

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

Expected Spud Date 9.....15.....1989  
month day year

25'S and 25'E  
C.E./2 NE/4. Sec 3... Twp 27. S, Rg 12. X East  
West

OPERATOR: License # 9232  
Name: Timberline Oil & Gas Corp.  
Address: 4447 South Canyon Rd. Ste #1  
City/State/Zip: Rapid City, SD 57702  
Contact Person: Brant C. Grote  
Phone: (605) 341-3400

.....3935..... feet from South line of Section  
.....635..... feet from East line of Section  
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5929  
Name: Duke Drilling Co., Inc.

County: Pratt  
Lease Name: E. B. Studer B Well #: 1  
Field Name: Stead So

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

Is this a Prorated Field? ... yes  no  
Target Formation(s): Mississippi  
Nearest Lease or unit boundary: 330' 635'  
Ground Surface Elevation: 1879 feet MSL  
Domestic well within 330 feet: ... yes  no  
Municipal well within one mile: ... yes  no  
Depth to bottom of fresh water: 200'  
Depth to bottom of usable water: 220'  
Surface Pipe by Alternate:  1 ... 2  
Length of Surface Pipe Planned to be set: 240'  
Length of Conductor pipe required: NA  
Projected Total Depth: 4300'  
Formation at Total Depth: Mississippi  
Water Source for Drilling Operations:  
 well ... farm pond ... other  
DWR Permit #: Apply Gov Permit  
Will Cores Be Taken?: ... yes  no  
If yes, proposed zone: .....

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

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

**AFFIDAVIT**

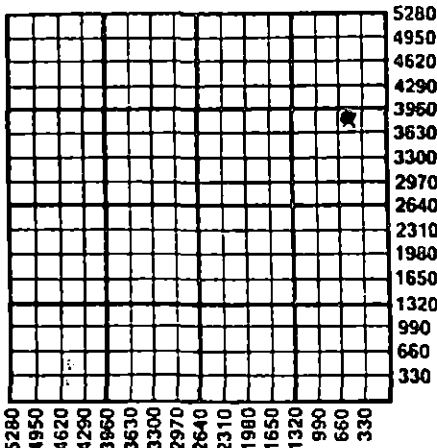
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 9/12/89 Signature of Operator or Agent: [Signature] Title: President



SEP 15 1989

RECEIVED  
STATE OF KANSAS  
CONSERVATION DIVISION

FOR KCC USE:

API # 15- 151-21947-00-00 ✓  
Conductor pipe required NONE feet  
Minimum surface pipe required 220' feet per Alt.   
Approved by: DW 9-15-89  
EFFECTIVE DATE: 9-20-89  
This authorization expires: 3-15-90  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

3  
27  
12

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.