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KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

FORM C-1

September 1999

MAR 13 2007

3-13-07 Operator notified of new forms

FOR KCC USE: Effective Date: 3-18-07

District #: 1

SGA? Yes No

NOTICE OF INTENT TO DRILL

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

Form must be Typed

Form must be Signed

WICHITA, KS All blanks must be Filled

Expected Spud Date 3 19 2007 month day year

Spot 145' W of C-SW-NE East West

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

1980 feet from 8 N (circle one) line of Section 2125 feet from E W (circle one) line of Section

IS SECTION X REGULAR IRREGULAR? Note: Locate well on the Section Plat on reverse side)

County: Meade Lease Name: Edna Collingwood Well #: 7 Field Name: Stevens

CONTRACTOR: License # 5382 33784 Name: Cheyenne Drilling Trinidad Drilling Limited Partnership

Is this a Prorated/Spaced Field? Yes No

Target Formation(s): Morrow Nearest Lease or unit boundary: 1980' Ground Surface Elevation: 2719' feet MSL

Well Drilled For: Oil Gas OWWO Seismic Other Well Class: Enh Rec Storage Disposal # of Holes 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: ~540'

Depth to bottom of usable water: ~540'

Surface pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: ~1500'

Length of Conductor Pipe required: (none)

Projected Total Depth: 5900'

Producing Formation Target: Mississippian

Water Source for Drilling Operations: X well farm pond other

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

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 #:

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

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: 03/12/07 Signature of Operator or Agent: Lilliana Hernandez Title: Snr Engineer

For KCC Use ONLY API # 15 - 119-21179-0000 Conductor Pipe required None feet Minimum surface pipe required 560 feet per Alt. Approved by: 3-13-07 This authorization expires: 9-13-07 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.

1-33-30W

MAR 13 2007

Side Two

IN ALL CASES PLOT THE INTENDED WELL IN A PRORATED OR SPACED FIELD CONSERVATION DIVISION  
WICHITA, KS  
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- 119-21179-0000  
Operator: PetroSantander (USA) Inc  
Lease: Edna Collingwood  
Well Number: 7  
Field: Stevens

Location of Well: County: Meade  
1980 feet from N S (circle one) Line of Section  
2125 feet from E W (circle one) Line of Section  
Sec. 1 Twp. 33S R. 30  East  West

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

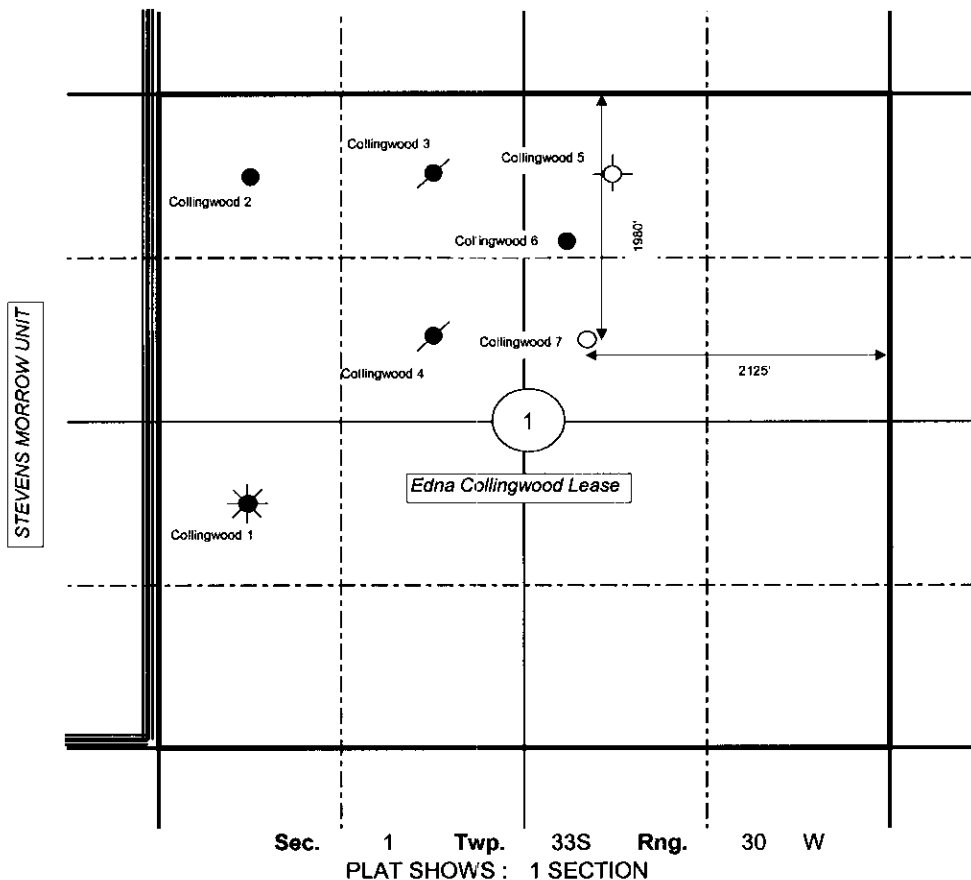
IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR

