

EFFECTIVE DATE: 8-11-90

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date August 9, 1990
month day year

NE.. SW.. NW.. Sec .2. Twp 27.. S, Rg 12.. East West

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

3630 feet from South line of Section
4290 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: E. B. Studer Well #: 3
Field Name: Stead South
Is this a Prorated Field? yes no
Target Formation(s): Mississippi
Nearest lease or unit boundary: 990'
Ground Surface Elevation: 1868' feet MSL
Domestic well within 330 feet: yes no
Municipal well within one mile: yes 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: 4300'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
well farm pond other
DWR Permit #: _____
Will Cores Be Taken?: yes no
If yes, proposed zone: _____

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

If OAWO: 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: 8/1/90 Signature of Operator or Agent: Sally R. Byers Title: Agent

FOR KCC USE:
API # 15-151-22,003-00-00
Conductor pipe required None feet
Minimum surface pipe required 240 feet per Alt. (1)
Approved by: mw 8-6-90
EFFECTIVE DATE: 8-11-90
This authorization expires: 2-6-91
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE OF KANSAS
AUG - 3 1990
CONSERVATION DIVISION
Wichita, Kansas

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.

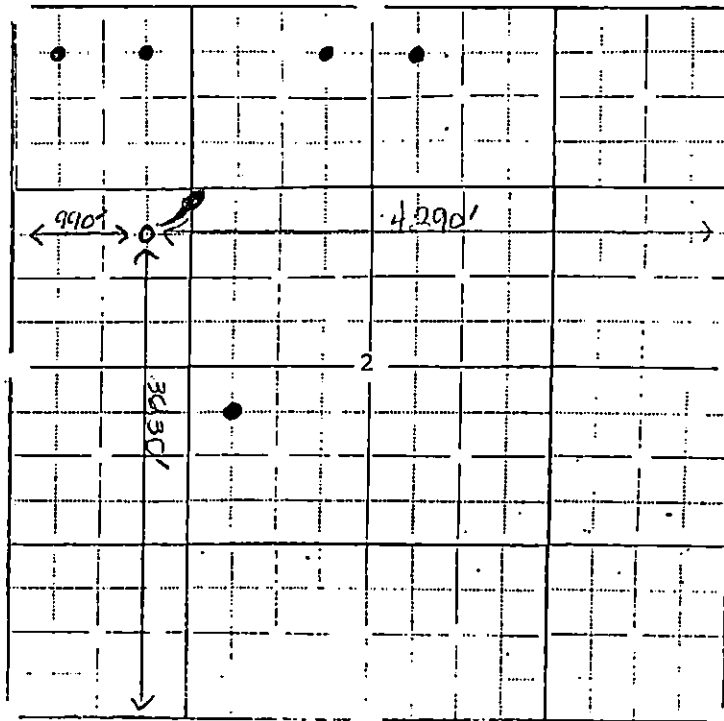
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

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

OPERATOR TIMBERLINE OIL & GAS CORPORATION LOCATION OF WELL:
 LEASE E. B. STUDER 3630 feet north of SE corner
 WELL NUMBER 3 4290 feet west of SE corner
 FIELD Stead South NW/4 Sec. 2 T 27S R 12 ~~E/W~~
 COUNTY Pratt
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION X REGULAR IRREGULAR?
 IF IRREGULAR, LOCATE WELL FROM NEAREST
 DESCRIPTION OF ACREAGE NW/4 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.: section, 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 or 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 R. Byers
 Date 8/1/90 Title Sally R. Byers
Agent