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MAR 09 2006

Form C-1
December 2002

Form must be Typed
Form must be Signed
All blanks must be Filled

For KCC Use:
Effective Date: 3-15-06
District # 1
SGA? Yes No

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

* AP. 25' N 18' W KCC WICHITA

* Expected Spud Date March 21 2006
month day year

Spot C NW SW Sec. 24 Twp. 31 S. R. 31 East West
* 4980 1998 feet from N / S Line of Section
* 660 642 feet from E / W Line of Section

OPERATOR: License# 30931
Name: Daystar Petroleum, Inc.
Address: 1321 W. 93rd St. North
City/State/Zip: Valley Center, KS 67147
Contact Person: Charles Schmidt
Phone: 316-755-3523

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 5142
Name: Sterling Drilling Company

County: Seward
Lease Name: Unruh B Well #: 3-24
Field Name: Thirty-One SW
Is this a Prorated / Spaced Field? Yes No

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

* Nearest Lease or unit boundary: 660 642
Ground Surface Elevation: 2790 feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Depth to bottom of fresh water: 620
Depth to bottom of usable water: 640
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 1700
Length of Conductor Pipe required: None
Projected Total Depth: 5800
Formation at Total Depth: Mississippian

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Water Source for Drilling Operations:
 Well Farm Pond Other Landowner
DWR Permit #: _____
(Note: Apply for Permit with DWR)

WAS: 1980' FSL; C-NW-SW; 660' FILL
ESD 3-21-06

AFFIDAVIT IS: 1998' FSL; 25' N-NW-SW.
642' FILL 18' W ESP - 3-25-06

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **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.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **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: March 8, 2006 Signature of Operator or Agent: Charles Schmidt Title: President

For KCC Use ONLY
API # 15 - 175-22037-0000
Conductor pipe required NONE feet
Minimum surface pipe required 660' feet per Alt. X
Approved by: DPW 3-10-06 / DPW 3-21-06
This authorization expires: 9-10-06
(This authorization void if drilling not started within 6 months of approval date.)
Spud date: _____ Agent: _____

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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
 Well Not Drilled - Permit Expired
Signature of Operator or Agent: _____
Date: _____

24
31
31w.

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 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: Daystar Petroleum, Inc.
 Lease: Unruh B
 Well Number: 3-24
 Field: Thirty-One SW

Location of Well: County: Seward
 * 1998 _____ feet from N / S Line of Section
 * 642 _____ feet from E / W Line of Section
 Sec. 24 Twp. 31 S. R. 31 East West

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: C - NW - SW

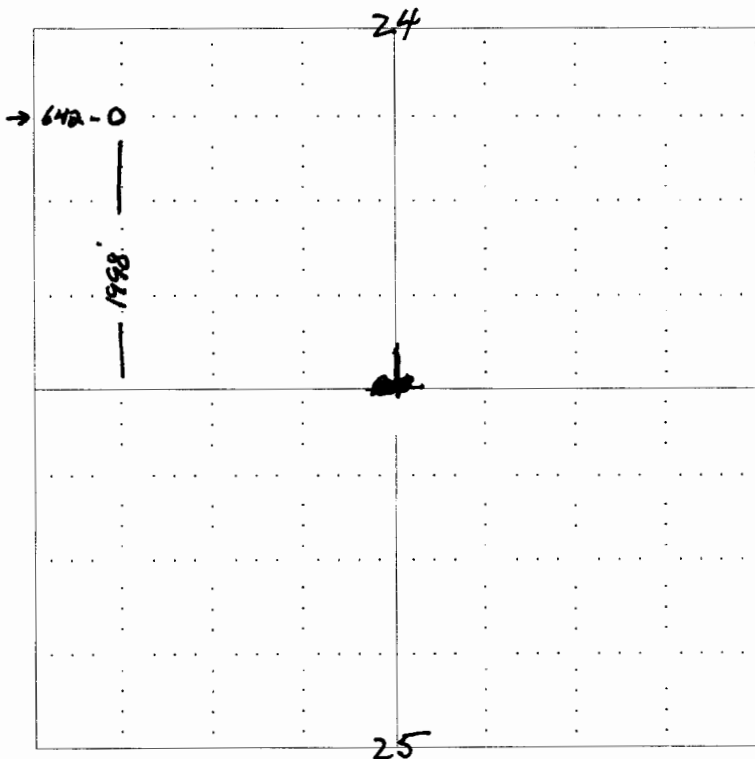
25' N & 18' W of NW-SW.

Is Section: Regular or Irregular

If Section Is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

PLAT

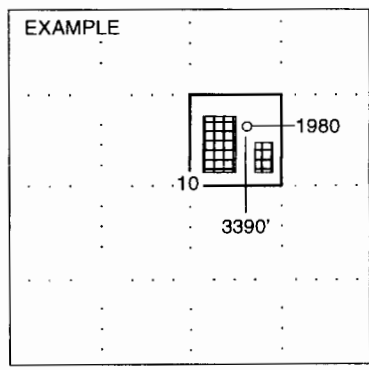
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



NOTE: In all cases locate the spot of the proposed drilling location.

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 KANSAS CORPORATION COMMISSION
 MAR 17 2006
 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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: (CO-7 for oil wells; CG-8 for gas wells).