EFFECTIVE DATE: 11-27-89

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date: 12.01.89

OPERATOR: License # 9067
Name: DaMar Resources, Inc.
P.O. Box 70
City/State/Zip: Hays, KS 67601
Contact Person: R. Schippers
Phone: (913) 625-3020

CONTRACTOR: License # 4083
Name: Western Kansas Drilling, Inc.

Well Drilled For:

Well Class: Type Equipment:

X. Oil ... Inj ... Infield /X. Mud Rotary
... Gas ... Storage ... X. 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:

* Conductor Area and Surface Csg. MUST BE SET To Aphydite

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: 11/21/89 Signature of Operator or Agent: President

FOR KCC USE:

API #15-163-23.073-00-00
Conductor pipe required: 401 feet
Minimum surface pipe required: 140 feet per Alt.
Approved by: DPWJ/1-22-89
EFFECTIVE DATE: 11-27-89
This authorization expires: 5-31-90
(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 of injecting salt water.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.