NOTICE OF INTENTION TO DRILL

FOR KCDC USE:

Effective Date: 4/11/05
District: 1
SGA: Yes No

KANSAS CORPORATION COMMISSION

OIL & GAS (CONSERVATION) DIVISION

NOTICE OF INTENTION TO DRILL

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

For Kansas use only
AP #16

AP # 16

Conductor pipe required: None

Minimum surface pipe required: 5'70, feet per acre

Approved by: 04/24/05

This authorization expires: 10/6/05

(Any authorization issued is subject to a notice of effective date.)

Operator:

Name: Petro-Santander USA Inc.

Address: 1036 Woodbridge, Suite 430

City/State/Zip: Houston, TX 77007

Contact Person: Thomas W. Nelson

Phone: (713) 754-2700

License # 32198

Contractor:

License #: 32198

Name: Petro-Santander USA Inc.

Address: 1036 Woodbridge, Suite 430

City/State/Zip: Houston, TX 77007

Contact Person: Thomas W. Nelson

Phone: (713) 754-2700

Type Equipment:

Drilled For:

Well Class:

Oil

Gas

OWO

Seismic

Other

Inclined

Horizontal

Depth:

520

Other

40'

Foot MSL

Length of Surface Pipe:

500

Feet

Length of Conductor Pipe:

500

Feet

Proposed Total Depth:

500

Feet

Water Source for Drilling Operations:

GSH

Area

DWR Permit # 40207

NOTE: For Permit from DWR

If Yes, proposed zone:

Yes

No

Well Name:

Original Completion Date:

Current Total Depth:

No

Yes

4/11/05

195,477.6

520


c

Drill Site Location:

KCC DKT # 1

Affidavit

The undersigned hereby affirms the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55-101, et seq.

I do hereby authorize the following minimum requirements to be met:

1. Notify the appropriate district office prior to spudding or drilling;

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 uncemented 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 below well is either plugged or production casing is cemented in;

6. If an alternate B completion, production pipe shall be cemented from below any usable water in a surface within 120 days of spud date. In all cases NOTIFY district office prior to any cementing.

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

Signature of Operator or Agent: Jim Wilson

Title: VP Operations

Mail to: KCC - Conservation Division, 120 N. Market - Room 730, Wichita, Kansas 67202

Remember to:

- File DRI PH Application (form DRP-1) with intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File an additional application after the field operation's order;
- Notify appropriate district office 48 hours prior to work;
- Submit a DRIPH report within 30 days after drilling is completed;
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: PetroSantorri (USA) Inc.
Lease: Stevens (Monroe) Unit
Well Number: 207A
Field: Stevens

Location of Well: 
- 300 feet from N  
- 75 feet from E

County: Meade
Sec: 2
Twp: 335
Rng: 30 W

NUMBER OF ACRES ATTRIBUTABLE TO WELL: 40

QTR/QTR/QTR OF ACREAGE: NW-NE-NE

If Section is irregular, locate well from nearest corner boundary:
Section corner unit:

PLAT
(Show location of the well and divide attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

RECEIVED
APR 30 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 spaced field a certificate of acreage attribution plat must be attached: (CD-7 for oil wells; CG-8 for gas wells).