

MAY 31 2007

Form C-1  
December 2002

For KCC Use:  
Effective Date: 6-5-07  
District # 1  
SGA?  Yes  No

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

CONSERVATION DIVISION  
WICHITA, KS

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 6 12 2007  
month day year

Spot  East  
SW SE SW Sec. 20 Twp. 16 S. R. 25  West  
150 feet from  N /  S Line of Section  
1540 feet from  E /  W Line of Section

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

Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 33575  
Name: WW Drilling, LLC

County: Ness

Lease Name: Michaelis Unit Well #: 1

Field Name: Arnold SW

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Fort Scott-Mississippian

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> OWWO <input type="checkbox"/> Seismic; # of Holes <input type="checkbox"/> Other	<input type="checkbox"/> Enh Rec <input type="checkbox"/> Storage <input type="checkbox"/> Disposal <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Infield <input type="checkbox"/> Pool Ext. <input type="checkbox"/> Wildcat <input type="checkbox"/> Other
		<input checked="" type="checkbox"/> Mud Rotary <input type="checkbox"/> Air Rotary <input type="checkbox"/> Cable

Nearest Lease or unit boundary: 150' (see attached leases)

Ground Surface Elevation: 2563 feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 200

Depth to bottom of usable water: 1150

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 240

Length of Conductor Pipe required: none

Projected Total Depth: 4600

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well  Farm Pond  Other

DWR Permit #: 20079037

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

If OWWO: old well information as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

*Oil & Gas Leases w/pooling clauses attached*  
**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: 5/30/2007 Signature of Operator or Agent: [Signature] Title: VP/Geologist

**For KCC Use ONLY**

API # 15 - 135-24663-00DD

Conductor pipe required None feet

Minimum surface pipe required 220 feet per Alt. 2

Approved by: RHS-3107

This authorization expires: 11-30-07  
(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: \_\_\_\_\_

20  
16  
25W

**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 - 135-24663-0000  
Operator: DaMar Resources, Inc.  
Lease: Michaelis Unit  
Well Number: 1  
Field: Arnold SW

Number of Acres attributable to well: 10  
QTR / QTR / QTR of acreage: SW - SE - SW

Location of Well: County: Ness  
150 feet from  N /  S Line of Section  
1540 feet from  E /  W Line of Section  
Sec. 20 Twp. 16 S. R. 25  East  West

Is Section:  Regular or  Irregular

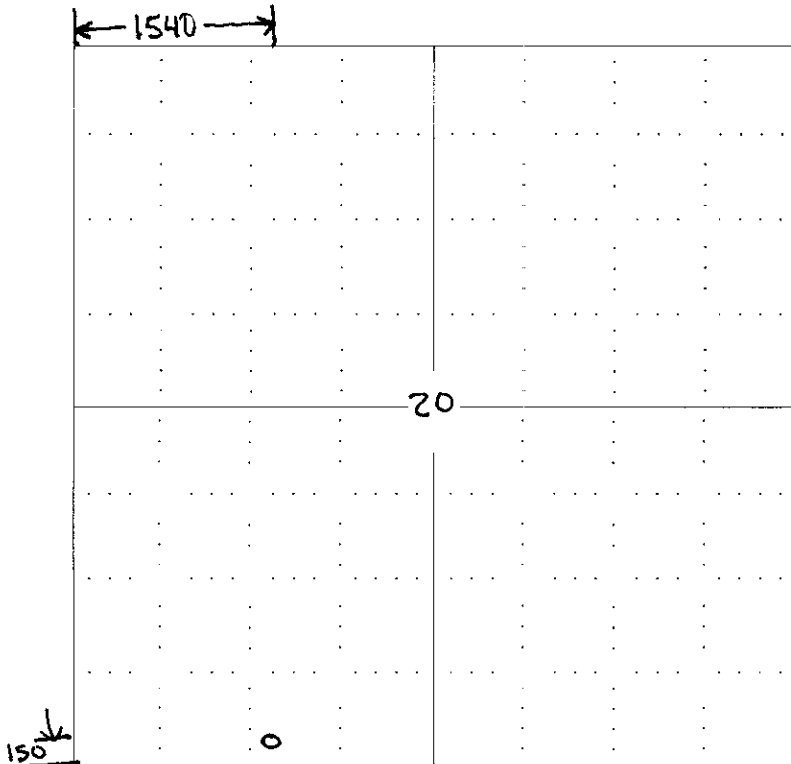
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

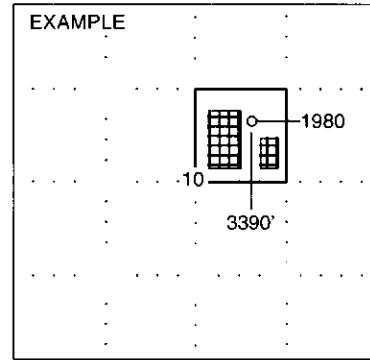
**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*



RECEIVED  
KANSAS DEPARTMENT OF REVENUE COMMISSION  
MAY 31 2007  
CONSERVATION DIVISION  
WICHITA, KS



SEWARD CO.

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

**In plotting the proposed location of the well, you must show:**

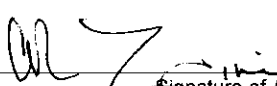
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

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

MAY 31 2007

Form CDP-1  
April 2004  
Form must be Typed  
CONSERVATION DIVISION  
WICHITA, KS

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>Michaelis Unit #1</b>		Pit Location (QQQQ): approx <u>SW</u> <u>SW</u> <u>SE-SW</u> Sec. <u>20</u> Twp. <u>16</u> R. <u>25</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>150</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1540</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Ness</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: <u>3000</u> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" 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 with native mud</b>
Pit dimensions (all but working pits): <u>80</u> Length (feet) <u>80</u> Width (feet) <u>N/A</u> 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>N/A</u> feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ 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>evaporation 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>5/30/2007</u> Date		 Signature of Applicant or Agent

15-135-24613-0000

KCC OFFICE USE ONLY			
Date Received: <u>5/31/07</u>	Permit Number: _____	Permit Date: <u>5/31/07</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No