

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date March 12, 1991
month day year

SE NE SE Sec 20 Twp 26 S, Rg 12 East West

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

1650 feet from South line of Section
330 feet from East line of Section
(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License #: 5929
Name: DUKE DRILLING CO., INC.

County: Pratt
Lease Name: Welch Well #: 2
Field Name: Iuka-Garmi
Is this a Prorated Field? yes X no
Target Formation(s): Arbuckle
Nearest lease or unit boundary: 330'
Ground Surface Elevation: Unknown feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 210'
Depth to bottom of usable water: 220'
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 240'
Length of Conductor pipe required: N/A
Projected Total Depth: 4400'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
well farm pond X other
DWR Permit #: _____
Will Cores Be Taken?: yes X no
If yes, proposed zone: _____

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

If OWWO: 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: 3/6/92 Signature of Operator or Agent: Sally R. Byers Title: Agent

RECEIVED
STATE CORPORATION COMMISSION
MAR - 7 1991
3-7-91
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15- 151-22042-0000
Conductor pipe required None feet
Minimum surface pipe required 240 feet per Alt. (1)
Approved by: mw 3-11-91
EFFECTIVE DATE: 3-16-91
This authorization expires: 9-11-91
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

20
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 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.

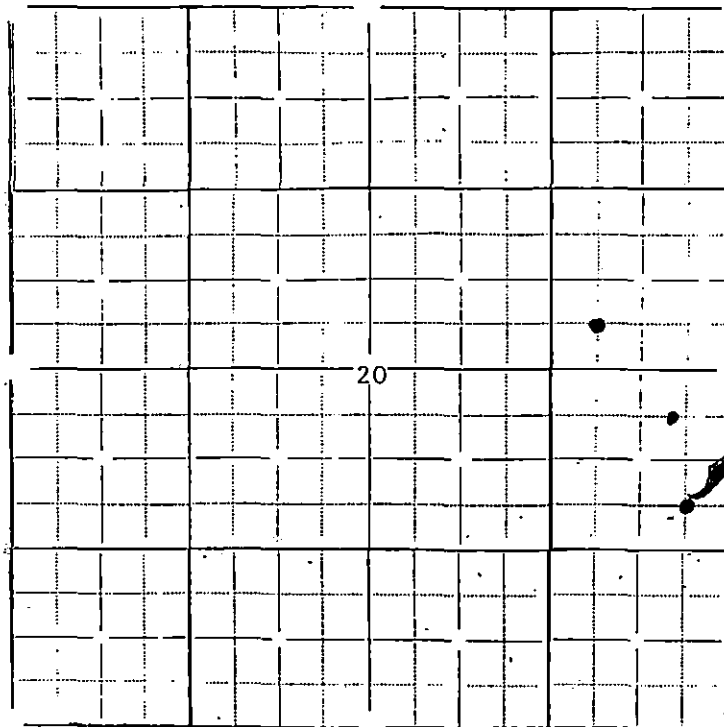
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

OPERATOR TIMBERLINE OIL & GAS CORPORATION LOCATION OF WELL:
 LEASE WELCH 1650' feet north of SE corner
 WELL NUMBER 2 330' feet west of SE corner
 FIELD Iuka-Carmi SE/4 Sec. 20 T 26S R 12 ~~X~~/W
 COUNTY pratt
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION X REGULAR IRREGULAR?
 DESCRIPTION OF ACREAGE SE/4 IF IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

PLAT



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, 1 section with 8 surrounding partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent Sally G. Byers
 Date March 6, 1991 Title Agent