

FORM MUST BE TYPED

State of Kansas

FORM MUST BE SIGNED

EFFECTIVE DATE: 12-02-89

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

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

Expected Spud Date November 28, 1989

SW SW SE Sec 35 Twp 26 S, Rg 12 East

330 feet from South line of Section
2310 feet from East line of Section

(Note: Locate well on Section Plat Below)

OPERATOR: License # 9232
Name: TIMBERLINE OIL & GAS CORPORATION
Address: 4447 South Canyon Road - Suite 1
City/State/Zip: Rapid City, South Dakota 57702
Contact Person: Brant C. Grote
Phone: 605/341-3400

County: Pratt
Lease Name: Trogdon Well #: 2
Field Name: Stead South

CONTRACTOR: License #: 5864
Name: LOBO DRILLING COMPANY

Is this a Prorated Field? yes X no
Target Formation(s): Mississippi
Nearest lease or unit boundary: 330'

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

Ground Surface Elevation: 1872' feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 165' 210'
Depth to bottom of usable water: 220'

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

Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 240'
Length of Conductor pipe required: None
Projected Total Depth: 4300'
Formation at Total Depth: Mississippian

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

Water Source for Drilling Operations:
X well farm pond other
DWR Permit #: Applied For
Will Cores Be Taken? yes X no
If yes, proposed zones:

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: 11/22/89 Signature of Operator or Agent: Sally R. Byers Title: Agent

Grid table with depth markers from 5280 to 330 on the right and 5280 to 330 on the bottom.

RECEIVED STATE CORPORATION COMMISSION NOV 27 1989 CONSERVATION DIVISION Wichita, Kansas

FOR KCC USE: API # 15-151-21,964-0000 Conductor pipe required ABOVE feet Minimum surface pipe required 240 feet per Alt. X Approved by: DPW 11-27-89 EFFECTIVE DATE: 12-02-89 This authorization expires: 15-27-90 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

35 26 12W

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 prorated 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.

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