

OWWO

For KCC Use: Effective Date: 10-16-2010 District #: _____ SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 March 2010 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 Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 09 29 2010 month day year

OPERATOR: License# 32198 Name: PETROSANTANDER (USA) INC Address 1: 6363 WOODWAY DR # 350 Address 2: _____ City: HOUSTON State: TX Zip: 77057 + _____ Contact Person: LILIANA HERNANDEZ Phone: 713-784-8700

CONTRACTOR: License# 30684 Name: ABERCROMBIE LTD, INC G & F Resources, Inc

Well Drilled For: Oil Gas Enh Rec Storage Disposal 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: PETROSANTANDER (USA) INC Well Name: SMU 304 Original Completion Date: 01-04-2001 Original Total Depth: 5800'

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

Spot Description: _____ NE NW SW Sec. 3 Twp. 33 S. R. 30 E W (a/a/a) 450 feet from N / S Line of Section 800 feet from E / W Line of Section

Is SECTION: Regular Irregular? (Note: Locate well on the Section Plat on reverse side) County: MEADE

Lease Name: SMU Well #: 304 Field Name: STEVENS Is this a Prorated / Spaced Field? Yes No Target Formation(s): LANSING

Nearest Lease or unit boundary line (in footage): 2120' Ground Surface Elevation: 2735' 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: -540' Depth to bottom of usable water: -540' Surface Pipe by Alternate: I II Length of Surface Pipe Planned to be set: 1521' Length of Conductor Pipe (if any): (NONE) Projected Total Depth: 5800' Formation at Total Depth: -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 et. seq. It is agreed that the following minimum requirements will be met:

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- 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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

KCC WICHITA

I hereby certify that the statements made herein are true and to the best of my knowledge and belief. Date: 09-16-2010 Signature of Operator or Agent: Liliana Hernandez Title: SENIOR ENGINEER

For KCC Use ONLY API # 15 119-21039-00-01 Conductor pipe required None feet Minimum surface pipe required 1521 feet per ALT. I II Approved by: RMT 10-11-2010 This authorization expires: 10-11-2011 (This authorization void if drilling not started within 12 months of approval date.) Spud date: _____ Agent: _____

- Remember to: - File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill; - 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 (within 60 days); - Obtain written approval before disposing or injecting salt water. - If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below. Well will not be drilled or Permit Expired Date: _____ Signature of Operator or Agent: _____

3 33 30

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

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API # 15 - 119-21039-00-01

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: PETROSANTANDER (USA) INC
Lease: SMU
Well Number: 304
Field: STEVENS

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - NE - NW - NW

Location of Well: County: MEADE
450 _____ feet from N / S Line of Section
800 _____ feet from E / W Line of Section
Sec. 3 Twp. 33 S. R. 30 E W

Is Section: Regular or Irregular

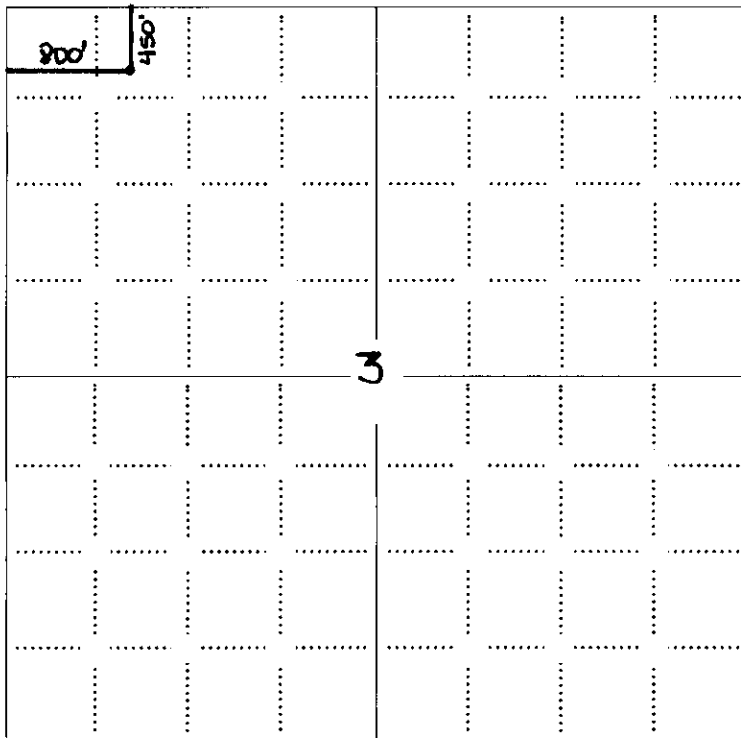
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

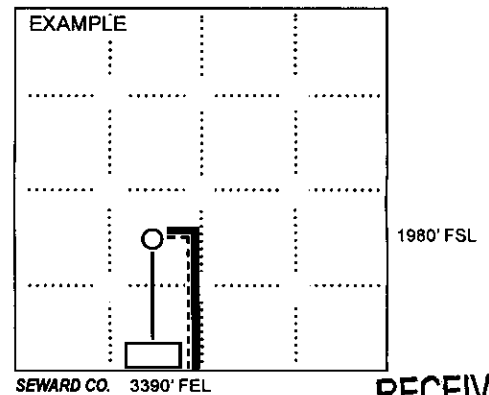
Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032).

You may attach a separate plat if desired.



LEGEND

- Well Location
- Tank Battery Location
- Pipeline Location
- Electric Line Location
- Lease Road Location



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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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 well CG-8 for gas wells).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

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OCT 07 2010

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

Form CDP-1
May 2010
Form must be Typed

Submit in Duplicate

Operator Name: PETROSANTANDER (USA) INC		License Number: 32198
Operator Address: 6363 WOODWAY DR # 350		HOUSTON TX 77057
Contact Person: LILIANA HERNANDEZ		Phone Number: 713-784-8700
Lease Name & Well No.: SMU 304		Pit Location (QQQQ): _____ NE _____ NW _____ NW
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) 15-119-21039</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. <u>3</u> Twp. <u>33</u> R. <u>30</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West 450 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 800 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?
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits		Depth from ground level to deepest point: _____ (feet) <input type="checkbox"/> No Pit
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: <u>2171</u> feet Depth of water well <u>455</u> feet		Depth to shallowest fresh water <u>174</u> feet. Source of information: <u>JR-KGS</u> <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: <u>DRILLING MUD</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Backfill and level when sufficiently dry</u> 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. _____ 09-16-2010 _____ Date		RECEIVED OCT 07 2010 KCC WICHITA RECEIVED SEP 20 2010 KCC WICHITA
KCC OFFICE USE ONLY		
Date Received: <u>10/7/10</u>	Permit Number: _____	Permit Date: <u>10/7/10</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

For KCC Use ONLY

API # 15 - 119-21039-0001

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

In all cases, please fully complete this side of the form. Include items 1 through 5 at the bottom of this page.

Operator: PETROSANTANDER (USA) INC
 Lease: SMU
 Well Number: 304
 Field: STEVENS
 Number of Acres attributable to well: _____
 QTR/QTR/QTR/QTR of acreage: _____ - NE - NW - NW

