State of Kansas
NOTICE OF INTENTION TO DRILL
Must be approved by the K.C.C. five (5) days prior to commencing well

Operator:
Name: National Petroleum Reserves, Inc.
Address: 250 N. Rock Rd, Wichita, KS 67206
City/State/Zip: Wichita, KS 67206
Contact Person: Ted C. Bradsher
Phone: 316-681-3253

Contractor:
Name: ARSSE, CAO-1

Well Drilled For:
Well Class:
Type Equipment:
X. Oil ... Inj
X. Gas ... Storage
X. Water Disposal
X. Geothermal

If OLD, old well information as follows:
Operator:
Well Name:
Comp. Date:

Directional, Deviated or Horizontal wellbore? Yes / No
If Yes, total depth location:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et seq.

It is agreed that the following minimum requirements will be met:
1. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, notify district office prior to any cementing.

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

Date: 12/31/96
Signature of Operator or Agent: [Signature]
Title: [Title]

FOR KCC USE:
API # 15 - 181-20298000
Conductor pipe required - 0
Minimum surface pipe required - 367 feet per Alt. 1
Approved by: [Signature]

EFFECTIVE DATE:
This authorization expires: 7-3-97
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: [Spud Date]
Agent: [Agent]

REMEMBER TO:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form CAO-1 within 120 days of spud date;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

OPERATOR National Petroleum Reserves
LEASE Hoyt
WELL NUMBER 1
FIELD Llanos S.W.

LOCATION OF WELL:
990' feet north of SE corner
4290' feet west of SE corner
SW/4 Sec. 16 T 6 R 37W E/W
COUNTY Sherman

IS SECTION X REGULAR ___ IRREGULAR? ___
IF IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

NO. OF ACRES ATTRIBUTABLE TO WELL 10
DESCRIPTION OF ACREAGE NE-SW-SW

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

PLAT

In plotting the proposed location of the well, you must show:

1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding partial sections, 4 sections, 16 sections, etc.;

2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;

3) the distance of the proposed drilling location from the section's east and south lines; and

4) the distance to the nearest lease or unit boundary line.

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

Signature of Operator or Agent __________________________
Date 12/31/96 Title President