FOR KCC USE: 5-23-04

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

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

Expected Spud Date
5 24 2004

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

CONTRACTOR:
License #
Name: ADOBE.jpg

Well Drilled For:
Oil X
Gas X
OWWO X
Seismic X
Other X

If OWWO: old well information as follows:
Operator: No
Well Name: No
Original Completion Date: 3-23-97
Original Total Depth: 15,800'
Directional, Deviated or Horizontal wellbore?
Yes No
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #

Spot 50' S and 150' E of NE Sec. 7

Twp. 23S R. 30

IS SECTION X REGULAR IRREGULAR

Notes: Locate well on the Section Plat or reverse side

County: Finney
Lease Name: Bulger
Field Name: Stewart (Morrow)

Is this a Prorated/Spaced Field?
Yes No

Target Formation(s):

Nearest Lease or unit boundary: 1500'
Ground Surface Elevation: 2890'
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:

Length of Surface Pipe Planned to be set:

Length of Conductor Pipe required:

Projected Total Depth:

Producing Formation Target:

Water Source for Drilling Operations:

DWR Permit #:

(Notes: 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: May 17, 2004
Signature of Operator or Agent:
Title: VP - Operations

For KCC USE ONLY

API # 15. OSS-21828-00.00
Conductor Pipe required None
Minimum surface pipe required 200 feet per Alt. 0
Approved by RPS-18.04
This authorization expires 11-18-04
(The authorization void if driling not started within 6 months of effective date)

Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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: 7-17
Field: Stewart (Morrow)

Location of Well: 1750 feet from S N (circle one) Line of Section
1500 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

If Section is irregular, locate well from nearest corner boundary
Section corner used: NE NW SE SW

QTR/QTR/QTR OF ACREAGE NE-SW-NE

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

Sec. 7 Twp. 23S Rng. 30 W
PLAT SHOWS: 1 SECTION

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