

FOR KCC USE:
 Effective Date: 2-6-08
 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.

Expected Spud Date 2 5th 2008
 month day year

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

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

| | | |
|--|---|--|
| Well Drilled For: | Well Class: | Type Equipment: |
| <input checked="" type="checkbox"/> Oil <input checked="" type="checkbox"/> | <input type="checkbox"/> Enh Rec <input checked="" type="checkbox"/> Infield <input checked="" type="checkbox"/> Mud Rotary | <input checked="" type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas <input type="checkbox"/> Storage <input type="checkbox"/> Pool Ext. <input type="checkbox"/> Air Rotary | | |
| <input type="checkbox"/> OWWO <input type="checkbox"/> Disposal <input type="checkbox"/> Wildcat <input type="checkbox"/> Cable | | |
| <input type="checkbox"/> Seismic # of Holes _____ <input type="checkbox"/> Other _____ | | |
| <input type="checkbox"/> Other _____ | | |

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 #: _____

Spot East
 West
C - NW - SW Sec. 3 Twp. 33S R. 30
1980 feet from S N (circle one) line of Section
714 feet from W E (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 #: 312
 Field Name: Stevens

Is this a Prorated/Spaced Field? Yes No
 Target Formation(s): Morrow
 Nearest Lease or unit boundary: 660'
 Ground Surface Elevation: 2737' 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: ~460 feet
 Depth to bottom of usable water: 500 feet 580

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 #: _____

(Note: Apply for Permit with DWR)
 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: 31 JAN 2008 Signature of Operator or Agent: _____ Title: V.P. US Operations

For KCC Use ONLY
 API # 15 - 119-21197-0000
 Conductor Pipe required None feet
 Minimum surface pipe required 600 feet per Alt. 1
 Approved by: Kuo 2-1-08
 This authorization expires: 2-1-09
 (This authorization void if drilling not started within 12 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.

3-33-30 W

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FEB 01 2008

CONSERVATION DIVISION
 WICHITA KS

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- 119-21197-0000
 Operator: PetroSantander (USA) Inc.
 Lease: Stevens (Morrow) Unit
 Well Number: 312
 Field: Stevens

Location of Well: County: Meade
1980 feet from

| | |
|---|---|
| S | N |
| E | W |

 (circle one) Line of Section
714 feet from

| | |
|---|---|
| S | N |
| E | W |

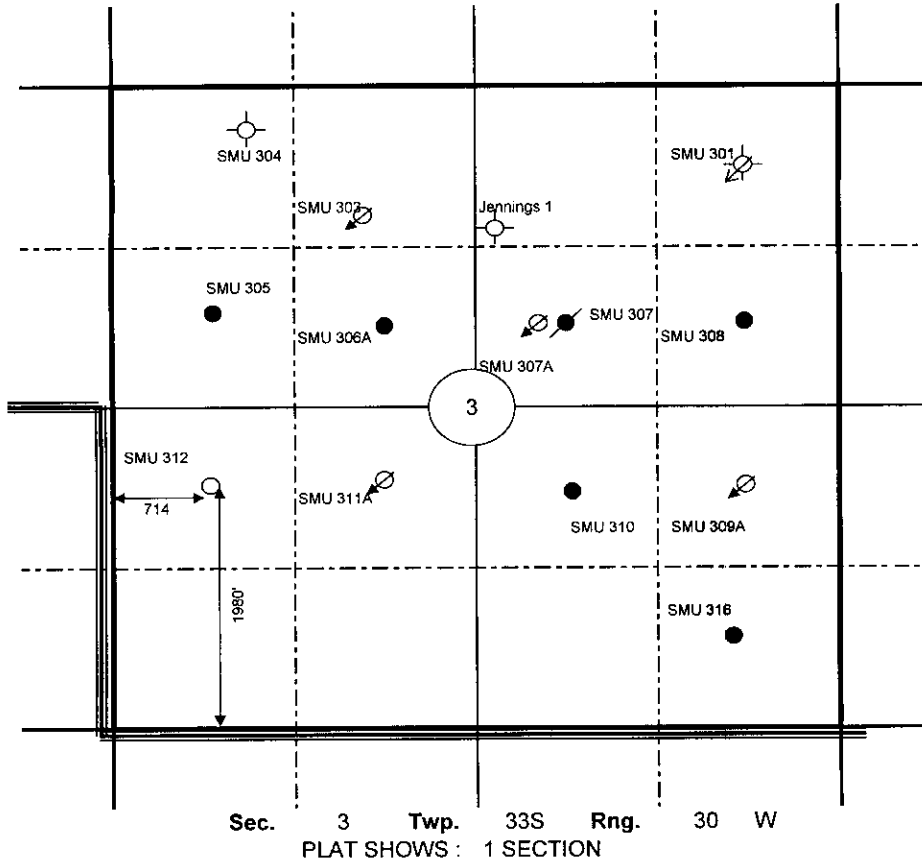
 (circle one) Line of Section
 Sec. 3 Twp. 30S R. 30 East West
 IS SECTION X REGULAR or IRREGULAR

NUMBER OF ACRES ATTRIBUTABLE TO WELL
 QTR/QTR/QTR OF ACREAGE C-NW-SW

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.)*



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 FEB 01 2008
 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: (CO-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

| | | |
|--|---|---|
| Operator Name: PetroSantander (USA) Inc | | License Number: |
| Operator Address: 6363 Woodway #350, Houston, Texas 77099 | | |
| Contact Person: Liliana Hernandez | | Phone Number: (713) 784 - 8700 |
| Lease Name & Well No.: SMU 3102 | | Pit Location (OOQQ): SE NW SW SE SE SE |
| Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls) | Sec. 3 Twp. 33S R. 30 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1980 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 714 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section _____ Meade County |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small> |
| Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | How is the pit lined if a plastic liner is not used? Natural clay and drilling mud |
| Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) 3 N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) | | |
| 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 2302 feet Depth of water well 424 feet | | Depth to shallowest fresh water -460 (from KCC) feet. 183 Source of information: _____ measured _____ well owner _____ electric log _____ KDWR |
| Emergency, Settling and Burn Pits ONLY: 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: drilling mud Number of working pits to be utilized: 3 - steel Abandonment procedure: backfill and level when sufficiently dry Drill pits must be closed within 365 days of spud date. |
| I hereby certify that the above statements are true and correct to the best of my knowledge and belief. | | RECEIVED KANSAS CORPORATION COMMISSION |
| 31 JAN 2008 Date | Signature of Applicant or Agent | FEB 01 2008 CONSERVATION DIVISION WICHITA, KS |

15-119-21197-0000

| KCC OFFICE USE ONLY | | | |
|------------------------------|----------------------|----------------------------|---|
| Date Received: 2/1/08 | Permit Number: _____ | Permit Date: 2/1/08 | Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

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