

For KCC Use: 5-11-04  
Effective Date: 2  
District # 2  
SGA?  Yes  No

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

Form C-1  
December 2002  
**Form must be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

Expected Spud Date 4/02/04

OPERATOR: License# 32825 4/30/05  
Name: PIONEER EXPLORATION, LTD.  
Address: 15603 KUYKENDAHL SUITE 200  
City/State/Zip: HOUSTON, TEXAS 77090  
Contact Person: DANA BURNSIDES  
Phone: 281-893-9400 EXT. 222

CONTRACTOR: License# 33006 3/26/05  
Name: ACE DRILLING

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

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: RECEIVED  
Bottom Hole Location: KANSAS CORPORATION COMMISSION  
KCC DKT #: MAR 26 2004

Spot  East  West  
SW - NW - NE Sec. 18 Twp. 31 S. R. 8  
990 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

County: HARPER  
Lease Name: DARNES "A" Well #: 4  
Field Name: SPIVEY-GRABS-BASIL

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): MISSISSIPPIAN CHAT  
Nearest Lease or unit boundary: 990'  
Ground Surface Elevation: 1632' 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: 110'  
Depth to bottom of usable water: 200'  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 200  
Length of Conductor Pipe required: N/A NONE  
Projected Total Depth: 4500'  
Formation at Total Depth: MISSISSIPPIAN CHAT

Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_  
DWR Permit #: \_\_\_\_\_  
Will Cores be taken?  Yes  No  
If Yes, proposed zone: \_\_\_\_\_

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 et. seq.  
It is agreed that the following minimum requirements will be met:  
1. Notify the appropriate district office to spudding of well;  
2. A copy of the approved notice of intent to drill posted on each drilling rig;  
3. The minimum amount of surface pipe as specified below by circulating cement to the top; in all cases surface pipe 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  
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 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  
Date: MARCH 24, 2004 Signature of Operator or Agent: Dana Burnsides Title: Reservoir Engineer

**For KCC Use ONLY**  
API # 15 - 077-21482-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt. 1  
Approved by: RJP 5-6-04  
This authorization expires: 11-6-04  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

- 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 this permit has expired please check the box below and return to the address below.  
 Well Not Drilled - Permit Expired  
Signature of Operator or Agent: \_\_\_\_\_  
Date: \_\_\_\_\_

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

18  
31  
83

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

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: PIONEER EXPLORATION, LTD.  
 Lease: DARNES "A"  
 Well Number: 4  
 Field: SPIVEY-GRABS-BASIL

Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: SW - NW - NE

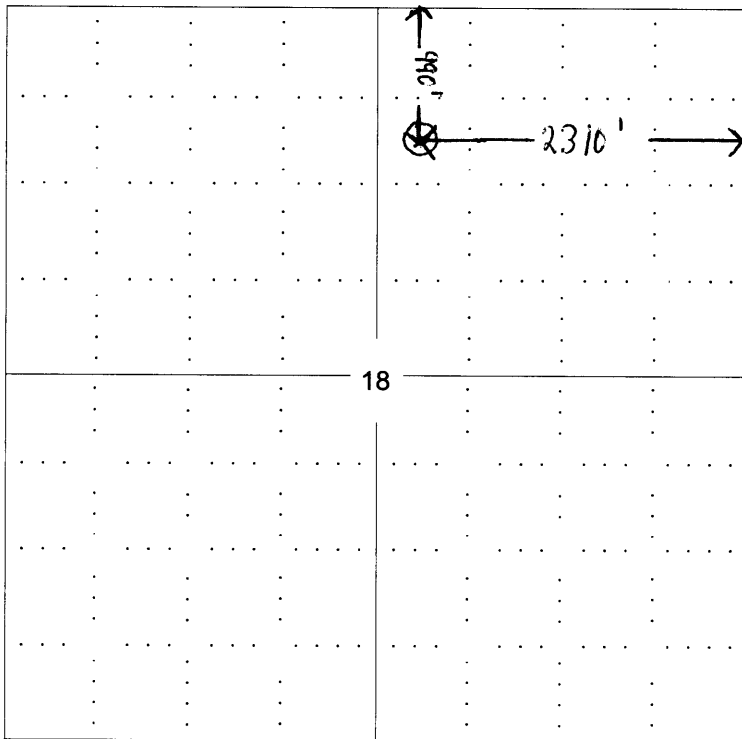
Location of Well: County: HARPER  
990 feet from  N /  S Line of Section  
2310 feet from  E /  W Line of Section  
 Sec. 18 Twp. 31 S. R. 8  East  West

Is Section:  Regular or  Irregular

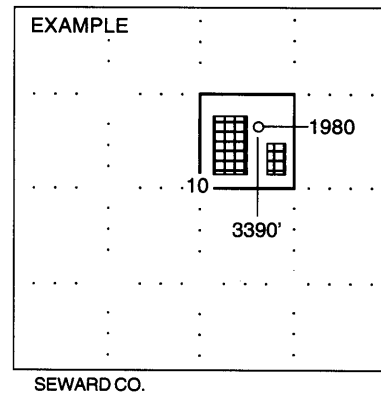
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**



RECEIVED  
 KANSAS CORPORATION COMMISSION  
**MAR 26 2004**  
 CONSERVATION DIVISION  
 WICHITA, KS



**In plotting the proposed location of the well,**

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: (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

May 3, 2004

Mr. Dana Burnsidess  
Pioneer Exploration, Ltd.  
15603 Kuykendahl, Ste 200  
Houston, TX 77090

Re: Drilling Pit Application  
Darnes A Lease Well No. 4  
NE/4 Sec. 18-31S-08W  
Harper County, Kansas

Dear Mr. Burnsidess:


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 must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours after drilling operations have ceased.

**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 (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis