

For KCC Use:

Effective Date: 12-12-06

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 December 1 2006
month day year

OPERATOR: License # 04824
Name: PIONEER NATURAL RESOURCES USA, INC.
Address: 5205 N. O'CONNOR BLVD. - ROOM 1325
City/State/Zip: IRVING, TEXAS 75039
Contact Person: LINDA KELLY
Phone: 972-969-3946

CONTRACTOR: License #: 30606
Name: MURFIN DRILLING

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|--|-----------------------------------|---|--|
| <input type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input checked="" type="checkbox"/> Infield | <input checked="" type="checkbox"/> Mud Rotary |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> OWWO | <input type="checkbox"/> Disposal | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic; # of Holes | <input type="checkbox"/> Other | | |
| <input checked="" type="checkbox"/> Other | <u>REPLACEMENT</u> | | |

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: 2785'

Bottom Hole Location 1748' FNL & 1290' FWL

KCC DKT # 07-CONS-096-CHDR

PRORATED & SPACED: HUGOTON & PANOMA

Spot SW/4 SE/4 NE/4 Sec 7 Twp 30S S. R. 35W East West

2238' feet from N / S Line of Section
1250' feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: GRANT

Lease Name: ALLMON, M Well #: 1-7HR

Field Name: HUGOTON

Is this a Prorated/Spaced Field? Yes No

Target Formation(s): CHASE

Nearest Lease or unit boundary: 1250'

Ground Surface Elevation: 3002' feet MSL

Water well within one-quarter mile: yes no

Public water supply within one mile: yes no

Depth to bottom of fresh water: 520

Depth to bottom of usable water: 520

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 580 Minimum

Length of Conductor pipe required: NONE

Projected Total Depth: 2785'

Formation at Total Depth: CHASE

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. 55-101 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: OCT. 27, 2006 Signature of Operator or Agent: [Signature] Title: ENGINEERING TECH

For KCC Use ONLY
API # 15- 067-21626-01-00
Conductor pipe required None feet
Minimum surface pipe required 580 feet per Alt 1
Approved by: RH 12-7-06
This authorization expires: 10-7-07
(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: _____

7-30-35W

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- 067-21626-01-00
 Operator PIONEER NATURAL RESOURCES
 Lease ALLMON, M
 Well Number 1-7HR
 Field HUGOTON

Location of Well: County: GRANT
2238' feet from N / S Line of Section
1250' feet from E / W Line of Section
 Sec 7 Twp 30S S. R. 35W East West

