For KCC Use:

Eff	e	ct	iv	е	Date:

District	#	

SGA?	Yes	No

Form

## KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION**

March 2010 Form must be Typed Form must be Signed All blanks must be Filled

Form C-1

1051925

# NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

KSONA-1, Certification of Compliance with the Kansas Surfa	e Owner Notification Act, MUST be submitted with this form.
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Expected Spud Date:	Spot Description:
month day year	
OPERATOR: License#	
Name:	feet from L E / W Line of Section
Address 1:	Is SECTION: Regular Irregular?
Address 2:	(Note: Locate well on the Section Plat on reverse side)
City: State: Zip: +	County:
Contact Person:	Lease Name: Well #:
Phone:	Field Name:
CONTRACTOR: License#	Is this a Prorated / Spaced Field? Yes No
Name:	Target Formation(s):
Well Drilled For:  Well Class:  Type Equipment:    Oil  Enh Rec  Infield  Mud Rotary    Gas  Storage  Pool Ext.  Air Rotary    Disposal  Wildcat  Cable    Seismic ;  # of Holes  Other    Other:	Nearest Lease or unit boundary line (in footage):    Ground Surface Elevation:
Directional, Deviated or Horizontal wellbore?	Well Farm Pond Other:
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	( <b>Note:</b> Apply for Permit with DWR )
KCC DKT #:	Will Cores be taken?
	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:

- 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.

### Submitted Electronically

For KCC Use ONLY	
API # 15	
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT.
Approved by:	
This authorization expires:	
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:

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



For KCC Use ONLY

API # 15 - \_\_\_\_

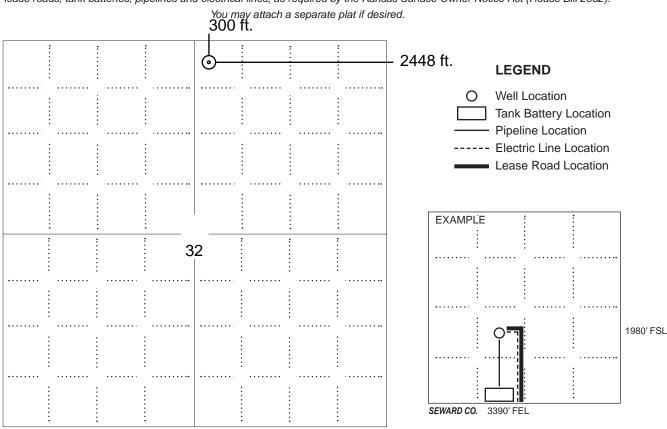
#### IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

Operator:	Location of Well: County:
Lease:	feet from N / S Line of Section
Well Number:	feet from E / W Line of Section
Field:	Sec Twp S. R E 🗌 W
Number of Acres attributable to well: QTR/QTR/QTR/QTR of acreage:	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).



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

#### 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: (C0-7 for oil wells; CG-8 for gas wells).
- 5. The predicted locations of lease roads, tank batteries, pipelines, and electrical lines.

Side Two



KANSAS CORPORATION COMMISSION **OIL & GAS CONSERVATION DIVISION** 

1051925

Form CDP-1 May 2010 Form must be Typed

# **APPLICATION FOR SURFACE PIT**

Date Received:

Submit in Duplicate				
Operator Name:			License Number:	
Operator Address:				
Contact Person:			Phone Number:	
Lease Name & Well No.:			Pit Location (QQQQ):	
Type of Pit:    Emergency Pit  Burn Pit    Settling Pit  Drilling Pit    Workover Pit  Haul-Off Pit    (If WP Supply API No. or Year Drilled)	Pit is: Proposed Existing If Existing, date constructed: Pit capacity: (bbls)		 Sec Twp R Feet from North Feet from East	
Is the pit located in a Sensitive Ground Water A	rea? Yes	No	Chloride concentration: (For Emergency Pits ar	mg/l mg/l
Is the bottom below ground level?			How is the pit lined if a plastic liner is	s not used?
	Length (fee m ground level to dee		Width (feet)	N/A: Steel Pits
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:		Source of inforr	nation:	feet.
feet Depth of water wellfeet		measured	well owner electric	c log KDWR
Emergency, Settling and Burn Pits ONLY:			ver and Haul-Off Pits ONLY:	
Producing Formation:			I utilized in drilling/workover:	
Number of producing wells on lease:			king pits to be utilized:	
Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit?YesNo			e closed within 365 days of spud date	
Submitted Electronically				
KCC OFFICE USE ONLY				