Location of Well: County: MEADE

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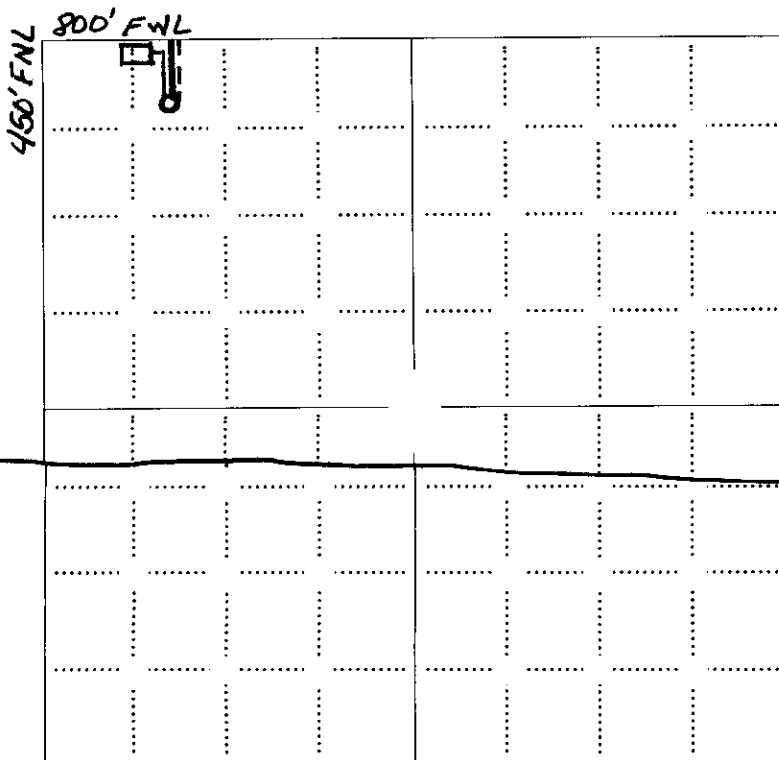
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Section corner used: NE NW SE SW

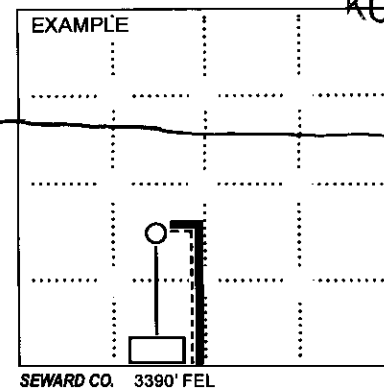
PLAT

Show location of the well. Show footage to the nearest lease or unit boundary line. Show the predicted locations of lease roads, tank batteries, pipelines and electrical lines, as required by the Kansas Surface Owner Notice Act (House Bill 2032). You may attach a separate plat if desired.



- LEGEND**
- Well Location
 - Tank Battery Location
 - Pipeline Location
 - Electric Line Location
 - Lease Road Location

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NOTE: In all cases locate the spot of the proposed drilling location.

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3. The distance to the nearest lease or unit boundary line (in footage).
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).
5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

STATE CORPORATION COMMISSION OF KANSAS
 OIL & GAS CONSERVATION DIVISION
 130 S. MARKET, - ROOM 2078
 WICHITA, KANSAS 67202-3802

ORIGINAL 0000

API NUMBER 15-119-21039-0000
 LEASE NAME Stevens (Morrow) Unit
 WELL NUMBER SMU 304

WELL PLUGGING RECORD K.A.R.-82-3-117

Type or Print Notice: Fill out completely and return to Cons Div office within 30 days

Lease Operator PETROSANTANDER (USA) INC
 Address 6363 Woodway #350, Houston, Texas 77057
 Phone 713-784-8700
 Operators License 32198
 Character of Well D/A (Oil, Gas, D&A, SWD, Water Supply)
 The plugging proposal was approved on 01-03-2001 (date)
 by Scott Alberg (KCC District Agent's Name)
 Is ACO-1 filed? Yes

450 feet from N/S Section Line
860 feet from E/W Section Line
 SEC 3 TWP 33S RGE 30 E/W
 COUNTY MEADE
 Date Well Completed 01-03-2001
 Plugging Commenced 01-03-2001
 Plugging Completed 01-03-2001
 Producing Formation _____
 Depth to Top _____
 Depth to Bottom _____
 T.D. 5800'
 If not is well log attached ? _____

Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled Out
		Surface	1521'	8-5/8"	34 jts 24#	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet each set.

