

Must be approved by the K.C.C. five (5) days prior to commencing well

EFF. DATE  
DIST #4  
Expected Spud Date ... 1-24-97  
month day year

NE.. SW.. SW. Sec ..16. Twp ..6.. S, Rg 37.. East  
990 feet from South line of Section  
4290 feet from East line of Section  
(Note: Locate well on Section Plat on Reverse Side)

OPERATOR: License # ..9482.  
Name: National Petroleum Reserves, Inc.  
Address: 250 N. Rock Rd. #130  
City/State/Zip: Wichita, KS 67206  
Contact Person: Ted C. Bradshoft  
Phone: 316-681-3515

County: Sherman  
Lease Name: HOYT Well #: 1  
Field Name: Llanos S.W.

CONTRACTOR: License #: Undetermined  
Name: ADVISE ON ACO-1

Is this a Prorated Field? yes X no  
Target Formation(s): Lansing-K.C. Marmaton  
Nearest lease or unit boundary: 330'  
Ground Surface Elevation: 3438 feet MSL  
Domestic well within 330 feet: yes X no  
Municipal well within one mile: yes X no  
Depth to bottom of fresh water: 300'  
Depth to bottom of usable water: 300'  
Surface Pipe by Alternate: X 1 2  
Length of Surface Pipe Planned to be set: 360'  
Length of Conductor pipe required: N/A  
Projected Total Depth: 4950'  
Formation at Total Depth: Cherokee

Well Drilled For: Well Class: Type Equipment:  
X Oil ... Inj ... Infield X Mud Rotary  
... Gas ... Storage X Pool Ext. ... Air Rotary  
... OWWO ... Disposal ... Wildcat ... Cable  
... Seismic; ... # of Holes

Water Source for Drilling Operations:  
... well X farm pond ... other  
DWR Permit #: ...  
Will Cores Be Taken?: ... yes X no  
If yes, proposed zone: ...

If OWWO: old well information as follows:  
Operator: ...  
Well Name: ...  
Comp. Date: ... Old Total Depth ...

Directional, Deviated or Horizontal wellbore? ... yes X 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: President

FOR KCC USE:  
API # 15- 181-202980000  
Conductor pipe required NONE feet  
Minimum surface pipe required 350' feet per Alt. (1) X  
Approved by: JK 1-2-97  
EFFECTIVE DATE:  
This authorization expires: 7-7-97  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: Agent:

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.

16  
6  
37M  
1-2-1997  
MAY 2 1997  
KANSAS DEPARTMENT OF REVENUE

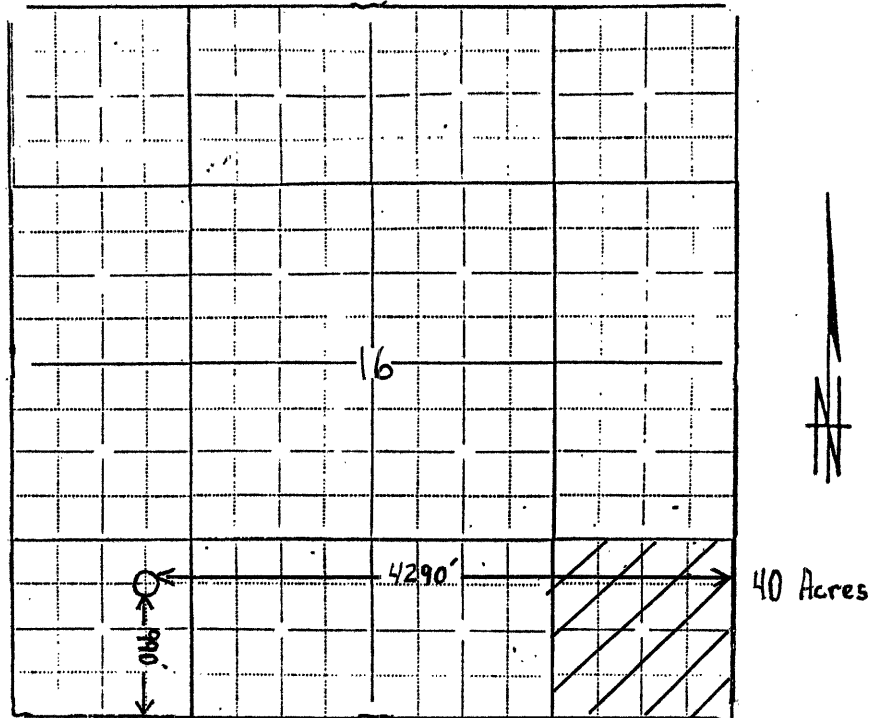
**PLAT OF ACREAGE ATTRIBUTABLE TO A WELL**

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

OPERATOR National Petroleum Reserves, Inc. LOCATION OF WELL:  
 LEASE Hoyt 990' feet north of SE corner  
 WELL NUMBER 1 4290' feet west of SE corner  
 FIELD Llanos S.W. SW/4 Sec. 16 T 6 R 37W E/W  
 COUNTY Sherman  
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION X REGULAR     IRREGULAR?  
 DESCRIPTION OF ACREAGE NE-SW-SW IF IRREGULAR, LOCATE WELL FROM NEAREST  
 CORNER BOUNDARY.

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 *[Handwritten Signature]*  
 Date 12/31/96 Title President