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

\_ Permit Number: \_

\_\_\_\_Permit Date:

Lease Inspection:

Yes No



KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

1051925

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

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

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 #	Well Location:		
Name:			
Address 1:	County:		
Address 2:	Lease Name: Well #:		
City: State: Zip:+	If filing a Form T-1 for multiple wells on a lease, enter the legal description of		
Contact Person:	the lease below:		
Phone: ( ) Fax: ( )			
Email Address:			
Surface Owner Information:			
Name:	When filing a Form T-1 involving multiple surface owners, attach an additional		
Address 1:	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		
Address 2:	county, and in the real estate property tax records of the county treasurer.		
City: State: Zip:+			

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:

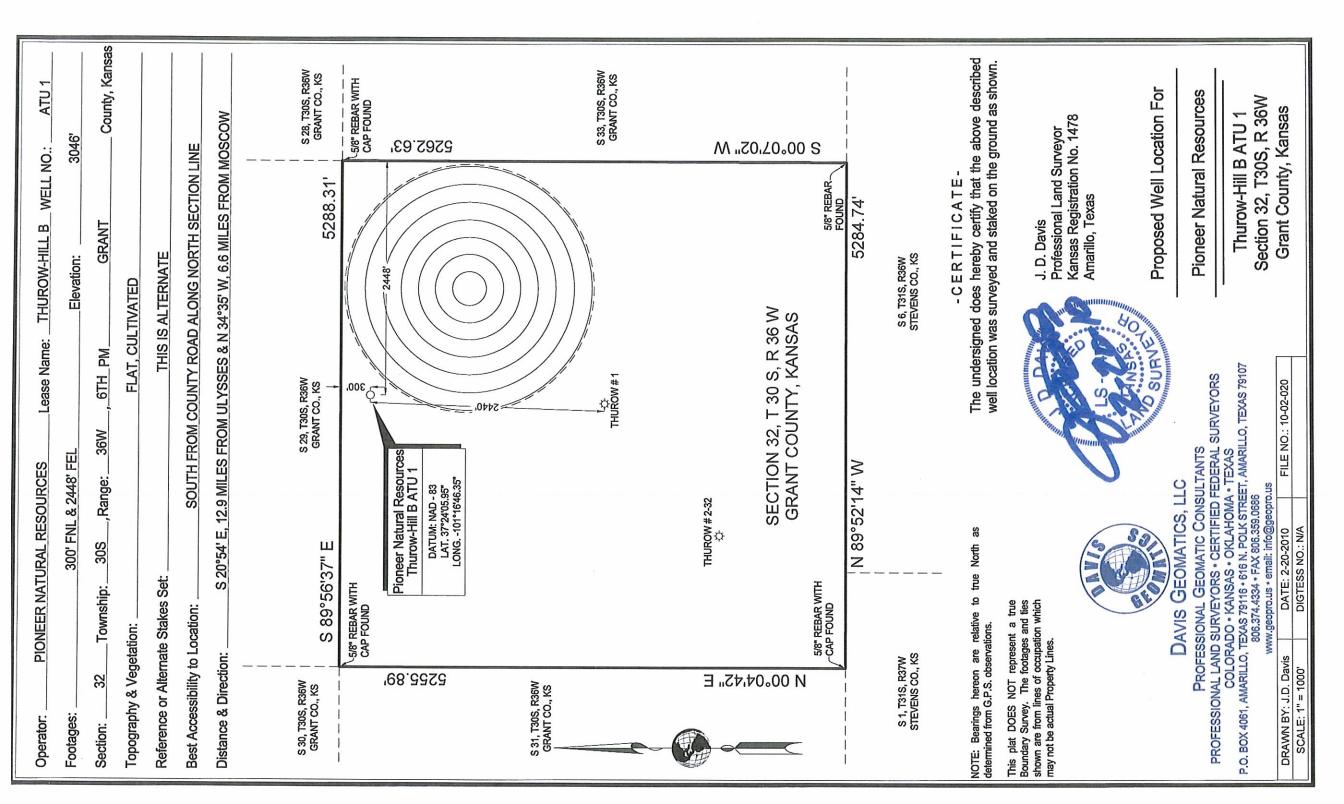
- I certify that, pursuant to the Kansas Surface Owner Notice Act (House Bill 2032), I have provided the following to the surface owner(s) of the land upon which the subject well is or will be located: 1) a copy of the Form C-1, Form CB-1, Form T-1, or Form CP-1 that I am filing in connection with this 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.

