

For KCC Use: 9.20-05  
 Effective Date: \_\_\_\_\_  
 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**

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

Expected Spud Date August 30, 2005  
 month day year

OPERATOR: License# 32825  
 Name: Pioneer Exploration LTD.  
 Address: 15603 Kuykendahl Suite 200  
 City/State/Zip: Houston, Texas 77090  
 Contact Person: John Houghton  
 Phone: 281-893-9400 ext 253

CONTRACTOR: License# 33006  
 Name: Ace Drilling

|  |   |   |
|--|---|---|
| <b>Well Drilled For:</b>                           | <b>Well Class:</b>                          | <b>Type Equipment:</b>                      |
| <input checked="" type="checkbox"/> Oil            | <input checked="" type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Infield |
| <input checked="" type="checkbox"/> Gas            | <input type="checkbox"/> Storage            | <input type="checkbox"/> Pool Ext.          |
| <input type="checkbox"/> QWO                       | <input type="checkbox"/> Disposal           | <input type="checkbox"/> Wildcat            |
| <input type="checkbox"/> Seismic; # of Holes _____ | <input type="checkbox"/> Other _____        | <input type="checkbox"/> Mud Rotary         |
| <input type="checkbox"/> Other _____               |   | <input type="checkbox"/> Air Rotary         |
|  |   | <input type="checkbox"/> Cable              |

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 #: \_\_\_\_\_

Spot SE NE SE Sec. 5 Twp. 31 S. R. 8  
1650 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Harper  
 Lease Name: R. Douglas Gill Trust Well #: 4-5  
 Field Name: Spivey-Grabs-Basil  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Mississippian Chat  
 Nearest Lease or unit boundary: 330'  
 Ground Surface Elevation: 1665 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: 230'  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 4600'  
 Formation at Total Depth: Mississippian Chat  
 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: \_\_\_\_\_

**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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  
 Date: August 19, 2005 Signature of Operator or Agent: John Houghton Title: Production Engineer

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 AUG 22 2005  
 CONSERVATION DIVISION  
 WICHITA, KS

For KCC Use ONLY  
 API # 15 - 077-21528-0000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 220 feet per Alt.   
 Approved by: RJP 9-15-05  
 This authorization expires: 3-20-05  
 (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 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: \_\_\_\_\_  
 Date: \_\_\_\_\_

5  
31  
82

**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 - \_\_\_\_\_  
Operator: Pioneer Exploration LTD.  
Lease: R. Douglas Gill Trust  
Well Number: 4-5  
Field: Spivey-Grabs-Basil

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

Location of Well: County: Harper  
1650 feet from  N /  S Line of Section  
330 feet from  E /  W Line of Section  
Sec. 5 Twp. 31 S. R. 8  East  West

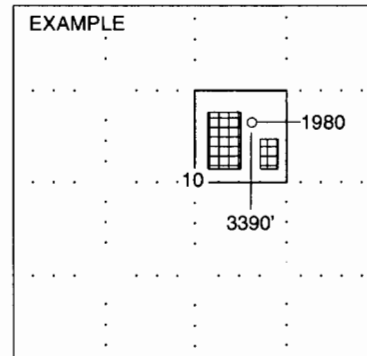
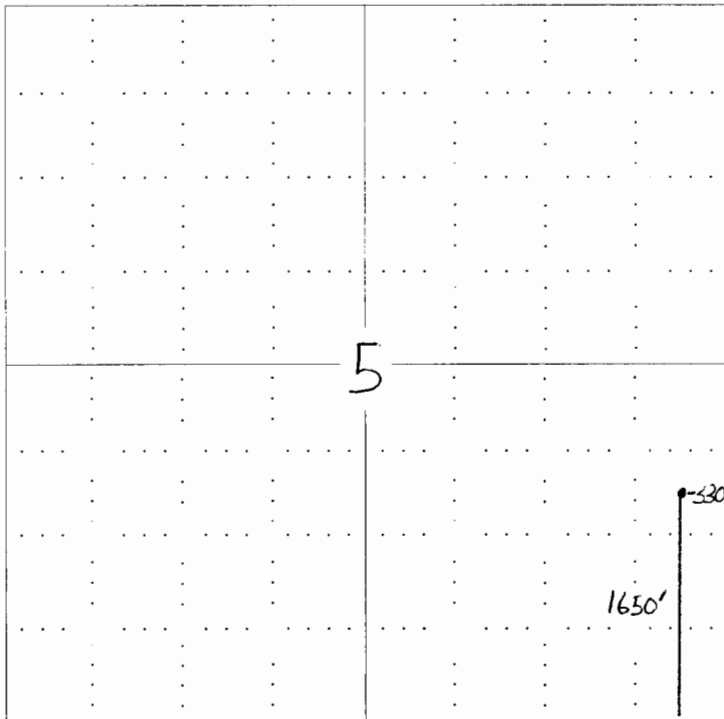
Is Section:  Regular or  Irregular

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

Section corner used:  NE  NW  SE  SW

**PLAT**

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



**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: (CO-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

September 15, 2005

Mr. John Houghton  
Pioneer Exploration, Ltd.  
15603 Kuykendahl Ste 200  
Houston, TX 77090

Re: Drilling Pit Application  
R. Douglas Gill Trust Lease Well No. 4-5  
SE/4 Sec. 05-31S-08W  
Harper County, Kansas

Dear Mr. Houghton:

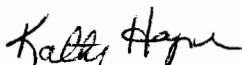
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **all pits must be lined with bentonite**. The free fluids must be removed. The fluids are to be removed from the 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) 630-4000 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**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~~