For KCC Use:	7.28-04
Effective Date:	1.20-07
District #	2
0040 574 5	¬.,

### 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	Must be approved by KCC five	e (5) days prior to commencing well	illed
DPERATOR: Licensees 32825  OPERATOR: Licensees 32825  Contact Person DANA BURNISIDES  Contact Person DANA BURNISID	7/40/04		
OPERATOR: Licenses 32825  Name PONEER EXPLORATION_LTD.  439	Expected opid bate		East
1650		100	Vest -
Address: 15603 KUYKENDAH SUITE 200 Contact Person: DANA BURNSIDES Contract Person: DANA BURNSIDES Contract Person: DANA BURNSIDES CONTRACTOR: Licensex 33006 Name: ACE DRILLING Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL States Name: B & A Broth Field Name: SPIVEY-GRABS-BASIL State	OPERATOR: License#	40501	
County - MAN BURNSIDES Phone: 281-993-9400 EXT. 222  CONTRACTOR: Leonage 33006  Name: ACE DRILLING  Name: Contractor	Name: 15603 KUYKENDAHI SUITE 200		1
ContractOrs. Licenses 33006  Name, ACE DRILLING  Well diss: Type Equipment:  Field Name: SPIVEY-GRABS-BASIL  Is this a Prorated / Spaced Field?   Vest   Ves	Address: HOUSTON, TEXAS 77090	is Scottonnegular inegular?	
Lease Name   B & A Smith   SPIVE-GRABG-BASIL   Well \$\frac{4}{2} \]   Policy   Pol	Control Dana RI IRNSIDES		
CONTRACTOR: Licenses 33006  Name ACE DRILLING  Name Ace Ace Ace Ace Ace Ace Ace Ace Ace Ac	281-893-9400 EXT. 222	County: Tarper	
Is this a Protated / Spaced Field?   Target Formation(s): MISSISSIPPIAN CHAT   Nearest Lease or unit boundary; 4300   Ground Surface Elevation; 1430   Idea   Nearest Lease or unit boundary; 4300   Idea		Lease Name: D & A SHILLI	
Name: ACE DRILLING    Well brilled For:   Well disas:   Type Equipment:   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Nearest Lease or unit boundary: 4307   Target Formation(s):   MISSISSIPPIAN CHAT   Target Formation(s):	CONTRACTOR: License#_33006		
Nearest Lease or unit boundary. 4307   Secret Lease. 4308   Secret Lease. 4309   Secret L	Name: ACE DRILLING		JNo∕
Ground Surface Elevation. 1543  Ground Surface Elevation. 1543  Ground Surface Elevation. 1543  Water well within one-quarter mile:    Water well within one-quarter mile:   Water well within one-quarter mile:   Yes   Water well within one-quarter mile:   Yes   Water well within one-quarter mile:   Yes   Yes   Yes   Yes   Water well within one-quarter mile:   Yes			
Water well within one-quarter mile:   Yes   Yes   Yes   Water well within one-quarter mile:   Yes   Yes   Yes   Water well within one-quarter mile:   Yes   Yes   Yes   Yes   Water well within one-quarter mile:   Yes   Ye	Well Drilled For: Well Class: Type Equipment:	4042	
Susansic   at Holary   at Holary   at Holary   at Holary   at Holary	☑ Oil ☑ Enh Rec ☑ Infield ☑ Mud Rotary		VISL June
Selsinic   of Holes	Gas Storage Pool Ext. Air Rotary	· · · · · · · · · · · · · · · · · · ·	JNS.
Depth to bottom of usable water,   See   Use   Surface Pipe by Alternate:   1   2   2   2   2   2   2   2   2   2	CABle Wildcat Cable		]NO -
Under the control of	Seismic ;# of Holes Other		
Length of Surface Pipe Planned to be set: 200	Other	Depth to Bottom of daable water.	
Operator:  Well Name:  Original Completion Date:  Original Completion Date:  Original Total Depth:  Directional, Deviated or Horizontal wellboxe2 CEIVED	If OWWO: old well information as follows:		
Well Name: Original Completion Date: Original Total Depth: Formation at Total Depth: Water Source for Drilling Operations: Well Farm Pond Other DWR Permit with DWR   Well Farm Pond Other DWR Permit Well Well Farm Pond Other DWR Permit Well Well Well Well Well Well Well Wel	_		
Original Completion Date: Original Total Depth: Water Source for Drilling Operations: Water Source Source Water Source Source Water Source Source Water Source Source Water Source Water Source Water Source Water Source Water Source Water Source Source Water Source Source Water Source Source Water Source Source Source Source			
Water Source for Drilling Operations:   Water Source for Drilling Operations:   Well   Farm Pond   Other   DWR Permit #:   DWR Permit #:   DWR Permit #:   DWR Permit with DWR   DWR Permit with DWR   DWR Permit #:   DWR Permit #:   DWR Permit with DWR   DWR Permit with DWR   DWR Permit #:   DWR Permit #:   DWR Permit with DWR   DWR Permit #:   DWR			_
Well   Farm Pond   Other   DWR Permit #:     Well   Farm Pond   DWR Permit #:     Well   Well   Farm Pond   DWR Permit #:     Well   W		•	
If Yes, true vertical depth: KANSAS CORPORATION COMMISSION DIVISION (Note: Apply for Permit with DWR   Yes   Will Cores be taken?   Yes   Will Yes   Will Cores be taken?   Yes   Will Yes   Will Cores be taken?   Yes   Will Yes   Will Yes   Will Yes   Will Yes   Yes   Wil	Directional, Deviated or Horizontal wellborrectiveD Yes No		
Will Cores be taken?  If Yes, proposed zone:  CONSERVATION DIVISION WICHITA, XS  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 cemen 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 between the purposed. In all cases, NOTIFY district office prior to any cementing.  For KCC Use ONLY  API # 15 - O 7 7 - 2 1 4 9 0 - 0 0 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
