

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date April 05 1989  
month day year

165' S  
S/2 NW NE Sec 31 Twp 13 S, Rg 16 East West

OPERATOR: License # 9067  
Name: DaMar Resources, Inc.  
Address: P. O. Box 70  
City/State/Zip: Hays, KS 67601  
Contact Person: D. Schippers  
Phone: (913) 625-0020

4125 feet from South line of Section  
1980 feet from East line of Section  
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #:  
Name: Unknown

County: Ellis  
Lease Name: E. Brungardt Well #: 3  
Field Name: Herzog  
Is this a Prorated Field? yes X no  
Target Formation(s): Lans./Arb.  
Nearest lease or unit boundary: 330  
Ground Surface Elevation: 1960 est. feet MSL  
Domestic well within 330 feet: yes X no  
Municipal well within one mile: yes X no  
Depth to bottom of fresh water: 80  
Depth to bottom of usable water: 500 700'  
Surface Pipe by Alternate: X 1 2  
Length of Surface Pipe Planned to be set: 1090  
Length of Conductor pipe required: N/A  
Projected Total Depth: 3550  
Formation at Total Depth: Arbuckle  
Water Source for Drilling Operations:  
... well X farm pond ... other  
DWR Permit #:  
Will Cores Be Taken?: yes X no  
If yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:  
X Oil ... Inj X Infield X Mud Rotary  
... Gas ... Storage ... Pool Ext. ... Air Rotary  
... OAWO ... Disposal ... Wildcat ... Cable  
... Seismic; ... # of Holes

If OAWO: old well information as follows:  
Operator:  
Well Name:  
Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes X no  
If yes, total depth location:

AFFIDAVIT

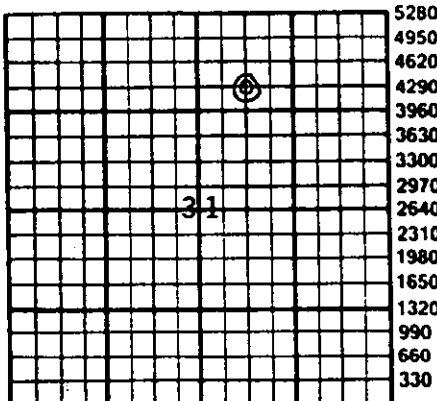
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

- 1. The appropriate district office shall be notified before setting surface pipe;
- 2. The minimum amount of surface pipe as specified above 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;
- 3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. 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: 3-28-89 Signature of Operator or Agent: [Signature] Title: President



RECEIVED  
STATE CORPORATION COMMISSION  
MAR 29 1989  
CONSERVATION DIVISION  
Wichita, Kansas

FOR KCC USE:  
API # 15- 051-24,584  
Conductor pipe required NONE feet  
Minimum surface pipe required 720' feet per Alt. OK  
Approved by: LKM 3-29-89  
EFFECTIVE DATE: 4-3-89  
This authorization expires: 9-29-89  
(This authorization void if drilling not started within 6 months of effective 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.