Number of Acres attributable to well: 640

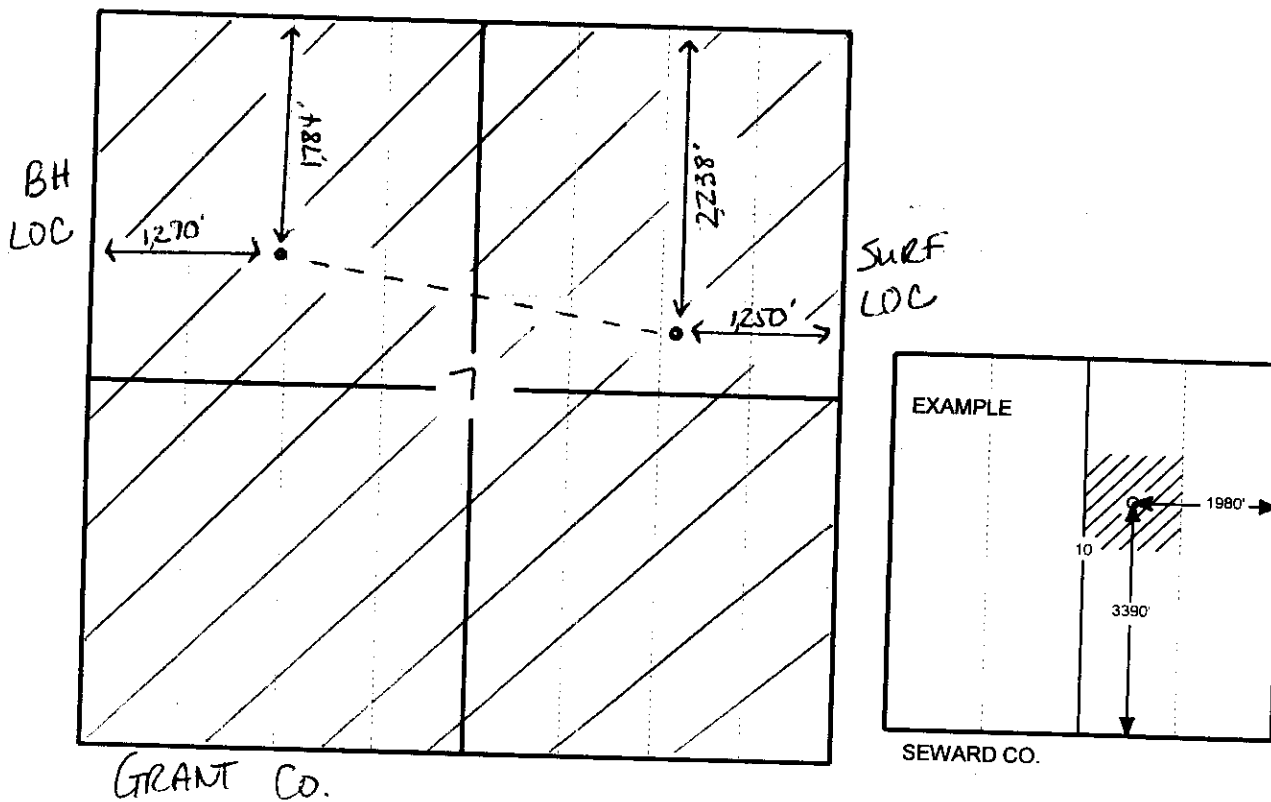
Is Section Regular or Irregular

QTR/QTR/QTR of acreage: SW/4 - SE/4 - NE/4

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 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).

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

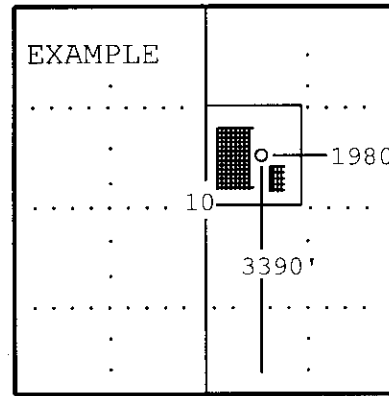
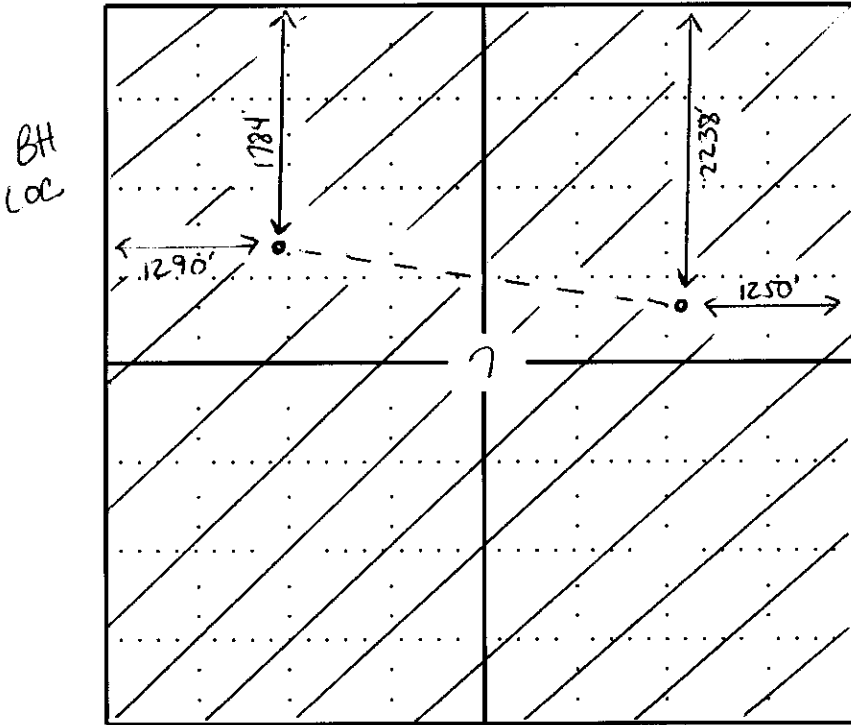
07-CONS-096-CHOR

API NUMBER 15- 067-21626-01-00
 OPERATOR PIONEER NATURAL RESOURCES USA, INC.
 LEASE ALLMON, M
 WELL NUMBER 1-7HR
 FIELD HUGOTON

LOCATION OF WELL: COUNTY GRANT
2238' ENL feet from south/north line of section
1250' FFL feet from east/west line of section
 SECTION 7 TWP 30S (s) RG 35W E/W
 IS SECTION X REGULAR or _____ IRREGULAR
 IF SECTION IS IRREGULAR, LOCATE WELL FROM
 NEAREST CORNER BOUNDARY. (check line below)
 Section corner used: _____ NE _____ NW _____ SE _____ SW

NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE SW/4 - SE/4 - NE/4

(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).