### Submitted Electronically

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Side Two

For KCC Use ONLY

# 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: Pioneer Natural Resources USA Inc
Lease: Thurow - Hill B
Well Number: ATU 1
Field: Hugoton - Panoma
Number of Acres attributable to well: <u>640</u> QTR/QTR/QTR/QTR of acreage: <u>Nw</u> - <u>NW</u> - <u>NW</u> - <u>NF</u>

Location of Well: County: G	rant	
<u>300</u> 2448 Sec. 32 Twp. 30	feet from X N / S Line of Section feet from E / W Line of Section S. R. 36 E X W	
Is Section: Regular or Irregular		
if Section is Irregular, locate well from nearest corner boundary. Section corner used: NENWSESSW		

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.

 	 Wata		Soly GI	er Historia			Well Tank — Pipel Elect	END Location Battery L ine Locat ric Line L e Road L	tion .ocation	
	 	I	· · ·			EXAMPLI	E			
 	 						0-1			1980' FSI
 	 				•••••	SEWARD CO.	3390' FE			

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

# 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).
- 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).
- 5. The predicted locations of lease roads, tank batteries, plpelines, and electrical lines.

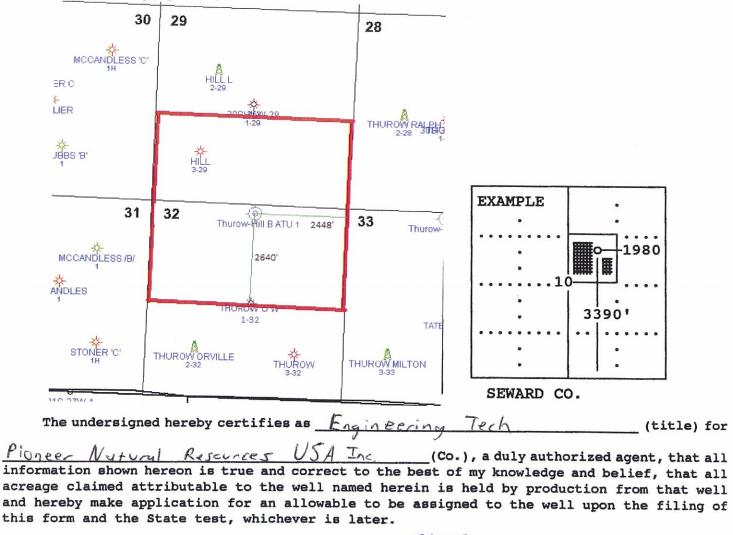
# PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division Finney State Office Building, 130 South Market, Room 2078 Wichita, Kansas 67202

API NUMBER 15-

	LOCATION OF WELL: COUNTY Grant
OPERATOR Pioneer Natural Resources USA Inc	
LEASE Thurow-Hill B	300 feet from south (north) line of section
WELL NUMBER ATU1	2448 feet from east / west line of section
FIELD	
	SECTION 32 TWP 30 (S) RG 36 E/W
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640	IS SECTION REGULAR OF IRREGULAR
QTR/QTR/QTR OF ACREAGE <u>NW - NW - NE</u>	IF SECTION IS IRREGULAR, LOCATE WELL FROM
	NEAREST CORNER BOUNDARY. (check line below)

Section corner used: <u>NE NW SE</u> SW (Show the location of the well and shade attributable acreage for prorated or spaced wells). (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



٤	Signature	
Subscribed and sworn to before me on this	9711 day of MAR	CH , 19 2011
	Kelly I. Wa	Ster
My Commission expires MAY 29, 2013	Notary	Notary Public ELLY D. WARREN Public, State of Texas Commission Expires May 29, 2013

## AFFIDAVIT

STATE OF TEXAS ) ) ss: COUNTY OF \_Dallas\_\_\_\_)

<u>Ronald Hehmann</u>, of lawful age, and being first duly sworn on oath, states:

He is <u>Engineering Tech I</u> of Pioneer Natural Resources USA, Inc. ("Pioneer"), and pursuant to paragraph I.5. of the Basic Integrated Proration Order for the Hugoton Gas Field and the Panoma Council Grove Gas Field ("BIPO"), states to the Kansas Corporation Commission ("Commission") as follows:

1. Pioneer is the owner of oil and gas leasehold interests in <u>Grant</u> County, Kansas, and operates several wells producing in the subject area from the Chase and Council Grove Formations, which respectively comprise the Hugoton and Council Grove Gas Fields.

