

EFFECTIVE DATE: 11-27-89  
Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date 12 01 89 .N./2.NW.NW Sec 26 Twp 7 S, Rg 17 East  
month day year West

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

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

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

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

Directional, Deviated or Horizontal wellbore? .... yes  no  
If yes, total depth location: \_\_\_\_\_

\* Conductor Area and surface csg. MUST BE SET TO Anhydrite

4950 feet from South line of Section  
4620 feet from East line of Section  
(Note: Locate well on Section Plat Below)

County: Rooks  
Lease Name: Reed Well #: 2  
Field Name: Stockton

Is this a Prorated Field? .... yes  no  
Target Formation(s): Topeka/Lansing  
Nearest lease or unit boundary: 660  
Ground Surface Elevation: 1758 est. feet MSL

Domestic well within 330 feet: .... yes  no  
Municipal well within one mile: .... yes  no  
Depth to bottom of fresh water: 115.180  
Depth to bottom of usable water: 500.1100 (to ANHY)  
Surface Pipe by Alternate:  1 ... 2

\* Length of Surface Pipe Planned to be set: 1050.1190'  
\* Length of Conductor pipe required: 80  
Projected Total Depth: 3,200

Formation at Total Depth: Lansing  
Water Source for Drilling Operations:  
... well  farm pond .... other

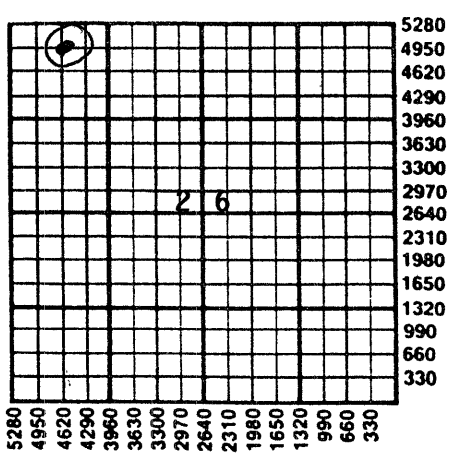
DWR Permit #: \_\_\_\_\_  
Will Cores Be Taken?: .... yes  no  
If yes, proposed zone: \_\_\_\_\_

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: 11/21/89 Signature of Operator or Agent: [Signature] Title: President



RECEIVED  
STATE CORPORATION COMMISSION  
NOV 22 1989  
11-22-89  
CONSERVATION DIVISION  
Wichita, Kansas

FOR KCC USE:  
API # 15- 163-23,073-0000  
Conductor pipe required 40' feet  
Minimum surface pipe required 1140' feet per Alt.   
Approved by: DPW 11-22-89  
EFFECTIVE DATE: 11-27-89  
This authorization expires: 5-22-90  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

26  
7  
17W

- 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.