

FOR KCC USE: 5-23-04

Effective Date: 5-23-04

District #: 1

SGA? Yes No

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

FORM C-1

September 1999

Form must be Typed

Form must be Signed

All blanks must be Filled

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

Ap 30's & 55' Wof

Expected Spud Date 5 24 2004
month day year

OPERATOR:
License # 32198
Name: PetroSantander (USA) Inc.
Address: 6363 Woodway, Ste. 350
City/State/Zip: Houston, TX 77057
Contact Person: Jason Sizemore
Phone: (713) 784-8700

Spot 300' N and 275' E of C-SE NW-SE East
SE NW N2 SE Sec. 7 Twp. 23S R. 30 West
1950 feet from S N (circle one) line of Section
1375 feet from E W (circle one) line of Section
IS SECTION REGULAR IRREGULAR?

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

County: Finney
Lease Name: Bulger Well #: 7-18
Field Name: Stewart (Morrow)

CONTRACTOR: License # Will advise
Name: Will advise on ACO-1

ADVISE ON ACO-1; MUST BE LICENSED WITH KCC

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

Is this a Prorated/Spaced Field? Yes No
Target Formation(s): Morrow
Nearest Lease or unit boundary: 1375'
Ground Surface Elevation: 2890' 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: 1250'
Surface pipe by Alternate: 1 2

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

Length of Surface Pipe Planned to be set: 475'
Length of Conductor Pipe required: (none)
Projected Total Depth: 4900'
Producing Formation Target: Mississippian
Water Source for Drilling Operations: well farm pond other

Directional, Deviated or Horizontal well? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: MAY 18 2004
KCC DKT #: _____

DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be Taken? Yes No
If Yes, proposed zone _____

CONSERVATION DIVISION WICHITA, KS 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: May 17, 2004 Signature of Operator or Agent: _____ Title: VP - Operations

For KCC Use ONLY
API # 15 - 055-21829-00-00
Conductor Pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. 2
Approved by: RJS-18-04
This authorization expires: 11-18-04
(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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

7
23
30W

IN ALL CASES PLOT THE INTENDED WELL IN A PRORATED OR SPACED FIELD

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: PetroSantander (USA) Inc.
 Lease: Bulger
 Well Number: 7-218
 Field: Stewart (Morrow)

Location of Well: _____ County: Finney
1950 feet from **S** **N** (circle one) Line of Section
1375 feet from **E** **W** (circle one) Line of Section
 Sec. 7 Twp. 23S R. 30 East West

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____

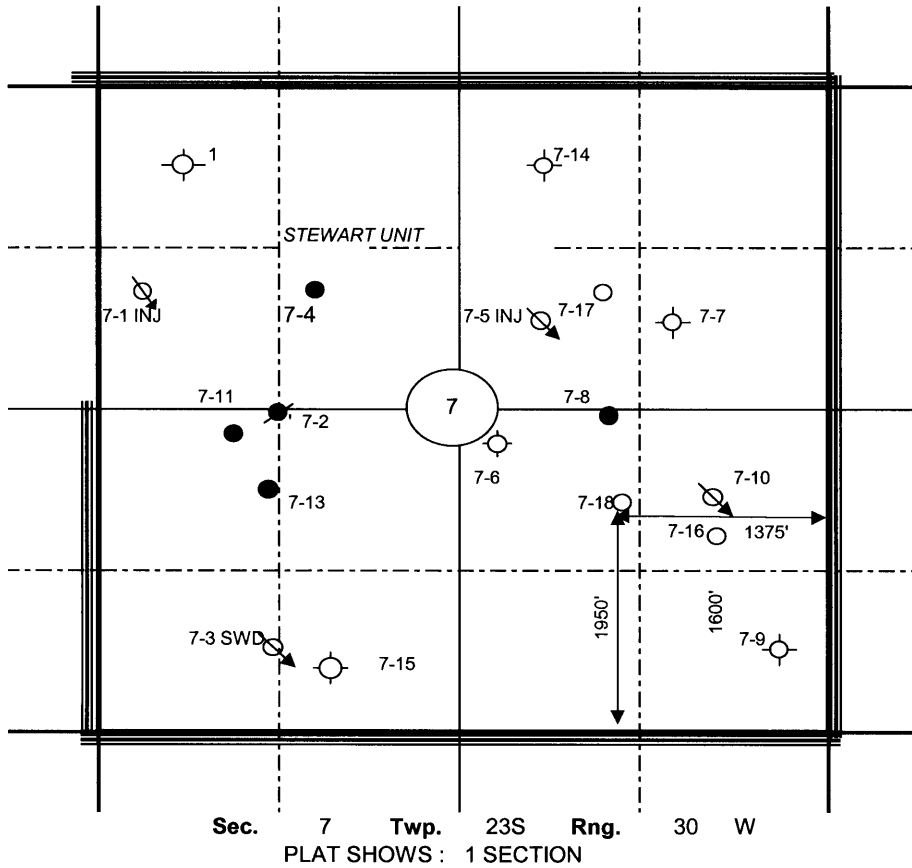
IS SECTION X REGULAR or _____ IRREGULAR

QTR/QTR/QTR OF ACREAGE SE -NW-SE

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.)



RECEIVED
 KANSAS CORPORATION COMMISSION
 MAY 18 2004
 CONSERVATION DIVISION
 WICHITA, KS

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 space field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).