

Permit Extension Request Received 6-1-2007

For KCC Use: Effective Date: 12-9-06 District # 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date December 26, 2006 month day year

Spot C NE SW Sec. 24 Twp. 1S S. R. 33 East West 1980 feet from N S Line of Section 1930 feet from E W Line of Section Is SECTION Regular Irregular?

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

County: Rawlins Lease Name: Timm B Well #: 1-24 Field Name: Wildcat

CONTRACTOR: License# 30606 Name: Murfin Drilling

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Lansing/Kansas City Nearest Lease or unit boundary: 660'

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

Ground Surface Elevation: 2968' feet MSL. Water well within one-quarter mile: Yes No Public water supply well within one mile: Yes No

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

Depth to bottom of fresh water: 250' Depth to bottom of usable water: 250' Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 300'

Directional, Deviated or Horizontal wellbore? Yes No

Length of Conductor Pipe required: None Projected Total Depth: 4300' Formation at Total Depth: Lansing Kansas City

If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #:

(Note: Apply for Permit with DWR) 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 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: 11/30/06 Signature of Operator or Agent: Charles Schmidt Title: President

For KCC Use ONLY API # 15-153-20839-00-04 Conductor pipe required: NONE feet Minimum surface pipe required: 300 feet per ALI X Approved by: WJM 12-4-06/12-4-07 This authorization expires: 6-4-07 12-4-07 (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 ACC-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

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