

For KCC Use: Effective Date: 4-5-06  
District # 2  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form C-1  
September 1999  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date April 4 2006  
month day year

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

CONTRACTOR: License# 5142  
Name: Sterling Drilling Company

Spot SE - SE - SW Sec. 17 Twp. 28 S. R. 9  East  West  
330 feet from S N. (circle one) Line of Section  
2310 feet from E / W (circle one) Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Kingman  
Lease Name: Leiter/TC Well #: 1  
Field Name: Pat Creek

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Mississippian, Viola

Nearest Lease or unit boundary: 330'  
Ground Surface Elevation: \_\_\_\_\_ feet MSL  
Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 180'  
Depth to bottom of usable water: 120'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 290'  
Length of Conductor Pipe required: \_\_\_\_\_

Projected Total Depth: \_\_\_\_\_  
Formation at Total Depth: Simpson Sand

Water Source for Drilling Operations:  
Well  Farm Pond  Other \_\_\_\_\_

DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )  
Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

Well Drilled For:  Oil  Enh Rec  Gas  OWWO  Seismic; # of Holes  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  Mud Rotary  Air Rotary  Cable

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  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. 55-101, et. seq.  
It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. 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 minimum of 20 feet into the underlying formation.
4. If the well is dry hole, 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 be notified before well is either plugged or production casing is cemented in;
6. 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: 3/14/06 Signature of Operator or Agent: Ted Bredehoft Title: President

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For KCC Use ONLY  
API # 15 - 095-22031-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. 1  
Approved by: RJA 3/21/06  
This authorization expires: 9/30/06  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Remember to:

- File Drill Plat 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.

17  
28  
9W

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*

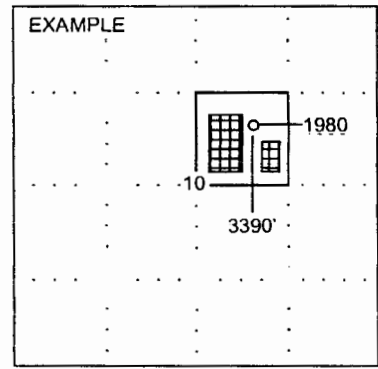
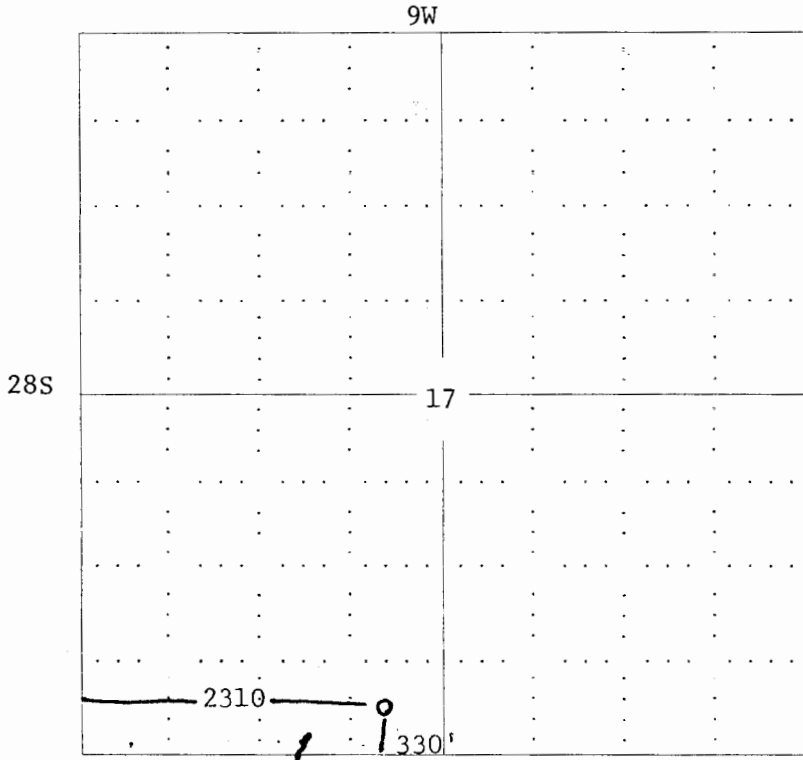
*If the intended well is in a prorated or spaced field, please fully complete this side of the form.* If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - \_\_\_\_\_  
Operator: National Petroleum Reserves, Inc.  
Lease: Leiter/TC  
Well Number: 1  
Field: Pat Creek  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: Kingman  
330 feet from S / N (circle one) Line of Section  
2310 feet from E / W (circle one) Line of Section  
Sec. 17 Twp. 28 S. R. 9  East  West  
Is Section X 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.

**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 sections, 4 sections, etc.
- 2. The distance of the proposed drilling location from the section's south / north 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; CG-8 for gas wells).

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MAR 14 2006  
KCC WICHITA

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

March 30, 2006

Mr. Ted C. Bredehoff  
National Petroleum Reserves, Inc.  
250 N. Rock Rd. Ste 130  
Wichita, KS 67206

Re: Drilling Pit Application  
Leiter/TC Lease Well No. 1  
SW/4 Sec. 17-28S-09W  
Kingman County, Kansas

Dear Mr. Bredehoff:

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 within 72 hours after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:  
[www.kcc.state.ks.us/conservation/forms](http://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,

  
Kathy Haynes

Environmental Protection and Remediation Department

cc: Doug Louis