

TIME CERTIFICATE OF DEPOSIT

AUTOMATICALLY RENEWABLE

FIRST PIONEER NATIONAL BANK WRAY, COLORADO 80758

Nº 13976

THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THIS BANK THE AMOUNT OF

1ST PIONEER NAT'L BANK 10000.00 DOLLARS

PAYABLE TO BENNY CANTRALL/DUKE GAS COMPANY LLC GAS WELL/CANTRALL #35-7 80755 FBO COLORADO OIL & GAS CONSERVATION COMMISSION ADDRESS 22500 CO RD 24 VERNON, CO

SOC SEC OR TAX ID NO	INTEREST RATE	INTEREST PAYABLE	DATE OF ISSUE	MATURITY DATE	AMOUNT DEPOSITED
XXXXXXXXXX	1.45% <small>per annum</small>	MATURITY	7-13-10	7-13-11	\$ 10,000.00

This certificate is payable in current funds at maturity or at any subsequent maturity upon surrender of this certificate properly endorsed. It is mutually agreed that this certificate shall be automatically renewed for additional periods of time equal to the original term hereof unless the owner hereof shall present this certificate for payment at any maturity date or within ten days thereafter or unless the Bank shall mail written notice to the owner at the above address at least ten days prior to any maturity of the Bank's intention to redeem this certificate. If renewed interest hereon shall be payable during the period of each such renewal at the rate being paid by the Bank on time certificates of deposit as of the date of such renewal. This certificate may be redeemed in advance of the maturity date only in accordance with rules and regulations of the Federal Deposit Insurance Corporation, the Federal Reserve System and other banking regulatory authorities.

DEPOSIT INTEREST TO	
CHECKING ACCOUNT NUMBER	SAVINGS ACCOUNT NUMBER
2007363	

REMIT INTEREST BY MAIL

REINVEST INTEREST

NOT TRANSFERABLE EXCEPT ON THE BOOKS OF THE DEPOSITORY INSTITUTION

Lauree Brown
AUTHORIZED SIGNATURE

12 MONTH CD PDPA #080064005154

NOT SUBJECT TO CHECK

Duke Gas Company LLC - Operator #25255

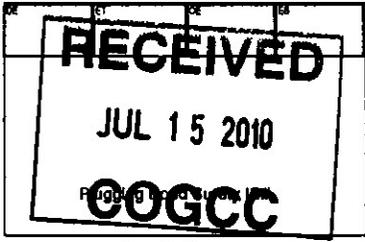
Jats # 2010 0146

INDIVIDUAL PLUGGING

CANTRALL #35-7 well

SWNE 35-15-45W





1 Drill Deepen Re-enter Recomplete and Operate

2 TYPE OF WELL
OIL GAS COALBED OTHER
SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling
Sidetrack

		Complete the Attachment Checklist	
		OP	COGCC
3 Name of Operator	Duke Gas Company LLC	4 COGCC Operator Number	25255
5 Address	22500 Co Rd 24	APD Orig & 1 Copy	<input checked="" type="checkbox"/>
City	Vernon State: CO Zip 80755	Form 2A	<input checked="" type="checkbox"/>
6 Contact Name	Diana Cantrall Phone 970-332-5610 Fax	Well location plat	<input checked="" type="checkbox"/>
7 Well Name	Cantrall Well Number 35-7	Topo map	<input checked="" type="checkbox"/>
8 Unit Name (if appl)	Unit Number	Mineral lease map	
9 Proposed Total Measured Depth	2450	Surface agrmt/Surety	
10 Qtr Qtr SW/NE Sec 35 Twp 1S Rng 45W Meridian 6th		30 Day notice letter	
Latitude 39 92674 Longitude 102 38072		Deviated Drilling Plan	
Footage At Surface 2360 N 2029 E		Exception Location Request	
11 Field Name	Duke Field Number 18890	Exception Loc Waivers	
12 Ground Elevation	3897 13 County Yuma	H2S Contingency Plan	
14 GPS Data		Federal Drilling Permit	
Date of Measurement: 5/3/10 PDOP Reading 3 180 Instrument Operator's Name Neal McCormick			

15 If well is: Directional Horizontal (highly deviated) submit deviated drilling plan Bottomhole Sec Twp Rng
Footage At Top of Prod Zone FNUFSL FELFWL At Bottom Hole FNUFSL FELFWL

16 Is location in a high density area (Rule 603b)? Yes No

17 Distance to the nearest building public road above ground utility or railroad 2000 feet

18 Distance to Nearest Property Line: 222 feet 19 Distance to nearest well permitted/completed in the same formation 622 feet

20 LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number (s)	Unit Acreage Assigned to Well	Unit Configuration (N/2 SE/4 etc)
Niobrara	NBR			

21 Mineral Ownership Fee State Federal Indian Lease # _____
 22 Surface Ownership Fee State Federal Indian
 23 Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# _____
 23a If 23 is Yes. Is the Surface Owner(s) signature on the lease? Yes No
 23b If 23 is No Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond
 24 Using standard Qtr Qtr Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer)
 NE/4 Sec 35 T1S R 45 W
 25 Distance to Nearest Mineral Lease Line. 222 feet 26 Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27 Is H2S anticipated? Yes No If Yes attach contingency plan

