

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date ... 6 ... 30 ... 89 ...
month day year

C. SW/4 SW/4 Sec 36 Twp 4 S, Rg 20 — East
X West

OPERATOR: License # 9067
Name: DaMar Resources, Inc.
Address: Box 70
City/State/Zip: Hays, Kansas 67601
Contact Person: D. Schippers
Phone: (913) 625-0020

660 feet from South line of Section
4620 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 4083
Name: Western Kansas Drilling, Inc.

County: Phillips
Lease Name: Lynch Well #: 2
Field Name: Slinker

Well Drilled For: Well Class: Type Equipment:
... X Oil ... Inj ... Infield ... X Mud Rotary
... Gas ... Storage ... X Pool Ext. ... Air Rotary
... OWWO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes

Is this a Prorated Field? ... yes .X. no
Target Formation(s): Lansing
Nearest lease or unit boundary: 660
Ground Surface Elevation: 1920 est. feet MSL
Domestic well within 330 feet: ... yes .X. no
Municipal well within one mile: ... yes .X. no
Depth to bottom of fresh water: 200-220'
Depth to bottom of usable water: 950-1100'
Surface Pipe by Alternate: ... 1 .X. 2
Length of Surface Pipe Planned to be set: 240
Length of Conductor pipe required: N/A
Projected Total Depth: 3500
Formation at Total Depth: Lansing
Water Source for Drilling Operations:
... well .X. farm pond ... other

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

DWR Permit #: _____
Will Cores Be Taken?: ... yes .X. no
If yes, proposed zone: _____

Directional, Deviated or Horizontal wellbore? ... yes .X. no
If yes, total depth location: _____

AFFIDAVIT

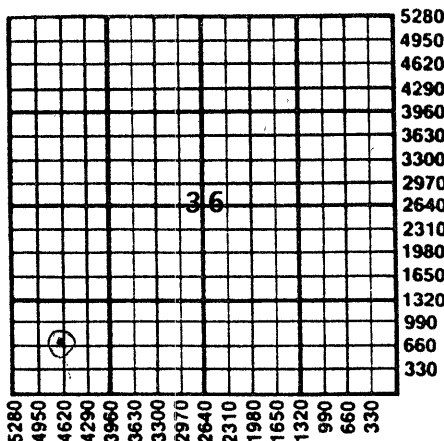
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

1. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above 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;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. 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: 6/23/89 Signature of Operator or Agent: *Keith J. Schipper* Title: President



FOR KCC USE:

API # 15-147-20,510-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 240 feet per Alt. X ②
 Approved by: DPW 6-27-89
 EFFECTIVE DATE: 7-03-89
 This authorization expires: 12-27-89
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

36
4
20W

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.