KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

For KCC Use:
Effective Date:
1-25-04

Expected Spud Date: Feb 21 2004

OPERATOR: License# 9482
Name: National Petroleum Reserves, Inc.
Address: 250 N. Rock Rd. Suite 130
Wichita, KS 67206
Contact Person: T.C. Bredlehoff, II
Phone: 316 681-3515

CONTRACTOR: License#: 5142
Name: Sterling Drilling Co.

Well Drilled For: [ ] Oil  [ ] Gas  [ ] Water  [ ] Other
Well Class: [ ] Infield  [ ] Farmland  [ ] Other
Type Equipment: [ ] Mud Rotary  [ ] Air Rotary  [ ] Cable
[ ] Wildcat

[ ] Yes [ ] No
If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal borehole?
[ ] Yes [ ] No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
The undersigned hereby certifies that the statements made herein are true and to the best of my knowledge and belief.
Date: 2/14/04
Signature of Operator or Agent: T.C. Bredlehoff, II
Title: V.P.

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.

If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.
[ ] Well Not Drilled - Permit Expired
Signature of Operator or Agent:
Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - Location of Well: County: Barber
Operator: National Petroleum Reserves, Inc.
Lease: FORESTER 'C'
Field: Rhodes

Well Number: 1

Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ap NW - NW - SW

Location from N / S Line of Section:
2440 feet from □ N / □ S Line of Section

Location from E / W Line of Section:
330 feet from □ E / □ W Line of Section

Sec. 27 Twp. 33 S. R. 11 □ East □ West

Is Section: □ Regular or □ Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: □ NE □ NW □ SE □ SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 17 2004
CONSERVATION DIVISION
WICHITA, KS

EXEMPLARY
1980
3390'

SEWARD CO.

In plotting the proposed location of the well, you must show:
The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, etc.
The distance of the proposed drilling location from the section's south / north, and east / west.
The nearest lease or unit boundary line.
If is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells;
February 18, 2004

Mr. T.C. Brerdehoft, II
National Petroleum Reserves, Inc.
250 N. Rock Rd., Ste 130
Wichita, KS 67206

RE: Drilling Pit Application
Forester C Lease Well No. 1
SW/4 Sec. 27-33S-11W
Barber County, Kansas

Dear Mr. Brerdehoft:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathleen Haynes
Environmental Protection and Remediation Department

cc: S Durrant