NOTICE OF INTENT TO DRILL

For KCC Use:
- 10-10-05
- District # 1
- 5047
- Yes / No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

EXPRESSED SPUD DATE:

November 1, 2005

OPERATOR:

Name: Desert Petro Resources, Inc.
Address: 1321 W. 39th St. North
City/Zip:

Contact Person: Charles Schmidt
Phone: 316-755-3523

CONTRACTOR:

Name: Prairie Well Service

WELL DRILLED FOR:

Well Class: Oil
Type Equipment: Production Well

OK/WD:

Disposal / Wildcat

Bottom of Hole:

Other

If OK/WD: old well information as follows:
Operator: Devon/Anadarko Petroleum, Inc.
Well Name: Staircase #1
Original Completion Date: 3/20/98
Original Total Depth: 4740

If drilled as Deviated or Horizontal well:

If Yes: 
No

Bottom Hole Location:

KCC DKT # :

UNIT INFORMATION ATTACHED

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

If Yes:

On or before:

Wells drilled in a water one-quarter mile or more from the public water supply well within one mile:

Dry Depth to bottom of usable water:

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set:

Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

DNR Permit # (Note: Apply for Permit with DNR):

Will Casing be used:

If Yes, proposed zone:

Affidavit

Date: 10/6/05

Signature of Operator or Agent:

Remember to:
- File Dil Prod Application (form COP-1) with intent to Drill;
- File Completions Form CCO-1 within 120 days of spud date;
- File acreage attribution plat according to field promotion orders;
- Notify appropriate district office all 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.

Mail to:
KCC - Conservation Division, 130 S. Market - Room 2079, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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 plot 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: ____________________________
Operator: Department of Petroleum
Lease: ____________________________
Well Number: ____________________________
Field: ____________________________

Number of Acres attributable to well:

<table>
<thead>
<tr>
<th>QTR / QTR / QTR of acreage</th>
<th>S/2</th>
<th>S/2</th>
<th>NW</th>
</tr>
</thead>
</table>

Location of Well: County: ____________________________
Parlor: ____________________________
Line or Section: ____________________________
Sec: ____________________________
Twp: ____________________________
R: ____________________________

Line of Section: ____________________________

Is Section: [ ] Regular or [ ] Irregular

If Section is irregular, locate well from nearest corner boundary. Section corner used:

[ ] NW [ ] SW [ ] SE [ ] NE

PLAT

(Show location of the well and shade appropriate acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

Example:

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

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, 3 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: (CG-7 for oil wells; CG-8 for gas wells).
October 4, 2005

Mr. Charles Schmidt
Daystar Petroleum, Inc.
1321 W. 93rd St. North
Valley Center, KS 67147

RE: Drilling Pit Application
Starnard B Lease Well No. 1-15
NW/4 Sec. 16-30S-14W
Barber County, Kansas

Dear Mr. Schmidt:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant