414
Douglas	3347	-1434
Brown Lime	3435	-1522
Lansing	3451	-1538
Base Kansas City	3688	-1775
Conglomerate	3738	-1825
Conglomerate Sand	3771	-1858
Viola	3776	-1863
Simpson Shale	3812	-1899
Simpson Sand	3828	-1915
Arbuckle	3863	-1950
Rotary Total Depth	3925	-2012
Log Total Depth	3924	-2011

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

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

Drill Stem Test #2 3570-3596'

Times: 30-45-45-60

Blow: Strong

Recovery: 1200' gas in pipe
 270' frothy watery mud
 (25% gas, 50% oil, 20% water, 5% mud)
 150' water

Pressures: ISIP 859 psi
 FSIP 804 psi
 IFP 33-107 psi
 FFP 124-196 psi
 HSH 1704-1654 psi

- 3594-3598' Limestone; cream, white, oolitic, fair porosity, slightly chalky, black stain and saturation, show of free oil (black, tarry) and questionable odor in fresh samples.
- 3606-3620' Limestone; tan, buff, oomoldic, few oolitic, poor to fair porosity (barren).
- 3644-3650' Limestone; gray, tan, finely crystalline, slightly cherty, few fossiliferous, poor visible porosity, dull gray to black stain, no show of free oil and questionable odor in fresh samples.
- 3667-3674' Limestone; gray to white, chalky, poorly developed porosity.

MARMATON SECTION

- 3700-3706' Limestone; gray, white, chalky, shaley in part, no shows.

Drill Stem Test #3 3594-3708'

Times: 30-45-45-60

Blow: Weak to fair

Recovery: 1' clean oil
 59' very slightly oil cut muddy water
 (5% oil, 90% water, 5% mud)

Pressures: ISIP 870 psi
 FSIP 854 psi
 IFP 20-29 psi
 FFP 32-46 psi
 HSH 1728-1696 psi

CONGLOMERATE SECTION

- 3738-3766' Varied colored chert; trace black edge staining, no show of free oil or odor in fresh samples.
- 3771-3775' Sand; white, clear, medium grained, poorly developed, spotty black stain, no show of free oil or odor in fresh samples.

VIOLA SECTION

- 3777-3784' Chert; white, boney, trace black edge staining, no show of free oil and faint odor in fresh samples.

- 3784-3790' Chert; as above.
- 3792-3808' Chert; white, cream, boney, few semi-tripolitic, black and gray stain, trace of free oil and no odor in fresh samples.

Drill Stem Test #4 **3706-3825'**

Times: 30-30-30-45

Blow: Weak

Recovery: 15' mud

Pressures:

ISIP	40	psi
FSIP	41	psi
IFP	17-19	psi
FFP	20-24	psi
HSH	1810-1808	psi

SIMPSON SECTION

- 3828-3836' Sand; white, clear, sub rounded, few sub angular, dolomitic, few friable, fair porosity, trace black stain, no show of free oil or odor in fresh samples.

ARBUCKLE SECTION

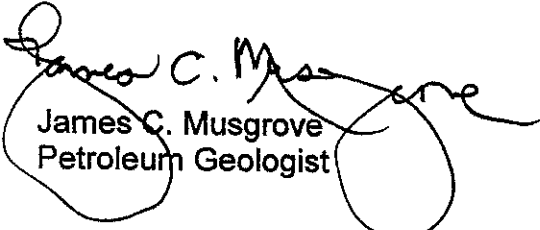
- 3863-3868' Dolomite; tan, finely crystalline, sucrosic, dense.
- 3868-3874' Dolomite; tan, buff, oomoldic, good oomoldic porosity (barren).
- 3874-3884' Dolomite; tan, white, finely crystalline, sucrosic in part, trace tan, dense, dolomite, no shows.
- 3884-3910' Dolomite; white, cream, finely crystalline, sucrosic, few cherty, poor visible porosity, trace iron pyrite.
- 3910-3924' Dolomite; gray, tan, medium crystalline, fair intercrystalline porosity (barren).

Rotary Total Depth 3925 (-2012)
Log Total Depth 3924 (-2011)

Recommendations:

On the basis of the negative Drill Stem Tests and there being no other zones worthy of any further testing, it was recommended by all parties involved that the Grimes Central Unit #1 be plugged and abandoned at the Rotary Total Depth 3925.

Respectfully submitted;


James C. Musgrove
Petroleum Geologist

