

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 5 6 86
month day year

API Number 15- 151 - 21, 788 - 0000

OPERATOR: License # 9232
Name Timberline Oil & Gas Corporation
Address 105 E. 8th Street
City/State/Zip Pratt, KS 67124
Contact Person Brant C. Grote or Roy Knappe, Jr.
Phone (316) 672-9476NE NW SW Sec. 35 Twp. 26 S, Rg. 12
2310 Ft. from South Line of Section
4290 Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 5138
Name Cougar Drilling Co., Inc.
City/State Wichita, KSNearest lease or unit boundary line 330 feet
County PrattLease Name G. Studer Well # 3
Ground surface elevation 1873 feet MSLWell Drilled For: Well Class: Type Equipment:
 Oil SWD Infield Mud Rotary
 Gas Inj Pool Ext. Air Rotary
 OWWO Expl Wildcat CableDomestic well within 330 feet: yes no
Municipal well within one mile: yes no

If OWWO: old well info as follows:

Depth to bottom of fresh water 240'
Depth to bottom of usable water 260'Operator
Well Name
Comp Date Old Total DepthSurface pipe by Alternate: 1 2
Surface pipe planned to be set 290'I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications. vic
Date 5/1/86 Signature of Operator or Agent Roy Knappe, Jr. Title PresidentConductor pipe required NA
Projected Total Depth 4300' feet
Formation Mississippi

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 280 feet per Alt.
This Authorization Expires 11-2-86 Approved By [Signature]

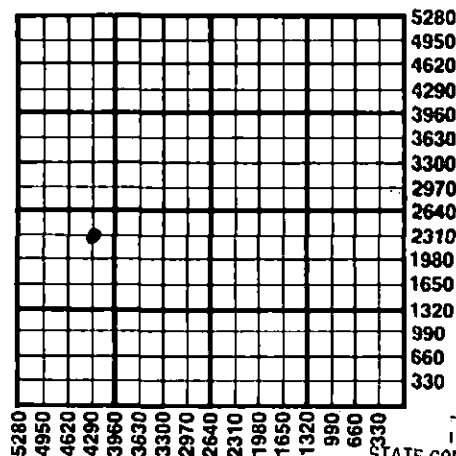
RCH/KOHE

Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.
2. Set surface casing by circulating cement to the top.
3. File completion forms ACO-1 with K.C.C. within 90 days of well completion, following instructions on ACO-1, side I, and including copies of wireline logs.
4. Notify District office 48 hours prior to old well workover or re-entry.
5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.
6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.
7. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

A Regular Section of Land 1 Mile = 5,280 Ft.



RECEIVED
STATE CORPORATION COMMISSION

MAY 02 1986
5-2-86
CONSERVATION DIVISION
Wichita, Kansas

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238