

~~FORM. CONFID. STATE COAL~~
~~FILED THIRD 5/14/10 DUE TO~~

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

*Deleted temp. confid. stat.
due to non-filing*

OPERATOR: License # 9067

Name: DaMar Resources, Inc.

Address 1: P. O. Box 70

Address 2: _____

City: Hays State: KS Zip: 67601 + _____

Contact Person: Curtis R. Longpine

Phone: (785) 625-0020

CONTRACTOR: License # 33575

Name: WW Drilling, LLC

Wellsite Geologist: Jim Musgrove

Purchaser: NCRA

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil SWD SIOW
- Gas ENHR SIGW
- CM (Coal Bed Methane) Temp. Abd.
- Dry Other _____
(Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:

Operator: _____

Well Name: _____

Original Comp. Date: _____ Original Total Depth: _____

Deepening Re-perf. Conv. to Enhr. Conv. to SWD

Plug Back: _____ Plug Back Total Depth _____

Commingled Docket No.: _____

Dual Completion Docket No.: _____

Other (SWD or Enhr.?) Docket No.: _____

<u>9/15/09</u>	<u>9/20/09</u>	<u>11/05/09</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 051-25903-0000

Spot Description: _____

SW NE SW NE Sec. 34 Twp. 12 S. R. 18 East West

1950 Feet from North / South Line of Section

1750 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Ellis

Lease Name: McRae Well #: 1

Field Name: wildcat

Producing Formation: Lansing-Kansas City

Elevation: Ground: 2110' Kelly Bushing: 2115'

Total Depth: 3727' Plug Back Total Depth: 3704'

Amount of Surface Pipe Set and Cemented at: 250 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 1386' Feet

If Alternate II completion, cement circulated from: 1386'

feet depth to: surface w/ 150 sx cmt.

Drilling Fluid Management Plan A# II NR 3-23-10
(Data must be collected from the Reserve Pit)

Chloride content: 8000 ppm Fluid volume: 3000 bbls

Dewatering method used: evaporation

Location of fluid disposal if hauled offsite: _____

Operator Name: _____

Lease Name: _____ License No.: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Docket No.: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: _____

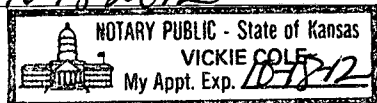
Title: Vice President/Geologist Date: 3-16-10

Subscribed and sworn to before me this 16th day of March

20 10

Notary Public: Vickie Cole

Date Commission Expires: 10-18-2012



KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: 3/22/10-06g

Wireline Log Received

Geologist Report Received

UIC Distribution

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MAR 17 2010

Operator Name: DaMar Resources, Inc. Lease Name: McRae Well #: 1
 Sec. 34 Twp. 12 S. R. 18 East West County: Ellis

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: By Log Tech: Dual induction, dual compensated porosity log, microresistivity & borehole compensated sonic	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum See attached geo report
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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
surface	12 1/4"	8 5/8"	23#	250'	common	165	3% cc 2% gel
production	7 7/8"	5 1/2"	15.5#	3725'	EA-2	150	---

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input checked="" type="checkbox"/> Plug Off Zone	3647-3661'	common	35	Hal-9

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	3656-3661'	250 gal acid	
4	3647-3649'	375 gal acid	
4	3419-3425'	750 gal acid	

TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>3699'</u> Packer At: <u>none</u>		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>11/07/09</u>	Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)	
Estimated Production Per 24 Hours	Oil Bbls. <u>100</u>	Gas Mcf <u> </u> Water Bbls. <u>20</u> Gas-Oil Ratio <u> </u> Gravity <u> </u>

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3419-3425'</u> RECEIVED KANSAS CORPORATION COMPANY
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DaMar Resources, Inc.

March 16, 2010

Kansas Corporation Commission
Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202-3802

Re: API #15-051-25903-0000
#1 McRae
Ellis Co., KS

DaMar Resources, Inc. requests the information on side two of the above ACO-1 form be held confidential for a period of 12 months.

Sincerely,



Curtis R. Longpine
Vice President/Geologist

Enclosure.

CRL/vc

kcc-mcrae

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CONSERVATION DIVISION
WICHITA, KS

JOB LOG

SWIFT Services, Inc.

DATE 10-12-09 PAGE NO. 1

CUSTOMER DAMAR RESOURCES WELL NO. 1 LEASE McLae JOB TYPE SR PERES TICKET NO. 16634

CHART NO.	TIME	RATE (BPM)	VOLUME (BBB) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0930							ONLOCATION, TRIPPING TOOLS CMT 7590 STD W/HAND ON SIDE 27BX542155# PERES 3647-49, 3656-61 TO 3709 PRETOSQ @ 3561
	1250		17.0		✓		500	LEAN ANNS
	1255	3.0	9.0	✓		500		TRIP RATE 7.6667 L/GAL, INJ 3.0 bpm @ 500 PSI
	1300	2.5	0	✓		100		START CMT 500 PSI W/HAND
		2.5	10.0	✓		0		" " 2550S NEW
		2.5	15.7	✓		0		END WASHOUT PL
	1309	3.0	0	✓		0		START (1st)
		2.5	7.3	✓		0		CMT ON PERES
		1.0	9.5	✓		250		
		1.0	10.5	✓		1500		
		.7	11.5	✓		1700		
		.7	12.0	✓		1900		
		.5	13.0	✓		2200		
	1325	.3	13.5	✓		25.00		END, HOLDING 2500 PSI, <u>32 SIG IN PERES</u>
				✓		2400		CLOSE IN, WASHUP TRUCK OPEN TBL HOLDING RELEASE DRY
	1345	1.5	0	✓		700		REV. OUT
		1.5	13.5	✓		600		CMT
		2.0	20.6	✓		200		START TO CLEANUP
		2.0	30.0	✓		200		ALL CLEAN PULL 2 JOINTS
	1405			✓		400		PSI ANNS
	1407			✓		2000		PSI SR, HOLDING
	1415			✓				RELEASE DRY PULL TOOLS
	1500							JOB COMPLETE THANK YOU! DANE JAMES JASON F

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CONSERVATION DIVISION
WICHITA, KS

JOB LOG

SWIFT Services, Inc.

DATE 09.20.09 PAGE NO. 9

CUSTOMER DAMAR RESOURCES WELL NO. 1 LEASE McRAE JOB TYPE 2-STAGE TICKET NO. 16610

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL)(GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0230							ONLOCATION, LAYING DOWN D.P. CMT: BOTTOM 150 EA-2, Top 185 cmf RTD 3727 SET PIPE 3725 SJAS. B INSECT 3709 5 1/2 IS. SHOWN D.V. ON TOP # 61, 1386 FT CENT 1.35, 7.9, 11, 60, 81 BASSETS 2, 12, 61, 80
	0300							START COL. OFF.
	0305							TAC BOTTOM - DRIP BALL
	0315	6.0	12		✓		300	BREAKING W/ RIC - ROTATE PIPE START MOD FLUSH 500 GALS
		5	20		✓		5	" HCL "
			36.5		✓		5	CMT: EA-2
	0400	6.0	0		✓		300	DRIP LO AUG, WASHOUT AL START DISP W/ H2O
			55.0		✓		1	" " RIGMED
			73.0		✓		150	" " HCL
			85.0		✓		600	
	0415		88.2		✓		1400	LAND PLUG RELEASE
	0418		7.0					DRIP DIV. OPENING DART PLUG RH 30 SIB
	0430				✓		1100	OPEN D.V.
	0430	6.0	0		✓		300	START SMO CMT
			85		✓		300	E.O
								DRIP CLOSING PLUG
	0450	5.5	0		✓		300	START DISP W/ H2O
		5	17.0		✓		400	CIRC CMT! 30 SIBS TOP PT!
	0500		32.9		✓		1400	LAND PLUG, CLOSE D.V.
	0530							JOB COMPLETE

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THANK YOU!
DAVE, JOSH, LAWE
MAR 17 2010
CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., LLC. 037621

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Russell KS

DATE <u>9-15-09</u>	SEC. <u>34</u>	TWP. <u>12</u>	RANGE <u>18</u>	CALLED OUT	ON LOCATION	JOB START <u>2:30pm</u>	JOB FINISH <u>3:00pm</u>
<u>McRae</u> LEASE	WELL # <u>1</u>	LOCATION <u>Hays KS North to Hopewell</u>			COUNTY <u>Ellis</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<u>Rd. 3/4 East South into</u>				

CONTRACTOR WW #8

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 250'

CASING SIZE 8 5/8 2 3/4" DEPTH 250'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 14.96 Bbl

EQUIPMENT

PUMP TRUCK CEMENTER John Roberts

398 HELPER Shane

BULK TRUCK

410 DRIVER Walter Galen

BULK TRUCK

_____ DRIVER _____

REMARKS:

Est. Circulation

Mix 165sk Cement

Displace w/ 14.96 Bbl H₂O.

Cement Did Circulate!

Thank You!

CHARGE TO: Damar Resources

STREET _____

CITY _____ STATE _____ ZIP _____

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME Sid Deutscher

SIGNATURE [Signature]

OWNER _____

CEMENT

AMOUNT ORDERED 165 6 3/4 3 1/2 cc 2 1/2 Gal

COMMON	<u>99</u>	@	<u>13.50</u>	<u>1336.50</u>
POZMIX	<u>66</u>	@	<u>7.55</u>	<u>498.30</u>
GEL	<u>3</u>	@	<u>20.25</u>	<u>60.75</u>
CHLORIDE	<u>5</u>	@	<u>51.50</u>	<u>257.50</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>82</u>	@	<u>2.25</u>	<u>184.50</u>
MILEAGE	<u>10.5k/mile</u>			<u>300.00</u>
TOTAL				<u>2637.55</u>

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 991.00

EXTRA FOOTAGE @ _____

MILEAGE 6 @ 7.00 42.00

MANIFOLD @ _____

@ _____

@ _____

TOTAL 1033.00

PLUG & FLOAT EQUIPMENT

@ _____

@ _____

@ _____

@ _____

@ _____

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES [scribble]

DISCOUNT [scribble]

IF PAID IN 30 DAYS
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CONSERVATION DIVISION
WICHITA, KS

JAMES C. MUSGROVE

Petroleum Geologist
212 Main Street
P.O. Box 215
Claflin, KS 67525

Office (620) 588-4250

Res. Claflin (620) 587-3444

Damar Resources Inc.
McRae #1
SW-NE-SW-NE (1950' FNL & 1750' FEL) Section 34-12s-18w
Ellis County, Kansas
Page 1

5 1/2" Production Casing

Contractor: W.W. Drilling Company LLC (Rig #8)
Commenced: September 15, 2009
Completed: September 21, 2009
Elevation: 2115' K.B.; 2113' G.L; 2110' G.L.
Casing program: Surface; 8/58" @ 250'
Production; 5 1/2" @ 3725'
Sample: Samples saved and examined 3050' to the Rotary Total Depth.
Drilling time: One (1) foot drilling time recorded and kept 3050 ft to the Rotary Total Depth.
Measurements: All depths measured from the Kelly Bushing.
Drill Stem Tests: There were three (3) Drill Stem Tests ran by Trilobite Testing Company.
Electric Log: By Log Tech; Dual Induction, Dual Compensated Porosity Log, Microresistivity and Borehole Compensated Sonic Log.

<u>Formation</u>	<u>Log Depth</u>	<u>Sub-Sea Datum</u>
Anhydrite	1375	+740
Base Anhydrite	1414	+701
Topeka	3106	-991
Heebner	3340	-1225
Toronto	3363	-1248
Lansing	3383	-1268
Stark Shale	3571	-1456
Base Kansas City	3617	-1502
Arbuckle	3645	-1530
Rotary Total Depth	3727	-1612
Log Total Depth	3730	-1615

(All tops and zones corrected to Electric Log measurements).

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SAMPLE ANALYSIS, SHOWS OF OIL, TESTING DATA, ETC.

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TOPEKA SECTION

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3105-3115' Limestone; white/gray, fossiliferous, chalky, poorly developed porosity, no shows.

- 3131-3144' Limestone; tan, buff, finely crystalline, slightly dolomitic, scattered pinpoint porosity, trace brown stain, show of free oil and no odor in fresh samples (sparry calcite cement).
- 3168-3190' Limestone; gray, tan, medium crystalline, fossiliferous, chalky, plus white, chalk.
- 3190-3210' Limestone; as above, abundant gray to dark gray chert.
- 3274-3230' Limestone; gray, tan, fossiliferous, slightly dolomitic, poorly developed porosity, plus gray boney chert.
- 3258-3268' Limestone; gray, medium crystalline, fossiliferous, chalky.
- 3278-3292' Limestone; tan, gray, finely crystalline, few fossiliferous, chalky increasingly cherty, plus gray chert.
- 3307-3314' Limestone; gray, white, sub oomoldic, chalky, poor visible porosity, no shows.
- 3324-3344' Limestone; gray, white, finely crystalline, cherty, trace gray chert.

TORONTO SECTION

- 3363-3374' Limestone; white/gray, fine to medium crystalline, slightly chalky, spotty brown stain, trace of free oil and odor samples broken.

LANSING SECTION

- 3383-3390' Limestone; white, slightly fossiliferous, chalky, trace gray to black stain, no show of free oil and no odor in fresh samples.
- 3395-3398' Limestone; gray, white, slightly fossiliferous, chalky in part, fair pinpoint porosity, brown and golden brown stain, show of free oil and faint odor in fresh samples.
- 3414-3422' Limestone; tan, buff, oolitic, oomoldic, fair to good oomoldic porosity, fair golden brown and brown stain, show of free oil and fair odor in fresh samples.

Drill Stem Test #1 3336-3422'

Times: 5-60-60-90

Blow: Good to strong

Recovery: 1940' gas in pipe
476' gassy oil
60' mud cut gassy oil
(250' gas, 50% oil, 25% mud)

Pressures: ISIP 1068 psi
FSIP 1036 psi
IFP 64-105 psi
FFP 115-244 psi
HSH 1649-1600 psi

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- 3422-3436' Limestone; as above, fossiliferous, oolitic, fair to good porosity, brown stain, show of free oil and fair odor in fresh samples.

- 3444-3449' Limestone; gray, white, fossiliferous, fair vuggy porosity, brown stain, show of free oil and good odor in fresh samples.
- 3452-3456' Limestone; white, gray, finely crystalline, scattered pinpoint porosity, brown and dark brown stain, show of free oil and odor in fresh samples.
- 3459-3470' Limestone; cream, white, fine and medium crystalline, oolitic, chalky, good vuggy porosity, dark brown and golden brown stain, show of free oil and odor in fresh samples.

Drill Stem Test #2 3421-3478'

Times: 5-60-60-90

Blow: Strong

**Recovery: 1037' gas in pipe
 917' gassy oil
 120' gassy oil cut water mud
 (15% gas, 30% oil, 10% water, 45% mud)**

**Pressures: ISIP 1192 psi
 FSIP 1162 psi
 IFP 106-128 psi
 FFP 138-403 psi
 HSH 1681-1574 psi**

- 3480-3486' Limestone; tan, finely oomoldic, slightly chalky, dark brown stain, trace of free oil and fair odor in fresh samples.
- 3518-3528' Limestone; gray, white, chalky, few cherty (dense), trace gray and amber chert.
- 3540-3548' Limestone; gray, white, finely crystalline, slightly oolitic/fossiliferous, chalky, poor visible porosity, brown stain, trace of free oil and faint odor in fresh samples.
- 3555-3570' Limestone; gray, slightly cherty, scattered vuggy porosity, brown and black (tarry) stain, trace of free oil and faint odor in fresh samples.
- 3578-3590' Limestone; gray, white, fossiliferous, slightly chalky, trace stain, show of free oil and faint odor in fresh samples.

MARMATON SECTION

- 3633-3639' Limestone; white, chalky, poor porosity, trace black stain, no show of free oil and faint odor in fresh samples.

CONGLOMERATE SECTION

- 3641-3643' Sand; clear, very fine grained, sub rounded, friable, brown stain, show of free and faint odor in fresh samples.

ARBUCKLE SECTION

- 3645-3654' Dolomite; white/gray, fine to medium crystalline, good intercrystalline and vuggy type porosity, few 100% stain and saturation, show of free oil and fair odor in fresh samples, plus gray and tan, sucrosic, dolomitic, fair to good pinpoint porosity, good stain and saturation, show of free oil.

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3654-3670' Dolomite; as above.

Drill Stem Test #3 **3635-3670'**

Times: 5-60-60-90

Blow: Weak to good

Recovery: 175' clean oil
90' muddy oil
(50% mud, 50% oil)

Pressures: ISIP 1149 psi
FSIP 1128 psi
IFP 27-50 psi
FFP 60-137 psi
HSH 1789-1758 psi

3670-3690' Dolomite; gray, white, pink, medium crystalline, good intercrystalline porosity, good gray to brown and black stain, show of free oil and fair odor in fresh samples, plus white, finely oomoldic, dolomite, good stain and saturation, good show of free oil.

3690-3700' Dolomite; as above, black tarry stain, show of free oil and fair odor in fresh samples.

3700-3727' Dolomite; white and gray, finely crystalline, slightly cherty, poor porosity, black stain, show of free oil (tarry-black-dead), and no odor, plus gray, oolitic, opaque chert.

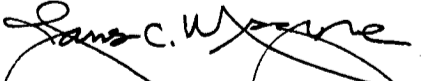
Rotary Total Depth 3727
Log Total Depth 3730

Recommendations:

5 1/2" production casing was set and cemented at 3725' to further test the following zones:

1. Arbuckle 3656-3666 perforate
2. Arbuckle 3646-3652 perforate
3. Lansing 3641-3646 perforate
4. Lansing 3482-3484 perforate
5. Lansing 3461-3471 perforate
6. Lansing 3434-3438 perforate
7. Lansing 3414-3424 perforate
8. Topeka 3134-3142 perforate

Respectfully submitted;


James C Musgrove,
Petroleum Geologist

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WICHITA, KS