

FOR KCC USE: Effective Date: 4-11-05

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

FORM C-1 September 1999

District #: 1

Form must be Typed

SGA?  Yes  No

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

Form must be Signed All blanks must be Filled

Expected Spud Date 4 31 2005 month day year

Spot A 40' N & 30' E of  East E 1/2 E 1/2 Sec. 35 Twp. 32S R. 30  West

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

2600 N feet from N S (circle one) line of Section 300 E feet from E W (circle one) line of Section IS SECTION  REGULAR  IRREGULAR?

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

County: Meade Lease Name: Stevens (Morrow) Unit Well #: 3508A Field Name: Stevens

CONTRACTOR: License # Advise on ACO-1 Name: Advise on ACO-1

Is this a Prorated/Spaced Field?  Yes  No Target Formation(s): Morrow Nearest Lease or unit boundary: 1396' Ground Surface Elevation: 2721' feet MSL

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

Water well within one-quarter mile:  Yes  No Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 520 ~~460~~ feet Depth to bottom of usable water: 560 ~~500~~ feet

Surface pipe by Alternate:  1  2 Length of Surface Pipe-Planned to be set: 1500' Length of Conductor Pipe required: (none) Projected Total Depth: 5800' Producing Formation Target: Mississippian Water Source for Drilling Operations:  well  farm pond  other DWR Permit #: \_\_\_\_\_

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

Directional, Deviated or Horizontal wellbore?  Yes  No

(Note: Apply for Permit with DWR )

Will Cores be Taken?  Yes  No If Yes, proposed zone: \_\_\_\_\_

If Yes, true vertical depth: \_\_\_\_\_ Bottom Hole Location: \_\_\_\_\_ KCC DKT #: \_\_\_\_\_

RECEIVED

APR 04 2005

KCC WICHITA

\* Unitization 195,477.2

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: 04/01/05 Signature of Operator or Agent: [Signature] Title: VP Operations

For KCC Use ONLY API # 15 - 119-21151-00-00 Conductor Pipe required NONE feet Minimum surface pipe required 600 feet per Alt. 1 Approved by: RJP 4.6.05 This authorization expires: 10.6.05 (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

35 32 30M

**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- 119-  
 Operator: PetroSantander (USA) Inc.  
 Lease: Stevens (Morrow) Unit  
 Well Number: 3508A  
 Field: Stevens

Location of Well: 2600 feet from N S (circle one) Line of Section  
300 feet from E W (circle one) Line of Section  
 Sec. 35 Twp. 32S R. 30  East  West

NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_

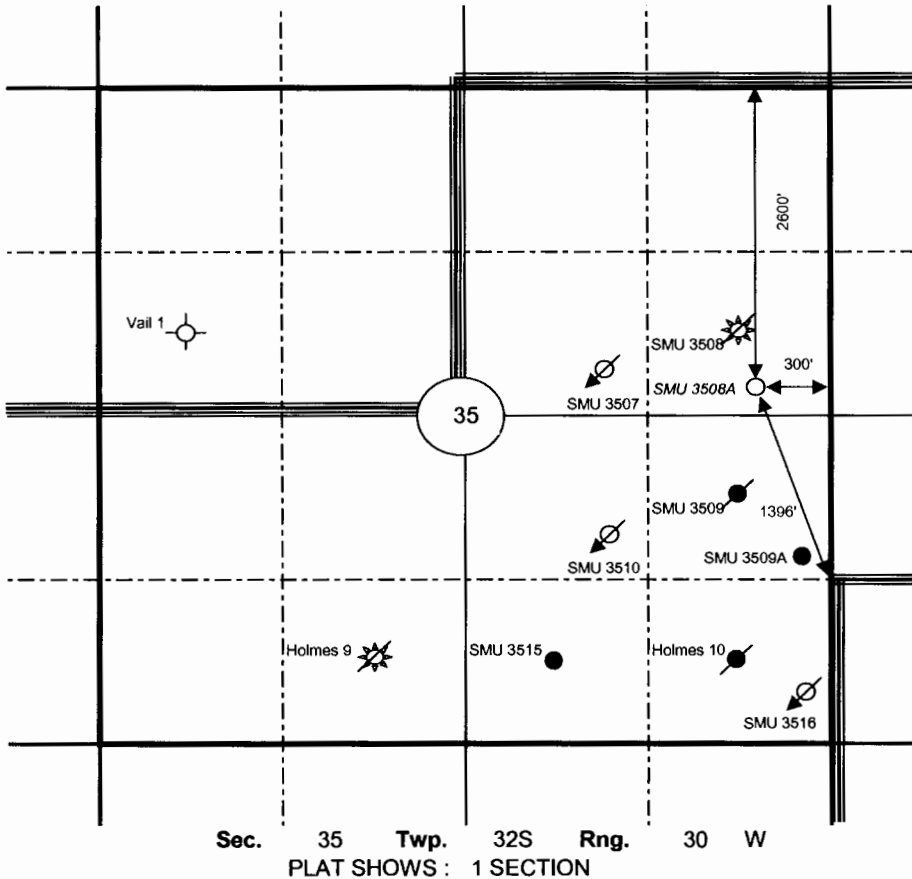
IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR

QTR/QTR/QTR OF ACREAGE SE-SE-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**  
**APR 04 2005**  
**KCC WICHITA**

**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: (CO-7 for oil wells; CG-8 for gas wells).