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I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  Date: 07/09/2004 Signature of Operator or Agent: Title: Reservoir Engineer  For KCC Use ONLY API # 15 - 077 - 21490 - 00 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. 1 # Approved by 257 7-23 04  This authorization void if drilling not started within 6 months of effective date.)  Spud date: Agent: Agent: Agent: Signature of Operator or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing. In all cases, NOTIFY district office prior to any cementing. In all cases, NOTIFY district office prior to any cementing.  In all cases, NOTIFY district office prior to any cementing.  In all cases, NOTIFY district office prior to any cementing.  Title: Reservoir Engineer  Remember to:  - File Drill Pit Application (form CDP-1) with Intent to Drill; - 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 (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:	Or pursuant to Appendix "R" - Fastern Kansas surface casing order	Ted from below any usable water to surface within 120 days of spud date.	tina
hereby certify that the statements made herein are true and to the best of my knowledge and belief.   Date: 07/09/2004   Signature of Operator or Agent:	must be completed within 30 days of the spud date or the well shall	be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.	ung
For KCC Use ONLY  API # 15 - O 77 - 2 1 4 9 0 - 0 0 feet per Alt. 1  File authorization expires: 1 2 3 - 0 5 (This authorization void if drilling not started within 6 months of effective date.)  For KCC Use ONLY  API # 15 - O 77 - 2 1 4 9 0 - 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			
For KCC Use ONLY  API # 15			
For KCC Use ONLY  API # 15	Date: 07/09/2004 Signature of Operator or Agent: 100 Ag	Title: Reservoir Engneer	
For KCC Use ONLY  API # 15 - 077 - 21490 - 00.00  Conductor pipe required NONE feet  Minimum surface pipe required 200 feet per Alt. 1  Approved by 277.23.04  This authorization expires: 1-23-05  (This authorization void if drilling not started within 6 months of effective date.)  Spud date: Agent: Agent: Agent:		Pamamhar ta	
API # 15 - O 77 - 2 1 4 9 0 - O O O O O O O O O O O O O O O O O O	For KCC Use ONLY		
Conductor pipe required NONE  Minimum surface pipe required 200 feet per Alt. 1  Approved by 277.23.04  This authorization expires: 1-23-05  (This authorization void if drilling not started within 6 months of effective date.)  Spud date: Agent:	ADVIS 077-21490-00.00		
Conductor pipe required	to its		N N
Approved by 1.23-04  This authorization expires: 1.23-05  (This authorization void if drilling not started within 6 months of effective date.)  Spud date: Agent: Signature of Operator or Agent:		,	
This authorization expires: 1-23-0-5  (This authorization void if drilling not started within 6 months of effective date.)  Spud date: Agent: Signature of Operator or Agent:	Minimum surface pipe required 200 feet per Alt. 1		
(This authorization void if drilling not started within 6 months of effective date.)  Spud date:Agent:Signature of Operator or Agent:	Approved by X37 1.23 04	- Obtain written approval before disposing or injecting salt water.	W
(This authorization void if drilling not started within 6 months of effective date.)  Spud date:Agent:Signature of Operator or Agent:	122 05	- If this permit has expired (See: authorized expiration date) please	30
Spud date: Agent: Signature of Operator or Agent:		check the box below and return to the address below.	
Spud date: Agent: Signature of Operator or Agent:		Well Not Drilled - Permit Expired	
<u> </u>	Spud date: Agent:		00
Date:		Date:	3

### 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 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	Location of Well: County: Harper
Operator: PIONEER EXPLORATION, LTD.	430 feet from N / S Line of Section
Lease: B & A Smith	1650' feet from VE / W Line of Section
Well Number: 4-8	^
Field: SPIVEY-GRABS-BASIL	Sec. 8 Twp. 31 S. R. 8 East Wes
Number of Acres attributable to well:	ls Section: 🔽 Regular or 🔲 Irregular
QTR / QTR / QTR of acreage: NE NW NE	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

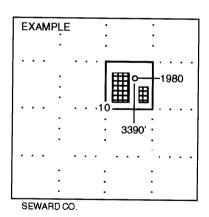
# PLAT (Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)

	·	: 3 : 1450:
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		: : :

RECEIVED KANSAS CORPORATION COMMISSION

JUL 1 2 2004

CONSERVATION DIVISION WICHITA, KS



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 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).

## KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

July 23, 2004

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

Re<sup>.</sup>

**Drilling Pit Application** 

B & A Smith Lease Well No. 4-8

NE/4 Sec. 08-31S-08W Harper County, Kansas

Dear Mr. Burnsides:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed <u>without slots</u>, 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,

Kathy Haynes

**Environmental Protection and Remediation Department** 

cc: Doug Louis