KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Date of filing: 8-10-05

Expected Spud Date: August 21, 2005

OPERATOR: Licensee 9482-1
Name: National Petroleum Resources, Inc.
Address: 250 A Rock Rd Ste 130 Christus/Bartlett.
City/State: Wichita, KS 67206
Phone: 316-681-3851

CONTRACTOR: Licensee 8142-1
Name: Sterling Drilling #4

Well Drilled For: Oil
Well Class: Oil
Type of Drilling: Rotary
Depth to Surface: 0 ft

On or Off: On
Distance: 6 miles
Surface Well: No

Well Name: KCC KKT-1

Original Completion Date: Original Total Depth: 4000 ft

Directional, Declined or Vertical? Yes
Wellbore Location: KCC - Conservation District, 130 S. Market - Room 407R, Wichita, Kansas 67202

Spot HN: 2310.00
NG: 1305.00
SW: Sec 22

IN SECTION: Regular Irregular

Footage from N line of Section: 1305.00
Footage from S line of Section: 2310.00
Footage from E line of Section: 1305.00
Footage from W line of Section: 2310.00

Year: 2005

County: Barber
Lease Name: Foreign: B
Field Name: None
Is this a Proposed / Spied Field? Yes

Pump Permanent? Yes

Location (Units in same boundary): 332

Ground Surface Elevation: 1582

Well water within one-quarter mile: No
Public water supply well within one mile: No
Depth to bottom of usable water: ft
Surface Pipe by Permit: 1

Length of Conductors Required: 4700

Projected Total Depth: 7000

Formation at Total Depth: Kindred

Length of Surface Pipe Planned to be set: 240

Will Comps be taken? Yes

If Yes, proposed comp: None

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-55 seq. It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding.
2. Provide a copy of the approved notice of intent to drill shall be posted on each drilling rig.
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top. In all cases surface pipe shall be set through all unconsolidated materials plus a maximum of 20 ft into the underlying formation.
4. If the well is of oil, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging.
5. The appropriate district office will notify before well is either plugged or products removed in accordance with:
6. An ALTERNATE II COMPLETION, production pipe shall be cemented both below any usable water to a distance of 120 days from the wellhead.

I hereby certify that the statements made herein are true to the best of my knowledge and belief.

Date: 7/28/05 Signature of Operator or Agent: V.P.

RECEIVED
AUG 3 2006
KCC/WICHITA

For KCC Use Only

API # 15 22 2923 0000

Minimum surface pipe required: 2,292.3 ft
Approved to: 2,292.3 ft/weather permitting

This application expires: 2,292.3 ft

Check box below and submit to KCC if application is not approved within 5 months of effective date.

Date of filing: 8-10-05

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Date of filing: 8-10-05

Mلل: KCC - Conservation District, 130 S. Market - Room 407R, Wichita, Kansas 67202

Reminder to:
- File Drill F application (Form CDF-1) with KCC to Drill;
- File Corporation Form ACC-1 within 120 days of spudding date;
- Submit application for drilling permit by 7:00 PM 80 days prior to issuing the Shut-in Drilling Permit (CED 41);
- Obtain within approval before re-drilling or re-entering well.
- If this permit has expired (client 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:

V.P.
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 prorated 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:
Operator: National Petroleum Reserves, Inc.
Lease: Forester B
Well Number: 1
Field: Rhodes
Number of Acres attributable to well: N2 N2 SW
GTR / QTR / GTR of acreage: Location of Well: County: Barber
2310 feet from N \ S Line of Section 2310 feet from E \ W Line of Section Sec. 22 Tec. 33 R. 11 East \ West
Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary. Section corner used:

(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.

In plotting the proposed location of the well, you must show:
1. The corner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, etc:
2. The distance of the proposed drilling location from the section's north, south and east, west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached (CO-7 for oil wells; CO-8 for gas wells).
August 5, 2005

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

Re: Drilling Pit Application
Forester 'B' Lease Well No. 1
SW/4 22-33S-11W
Barber County, Kansas

Dear Mr. Bredehoft:

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. Please file form CDP-S, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC website: www.kcc.state.ks.us/conservation/forms/

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,

Jonelle Rains, Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

Conservation Division, Finney State Office Building, 130 S. Wicks, Room 207B, Wichita, KS 67202-3902
Voice 316.392.6200 Fax 316.392.6211 www.kcc.state.ks.us