

For KCC Use:

Effective Date: 5-3-04

District # 1

SGA?  Yes  No

### NOTICE OF INTENT TO DRILL

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

Expected Spud Date 6 10 2004  
month day year

Spot  East  West  
SE SW/4 SW/4 ~~SE/4~~ Sec 1 Twp 31S S. R. 38W

330' FSL feet from  N / S  Line of Section

800' FWL feet from  E / W  Line of Section

Is SECTION  Regular  Irregular?

(Note: Locate well on Section Plat on Reverse Side)

OPERATOR: License # 04824 2/28/05  
Name: PIONEER NATURAL RESOURCES USA, INC.  
Address: 5205 N. O'CONNOR BLVD. - ROOM 1325  
City/State/Zip: IRVING, TX 75039  
Contact Person: LINDA KELLY  
Phone: (972) 444-9001

County: STEVENS

Lease Name: MASON Well #: 2-1R

Field Name: PANOMA

Is this a Prorated/Spaced Field?  Yes  No

Target Formation(s): COUNCIL GROVE

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 3031.32 feet MSL

Water well within one-quarter mile:  yes  no

Public water supply within one mile:  yes  no

Depth to bottom of fresh water: 400

Depth to bottom of usable water: 560

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 580' MLW

Length of Conductor pipe required: NONE

Projected Total Depth: 3330'

Formation at Total Depth: COUNCIL GROVE

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: \_\_\_\_\_

CONTRACTOR: License #: WILL ADVISE ON ACO-1

Name: \_\_\_\_\_

**ADVISE ON ACO-1; MUST BE LICENSED WITH KCC**

Well Drilled For: Well Class: Type Equipment:

Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes  Other  
 Other REPLACEMENT

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 # MAR 15 2004

WELL LOC. EXCEPTION GRANTED

CONSERVATION DIVISION  
WICHITA, KS

### 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. 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.

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

Date: 3/9/04 Signature of Operator or Agent: Linda Kelly Title: ENGINEERING TECH III

**For KCC Use ONLY**  
 API # 15- 189- 22471-00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 580 feet per Alt 1  
 Approved by: RJP 4-28-04  
 This authorization expires: 10-28-04  
 (This authorization void if drilling not started within 6 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.
- If permit has expired (See: authorized expiration date) please check the box below and return to the address below

Well Not Drilled - Permit Expired

Signature of Operator or Agent: \_\_\_\_\_

Date: \_\_\_\_\_

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

*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 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 PIONEER NATURAL RESOURCES USA, INC.  
Lease MASON  
Well Number 2-1R  
Field PANOMA

Number of Acres attributable to well: 640  
QTR/QTR/QTR of acreage: SW/4 - SW/4 - SE/4

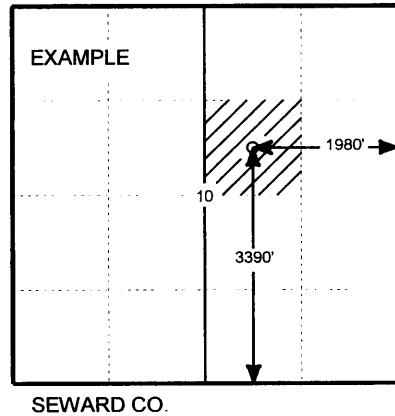
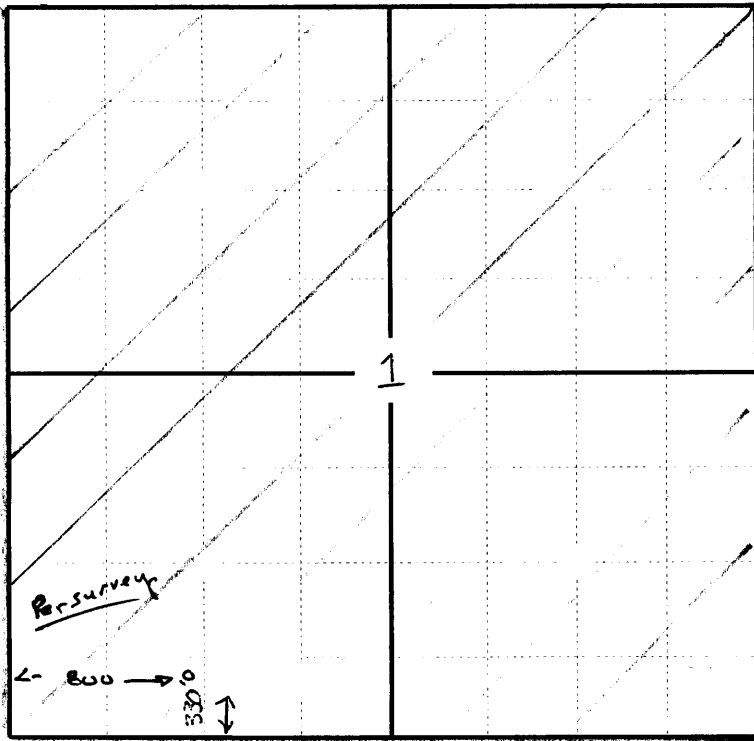
Location of Well: County: STEVENS  
330' FSL feet from  N / S  Line of Section  
800' FWL feet from  E / W  Line of Section  
Sec 1 Twp 31S S. R. 38W  East  West

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 and shade acreage attributable for prorated or spaced wells.)  
(Show footage to nearest lease or unit boundary line)*



**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; and 3.
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: (CO-7 for oil wells; CG-8 for gas wells).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

## **NOTICE TO OPERATORS DRILLING IN THE PANOMA- COUNCIL GROVE GAS POOL SPACED AREA**

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

“The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted.”

1. “No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled.”
2. “Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well.”
3. “The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation.”
4. “The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area.”
5. “The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log.”

A copy of this survey and the cement tickets(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells “spud date.”

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division’s Production Department at (316) 337-6200.

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April 27, 2004

Ms. Linda Kelly  
Pioneer Natural Resources USA, Inc.  
5205 N. O'Connor Blvd. RM 1325  
Irving, TX 75039

RE: Drilling Pit Application  
Mason Lease Well No. 2-1R  
SW/4 Sec. 01-31S-38W  
Stevens County, Kansas

Dear Ms. Kelly:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids should be removed as soon as practical after drilling operations have ceased. **Keep pits south of the stake.**

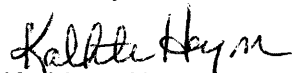
**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.**

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathleen Haynes  
Environmental Protection and Remediation Department

cc: S Durrant