

**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 NATIONAL BANK \$10,000.00**

DOLLARS

**PAYABLE TO**  
**BENNY CANTRALL/DUKE GAS COMPANY LLC GAS WELL/CANTRALL #35-7**  
**FBO COLORADO OIL & GAS CONSERVATION COMMISSION**

80755

**ADDRESS 22500 CO RD 24 VERNON, CO**

SOC SEC OR TAX ID NO	INTEREST RATE	INTEREST PAYABLE	DATE OF ISSUE	MATURITY DATE	AMOUNT DEPOSITED
<del>01-000000000</del>	1.45% <small>per annum</small>	<b>MATURITY</b>	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**

*Laurie 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*

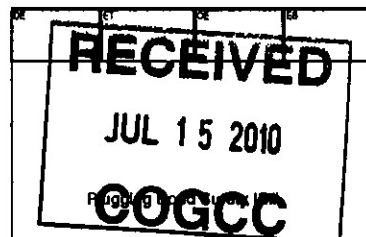
*SWNE 35-15-45W*



01662083

State of Colorado  
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801 Denver, Colorado 80203 Phone (303)894-2100 Fax (303)894-2109



## APPLICATION FOR PERMIT TO

1 ☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate2 TYPE OF WELL  
OIL ☐ GAS ☒ COALBED ☐ OTHER ☐  
SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Refilling ☐  
Sidetrack ☐

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

14 GPS Data	
Date of Measurement: <u>5/3/10</u> PDOP Reading <u>3 180</u> Instrument Operator's Name <u>Neal McCormick</u>	
15 If well is: <input type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan Bottomhole Sec Twp Rng	
Footage At Top of Prod Zone <u></u> <u></u> <u></u> At Bottom Hole <u></u> <u></u> <u></u>	
16 Is location in a high density area (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
17 Distance to the nearest building public road above ground utility or railroad <u>2000 feet</u>	
18 Distance to Nearest Property Line: <u>222 feet</u> 19 Distance to nearest well permitted/completed in the same formation <u>622 feet</u>	

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)
<u>Niobrara</u>	<u>NBR</u>			
21 Mineral Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian Lease # <u></u>				
22 Surface Ownership <input checked="" type="checkbox"/> Fee <input type="checkbox"/> State <input type="checkbox"/> Federal <input type="checkbox"/> Indian				
23 Is the Surface Owner also the Mineral Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Surface Surety ID# <u></u>				
23a If 23 is Yes, Is the Surface Owner(s) signature on the lease? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
23b If 23 is No <input type="checkbox"/> Surface Owners Agreement Attached or <input type="checkbox"/> \$25,000 Blanket Surface Bond <input type="checkbox"/> \$2,000 Surface Bond <input type="checkbox"/> \$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) <u>NE/4 Sec 35 T1S R 45 W</u>				
25 Distance to Nearest Mineral Lease Line: <u>222 feet</u> 26 Total Acres in Lease: <u>160</u>				

DRILLING PLANS AND PROCEDURES							
27 Is H2S anticipated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes attach contingency plan							
28 Will salt sections be encountered during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
29 Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
30 If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 28, 29 or 30 are "Yes" a pit permit may be required							
31 Mud disposal <input type="checkbox"/> Offsite <input checked="" type="checkbox"/> Onsite							
Method <input type="checkbox"/> Land Farming <input checked="" type="checkbox"/> Land Spreading <input type="checkbox"/> Disposal Facility <input type="checkbox"/> 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: <input type="checkbox"/> Annular Preventor <input type="checkbox"/> Double Ram <input type="checkbox"/> Rotating Head <input type="checkbox"/> None							
33 Comments <u>We are the surface and mineral owners and will be the operators</u>							

34 Location ID <u></u>	
35 Is this application in a Comprehensive Drilling Plan? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes enter CDP# <u></u>	
36 Is this application part of a submitted Oil and Gas Location Assessment? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Signed <u>Diana Cantrall</u>	Print Name <u>Diana Cantrall</u>
Title <u>Owner</u>	Date <u>7/15/10</u> Email <u>dcantrall@plainstiel coop</u>

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

CONDITIONS OF APPROVAL, IF ANY

05-

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.