QTR/QTR/QTR OF ACREAGE C-SW/2-NE

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.)



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).

MAR 13 2007

Form CDP-1

CONSERVATION DIVISION  
WICHITA, KS

12/91

\_\_\_\_ New Application  
\_\_\_\_ Reauthorization  
\_\_\_\_ Permit No. \_\_\_\_\_

KANSAS CORPORATION COMMISSION  
CONSERVATION DIVISION  
130 S. Market - Room 2078  
Wichita, KS 67202

APPLICATION FOR SURFACE POND

FORM MUST BE TYPED

Submit in Duplicate

Operator Name <b>PetroSantander (USA) Inc.</b>		License No. 32198	
Operator Address 6363 Woodway, Suite 350, Houston, TX 77057			
Contact Person Thomas W Nelson		Phone No. (713) 784-8700	
Lease Name (WELL #) <b>Edna Collingwood Edna Collingwood 7</b>	Pit is <input checked="" type="checkbox"/> Proposed _____ Existing	Pit Location <b>NE</b> Qtr. Sec. <b>1</b> Twp. <b>33S</b> Rge. <b>30</b> E/W <b>1980</b> Ft from N/S (circle one) Line of Sec <b>2125</b> Ft from E/W (circle one) Line of Sec <b>Meade</b> County	
Type of Pond: _____ Burn Pit _____ Emergency Pit _____ Workover Pit _____ Treatment Pit <input checked="" type="checkbox"/> Drilling Pit	If existing, date constructed _____ Pit Capacity <b>10,000</b> (bbls)		
Is the pit located in a Sensitive Ground Water Area? _____ Yes <input checked="" type="checkbox"/> No (For Emergency Pits and Treatment Pits only)		Chloride concentration: _____ mg/l	
Is Pit bottom below ground level? Yes <input checked="" type="checkbox"/> No _____	Artificial Liner? _____ Yes <input checked="" type="checkbox"/> No	How is pit lined if a plastic liner is not used? <b>Natural Clay and Drilling Mud</b>	
Pit Dimensions (all but working pits): <b>125</b> Length (ft) <b>125</b> Width (ft) Depth from ground level to deepest point <b>4</b> (ft)			
If the pit is lined give a brief description of the liner material, thickness and installation procedure		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring	
Distance to nearest water well within one-mile of pit <b>5166</b> ft.		Depth to shallowest fresh water <b>180</b> feet	
Depth of water well <b>135</b> ft.		Source of Information: _____ measured _____ well owner <input checked="" type="checkbox"/> electric log _____ KDWR	
<b>EMERGENCY, TREATMENT AND BURN PITS ONLY:</b> Producing formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pond? _____ Yes _____ No		<b>DRILLING AND WORKOVER PITS ONLY:</b> Type of material utilized in drilling/workover <b>Drilling Mud</b> Number of working pits to be utilized <b>3 steel pits</b> Abandonment procedure: <b>Backfill and level when sufficiently dry</b> <b>Drill pits must be closed within 365 days of spud date</b>	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
Date <b>3/12/2007</b>		Signature of Applicant or Agent <i>Lizama S. Hernandez</i>	
<b>KCC OFFICE USE ONLY</b>			
Date Rec'd <b>3/13/07</b>	Permit No. _____	Permit Date <b>3/13/07</b>	Lease Inspection _____ Yes <input checked="" type="checkbox"/> No

15-119-21179-0020