

For KCC Use: Effective Date: 10-18-06 District #: 4 SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

Form C-1 December 2002 Form must be Typed Form must be Signed All blanks must be Filled

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

Expected Spud Date: 10 month, 23 day, 2006 year

OPERATOR: License# 9067 Name: DaMar Resources, Inc. Address: 234 W. 11th City/State/Zip: Hays, KS 67601 Contact Person: Curtis R. Longpine Phone: 785.625.0020

CONTRACTOR: License# 31548 Name: Discovery Drilling

Well Drilled For: Oil, Gas, OWWO, Seismic, Other. Well Class: Enh Rec, Storage, Disposal, Other. Type Equipment: Mud Rotary, Air Rotary, Cable.

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

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

\* WAS: 1380' FWL Elev. 1851 IS: 1430' FWL Elev. 1845

Spot approx: C SW Sec. 20 Twp. 11 S. R. 16. 1180 feet from N/S Line of Section. 1430 feet from E/W Line of Section. Is SECTION Regular Irregular?

County: Ellis Lease Name: Potter 'A' Well #: 17 Field Name: Potter

Is this a Prorated / Spaced Field? Target Formation(s): Lansing-Kansas City, Arbuckle Nearest Lease or unit boundary: 1380'

\* Ground Surface Elevation: 1845 feet MSL. Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 180 Depth to bottom of usable water: 520 Surface Pipe by Alternate: 1 Length of Surface Pipe Planned to be set: +/- 1025 Length of Conductor Pipe required: none Projected Total Depth: 3500 Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: Will Cores be taken? 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 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: 10/16/2006 Signature of Operator or Agent: Title: VP/Geologist

For KCC Use ONLY API # 15 - 051-25582-0000 Conductor pipe required: None feet Minimum surface pipe required: 540 feet per Alt. 1 Approved by: [Signature] This authorization expires: 4-13-07 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:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

OCT 18 2006

KCC WICHITA

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

**CORRECTED**

**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 - 051-25582-00-00  
 Operator: DaMar Resources, Inc.  
 Lease: Potter 'A'  
 Well Number: 17  
 Field: Potter  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: approx - C - SW

Location of Well: County: Ellis  
 1180 \_\_\_\_\_ feet from  N /  S Line of Section  
 1430 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 20 Twp. 11 S. R. 16  East  West

Is Section:  Regular or  Irregular

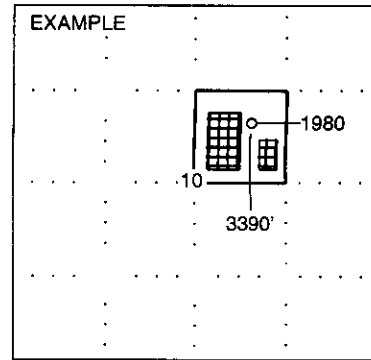
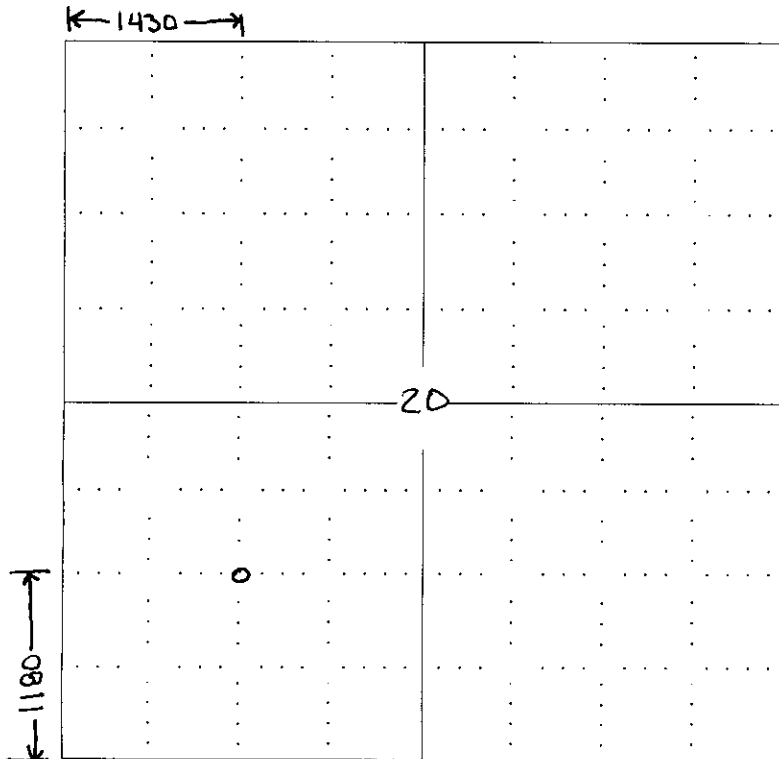
**If Section Is Irregular, locate well from nearest corner boundary.**

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.**

**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).


**RECEIVED**  
**OCT 18 2006**  
**KCC WICHITA**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT

**CORRECTED**

Form CDP-1  
April 2004  
Form must be Typed

Submit in Duplicate

Operator Name: <b>DaMar Resources, Inc.</b>		License Number: <b>9067</b>
Operator Address: <b>234 W. 11th Hays, KS 67601</b>		
Contact Person: <b>Curtis R. Longpine</b>		Phone Number: ( <b>785</b> ) <b>625 - 0020</b>
Lease Name & Well No.: <b>Potter 'A' #17</b>		Pit Location (QQQQ): approx <u>  C  </u> <u>  C  </u> <u>  SW  </u> Sec. <u>  20  </u> Twp. <u>  11  </u> R. <u>  16  </u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>  1180  </u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>*1430</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>  Ellis  </u> County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>3000</b> (bbbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? <b>clay and native mud</b>
Pit dimensions (all but working pits): <u>  70  </u> Length (feet) <u>  70  </u> Width (feet) <u>      </u> N/A: Steel Pits Depth from ground level to deepest point: <u>  5  </u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. <b>daily inspection</b>
Distance to nearest water well within one-mile of pit <u>  3479  </u> feet    Depth of water well <u>  40  </u> feet		Depth to shallowest fresh water <u>  25  </u> feet. Source of information: _____ measured    _____ well owner    _____ electric log <input checked="" type="checkbox"/> KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>  fresh mud  </u> Number of working pits to be utilized: <u>  3  </u> Abandonment procedure: <u>  de-water and backfill  </u> _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
<u>  10/16/2006  </u> Date		 Signature of Applicant or Agent

KCC OFFICE USE ONLY

*D157*

Date Received:   10/18/06   Permit Number: \_\_\_\_\_ Permit Date:   10/18/06   Lease Inspection:  Yes     No

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