1st Plug @ 1550' w/50 sks,
2nd Plug @ 550' w/30 sks
3rd Plug @ 40' w/10 sks
rathole w/15 sks. mousehole w/10 sks Total 115 sks 60-40 Poz 6% gel

Name of Plugging Contractor Allied Cementing Co, Inc License No. N/A
 Address PO Box 31, Russell, Kansas 67665-0031

NAME OF PARTY RESPONSIBLE FOR PLUGGING FEES: PETROSANTANDER
 STATE OF TEXAS COUNTY OF HARRIS, ss.
JASON SIZEMORE (Employee of Operator) or (Operator) of the

above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

Signature [Signature] Address 6363 Woodway #350, Houston, Texas 77057

SUBSCRIBED AND SWORN TO before me this 19th day of JANUARY, 20 01

Notary Public [Signature]
 My Commission Expires 9/07/2003



15-119-21 039-0001

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form KSONA-1
July 2010
Form Must Be Typed
Form must be Signed
All blanks must be Filled

**CERTIFICATION OF COMPLIANCE WITH THE
KANSAS SURFACE OWNER NOTIFICATION ACT**

This form must be submitted with all Forms C-1 (Notice of Intent to Drill); CB-1 (Cathodic Protection Borehole Intent); T-1 (Request for Change of Operator Transfer of Injection or Surface Pit Permit); and CP-1 (Well Plugging Application). Any such form submitted without an accompanying Form KSONA-1 will be returned.

Select the corresponding form being filed: C-1 (Intent) CB-1 (Cathodic Protection Borehole Intent) T-1 (Transfer) CP-1 (Plugging Application)

OPERATOR: License # 32198
Name: PETROSANTANDER (USA) INC
Address 1: 6363 WOODWAY DR # 350
Address 2: _____
City: HOUSTON State: TX Zip: 77057 + _____
Contact Person: LILIANA HERNANDEZ
Phone: (713) 784-8700 Fax: (713) 784-9550
Email Address: LHERNANDEZ@PETROSANTANDER.COM

Well Location:
NE NW NW Sec. 3 Twp. 33 S. R. 30 East West
County: MEADE
Lease Name: SMU Well #: 304

If filing a Form T-1 for multiple wells on a lease, enter the legal description of the lease below:

Surface Owner Information:

Name: Arlene L. Jennings Farmland Trust/ Deborah Mosier Trustee
Address 1: P.O. Box 913
Address 2: _____
City: Hutchinson State: KS Zip: 67504 + 0913

When filing a Form T-1 involving multiple surface owners, attach an additional sheet listing all of the information to the left for each surface owner. Surface owner information can be found in the records of the register of deeds for the county, and in the real estate property tax records of the county treasurer.

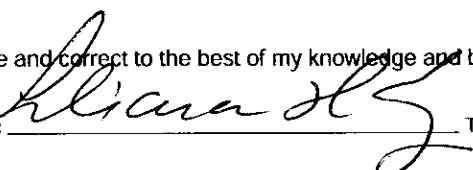
If this form is being submitted with a Form C-1 (Intent) or CB-1 (Cathodic Protection Borehole Intent), you must supply the surface owners and the KCC with a plat showing the predicted locations of lease roads, tank batteries, pipelines, and electrical lines. The locations shown on the plat are preliminary non-binding estimates. The locations may be entered on the Form C-1 plat, Form CB-1 plat, or a separate plat may be submitted.

Select one of the following:

- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this form; 2) if the form being filed is a Form C-1 or Form CB-1, the plat(s) required by this form; and 3) my operator name, address, phone number, fax, and email address.
- I have not provided this information to the surface owner(s). I acknowledge that, because I have not provided this information, the KCC will be required to send this information to the surface owner(s). To mitigate the additional cost of the KCC performing this task, I acknowledge that I am being charged a \$30.00 handling fee, payable to the KCC, which is enclosed with this form.

If choosing the second option, submit payment of the \$30.00 handling fee with this form. If the fee is not received with this form, the KSONA-1 form and the associated Form C-1, Form CB-1, Form T-1, or Form CP-1 will be returned.

I hereby certify that the statements made herein are true and correct to the best of my knowledge and belief.

Date: 09-16-2010 Signature of Operator or Agent:  Title: SENIOR ENGINEER

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