2. Pioneer has unitized gas leasehold interests and operations in the area pursuant to K.S.A. 55-1304(a)(2) for the purpose of the unitized management, operation and further development of a part of the Hugoton and Panoma Gas Fields, which is economically feasible and reasonably necessary to prevent waste within these gas pools and thereby increase substantially the ultimate recovery of gas therefrom.

3. The unit area of the gas unit (Thurow-Hill B ATU 1), which is termed an "Alternate Tract Unit" ("ATU") under the BIPO when formed thereunder as an approximate 640-acre square, is shown on the attached unit plat and is as follows:

### South half of section 29, North half of Section 32

All in Township <u>30</u> South, Range <u>36</u> West, <u>Grant</u> County, Kansas.

4. Pioneer will be the unit operator and owns 100% working interest in the Unit area and

affected sections.

5. The unitized formations to be unitized within the unit areas are the subsurface portions of the Unit Area described as a part of the common sources of supply of gas underlying the Unit Area known as an ATU, and more specifically defined as the Chase and Council Grove Formations found in said Unit Area which are encountered in the subsurface between the depths of 2,700 and 3,000 feet. Said Unit Area is comprised of parts of these pools in the area producing from the Chase and Council Grove Formations.

6. The additional drilling of an ATU well on the unit area as described above is needed for the effective management, development and producing in a part of the Hugoton and Panoma Gas Pools to substantially increase and maximize the ultimate gas recovery from the unit area.

7. That the value of the estimated additional recovery of the hydrocarbons from these formations substantially exceeds the estimated additional cost incident to the conducting of such operations. The proposed operations as outlined in the unit agreement and the unit operating agreement are fair and equitable to all interest owners.

8. The Unit Plan, as required by statute, has been approved in writing by 100% of the persons required to pay the costs of the unit operation, whereas Pioneer owns 100% working interest in the unit area tracts described above and the governmental sections contributing said unit area tracts, and by the owners of 100% of the production or proceeds that will be credited to royalties, excluding overriding royalties or other like interests which are carved out of the leasehold estate.

9. Pursuant to paragraph I.5. of the BIPO, the attached plat shows the acreage comprising the ATU and each Chase and Council Grove well within the ATU which is producing or has produced.

Further affiant saith naught.

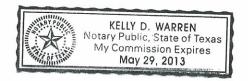
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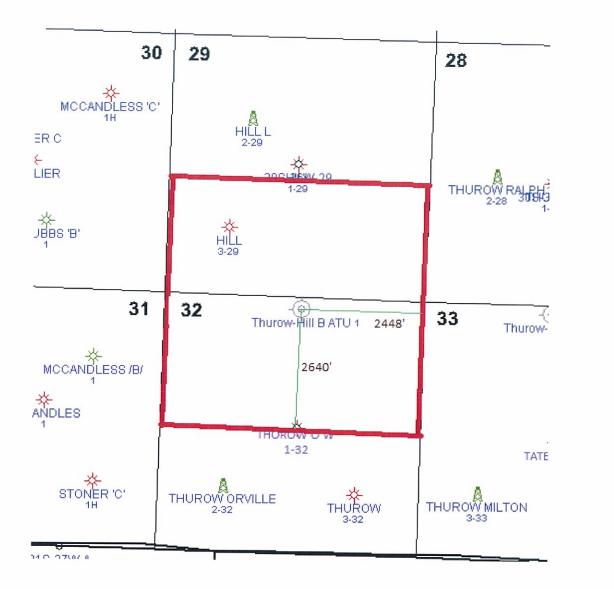
SUBSCRIBED AND SWORN to before me this  $9\tau\mu$  day of MARCH , 2011.

Warren

Notary Public

Appointment/Commission Expires:





## **OFFSET OPERATOR REPORT**

<sup>1</sup>/<sub>2</sub> Mile Radius from Thurow-Hill B ATU 300 FNL, 2448 FEL NE/4 Section 32-30S-36W Grant County, Kansas

### Surface Owner:

NE/4 Section 32 Grant County Farms, LLC 5040 Acoma Street Denver, CO 80216 Registered Agent: Wayne Tate 1604 S. Monroe Hugoton, KS 67951

# Unleased Mineral Owners:

None

## **Offset Operators:**

Pioneer Natural Resources Company 5205 N O'Connor Blvd, Ste 200 Irving, TX 75039-3746