28 Will salt sections be encountered during drilling? Yes No

29 Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No

30 If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 28, 29 or 30 are "Yes" a pit permit may be required

31 Mud disposal Offsite Onsite
 Method Land Farming Land Spreading Disposal Facility Other _____

NOTE The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b) If air/gas drilling notify local fire officials

String	Size of Hole	Size of Casing	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
surface	9 7/8 in	7 in	17 lb	250 ft	100	250 ft	surface
production	6 1/4 in	4 1/2 in	10 lb	2400 ft	75	1500 ft	

32 BOP Equipment Type. Annular Preventor Double Ram Rotating Head None

33 Comments We are the surface and mineral owners and will be the operators

34 Location ID _____

35 Is this application in a Comprehensive Drilling Plan? Yes No If Yes enter CDP# _____

36 Is this application part of a submitted Oil and Gas Location Assessment? Yes No

Signed Diana Cantrall Print Name Diana Cantrall
 Title Owner Date 7/15/10 Email dcantrall@plainsteel coop

Based on the information provided herein this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved
 COGCC Approved _____ Director of COGCC Date _____

Permit Number _____ Expiration Date _____
 API NUMBER 05- _____
 CONDITIONS OF APPROVAL, IF ANY _____

9/28/10
DUKE GAS COMPANY

Time Deposit Inquiry
CIF number.....
Account number..

10:13:02
D000375
13976 T

Col/
Sev

----- Messages -----

Expire
Date

6 RESTRICTED - DO NOT RELEASE WITHOUT WRITTEN RELEAS
6 LETTER FROM THE COLORADO OIL & GAS COMMISSION.
6 AUTHORITY TO ACCESS FUNDS AND ACCOUNT VERIFICATION
6 FROM THE BANK WILL BE COGCC'S WITHOUT OPERATOR/
6 COMPANY SIGNATURE OR APPROVAL
6 PDPA 080064005154

Bottom

F3=Exit F8=Maintenance F12=Previous

FIRST PIONEER NATIONAL BANK

Member FDIC

145 West 4th Street, P O Box 96 - Wray, Colorado 80758 - 150 South Interoccean, P O Box 27, Holyoke, Colorado 80734

CERTIFICATE OF DEPOSIT DISCLOSURE

NOT TRANSFERABLE EXCEPT ON THE BOOKS OF THE DEPOSITORY INSTITUTION

Account Holder: DUKE GAS COMPANY Account Number: 13976
BENNY CANTRALL FBO CO OIL & GAS CONS COM

Issue Date: 7/13/10 Maturity Date 7/13/11

 SINGLE MATURITY - This account will not automatically renew. If the account is withdrawn within ten (10) days after maturity, earnings shall be paid thereon at the rate on the account to the date of withdrawal.

XX **AUTOMATIC RENEWAL** - This account will automatically renew on the maturity date. Each renewal term will be the same as the original one, beginning on the maturity date. You must notify us before maturity, at maturity or within the ten-calendar day grace period after the maturity date if you do not want this certificate to renew. We reserve the right to stop automatic renewal by written notice to you at least 10 days before maturity.

The rate for each renewal term will be determined by us on or just before the renewal date and will be paid until the next maturity date. We will notify you in advance of the renewal and tell you when the rate will be known for the renewal period or you may contact us at 970 332 4824 (Wray) or 970 854 2227 (Holyoke) at maturity for the renewal interest rate.

MINIMUM BALANCE: The minimum balance required to open this account is \$10,000.00.

RATE INFORMATION: The interest rate on this certificate is 1.45% rate will be paid until the maturity date stated above. Interest will begin to accrue on the first business day of the deposit. The annual percentage yield is 1.46% annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest or principal will reduce earnings.

Interest will be (simple) XX (compounded daily) and paid AT MATURITY

 Interest will be reinvested
XX Interest will be paid by check
 Interest will be deposited to account

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTIONS LIMITATIONS: Deposits cannot be made to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except at maturity or within 10 days after maturity. Interest accrued but not yet paid on this account may not be withdrawn until paid.

EARLY WITHDRAWAL PENALTY: You may not withdraw in whole or in part prior to maturity without the consent of the bank. In the case of the depositor's death or mental incompetency, this bank will honor a request to withdraw prior to maturity without penalty. If we consent to a request for a withdrawal that is otherwise not permitted, you may have to pay a penalty. If the bank consents to a withdrawal before maturity, the following penalty may be assessed on the amount withdrawn:

Account holder shall forfeit an amount equal to 180 days interest whether earned or not, on the amount withdrawn at the rate being paid on this account. On (30) thirty-day term certificates of deposit, a penalty of at least (7) seven days interest will be assessed on amounts withdrawn within the first 6 days after deposit. If the account or any portion thereof is withdrawn not more than ten (10) days after maturity, earnings shall be paid thereon at the renewal rate to the date of withdrawal without penalty.