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MAY 06 2005

APPLICATION FOR PERMIT TO DRILL DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

Type of work: Drill New Well Reenter Well Drill Directional Well Other _____

Type of well: Oil Well Gas Well Injection Other _____

Name and Address of Operator: Sands Oil Company P.O. Box 373, Billings, MT 59103 Telephone (406) 245-7714

Name and Address of Surface Owner: BLM Belle Fourch, SD

Name and Address of Drilling Contractor and Rig Number: Conquest Drilling Company Gillette, WY

Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):
 NENE Sec 5, T14N-R3E, Butte County 1188' FNL & 1115' FEL

If Directional, top of pay and bottom hole location from nearest lines of section:
 N/A

Acres in Spacing (Drilling) Unit: 320 Description of Spacing Unit: N/2

Well Name and Number	Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation
Federal #1-5	3110' GL	Wildcat	1200' Shannon

Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 9-7/8"	7"	17#	150'	50 SX Reg CI G	Surfac
2) 6-1/4"	4.5"	9.5#	1200'	100 SX Reg CI G w/2% CACL	Surfac
3)					
4)					

Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.
~~Dec 1, 2004~~ proposed starting date. Drilling will take 2-3 days.
 June 1, 2005
 See attached for PORPOSED OPERATIONS

I hereby certify that the foregoing as to any work or operation performed is a true and correct copy of the work or operation.

Michael Okerman Signature Michael Okerman Name (Print) STATE GEOLOGICAL SURVEY Agent WESTERN FIELD OFFICE Title 6/28/04 Date

FOR OFFICE USE ONLY

Approved By: *Fred Asterson* Title: Oil & Gas Supervisor

Permit No. 1740 API No. 40 019 20077 Date Issued: 06/01/05

Conditions, if any, on attached page.