RECEIVED
 KANSAS CORPORATION COMMISSION
 OCT 31 2006
 CONSERVATION DIVISION
 WICHITA, KS

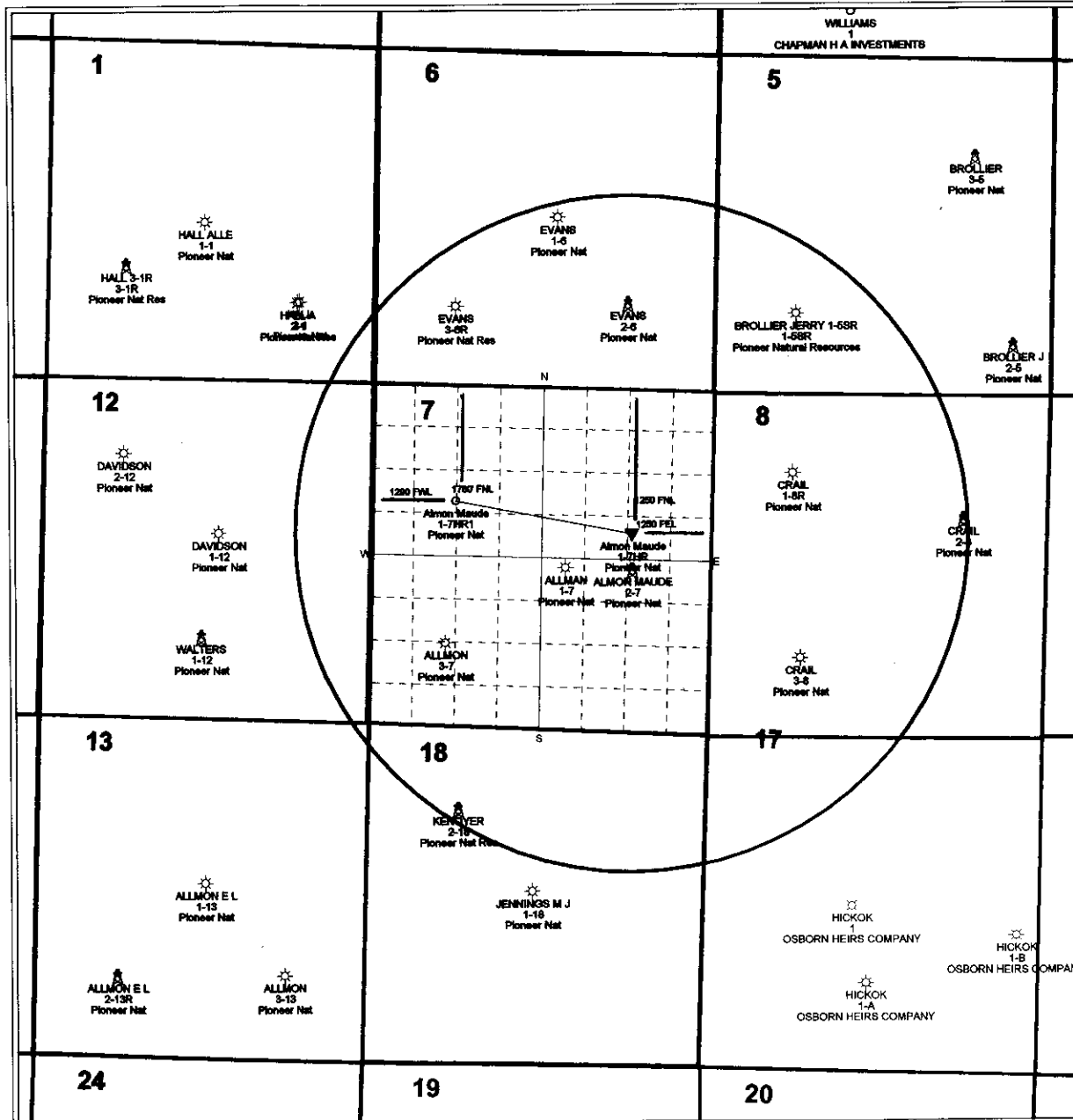
GRANT CO.
 The undersigned hereby certifies as ENGINEERING TECH (title) for
PIONEER NATURAL RESOURCES USA, INC. (Co.), a duly authorized agent, that all

information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.


Signature Winds Kelly

Subscribed and sworn to before me on this 27 day of OCT, 2006
ANGIE G. HERNANDEZ
 Notary Public, State of Texas
 My Commission Expires JULY 14, 2009
7-14-2009
Angie G. Hernandez
 Notary Public

15-067-21626-01-00



RECEIVED
 KANSAS CORPORATION COMMISSION
 OCT 31 2006
 CONSERVATION DIVISION
 WICHITA, KS

 **Pioneer Natural Resources**

HUGOTON FIELD, KANSAS

ALLMON, M 1-7HR
 Section 7 T-30S-R 35W
 GRANT COUNTY, KS

0 1,979 3,958 5,037
 FEET

POSTED WELL DATA

●
 Well Name
 Well Number
 Operator

REMARKS
 SURF LOC 2238' FNL, 1250' FEL
 BH LOC 1784' FNL, 1290' FVL

Panoma wells = Green
 Hugoton wells = Red

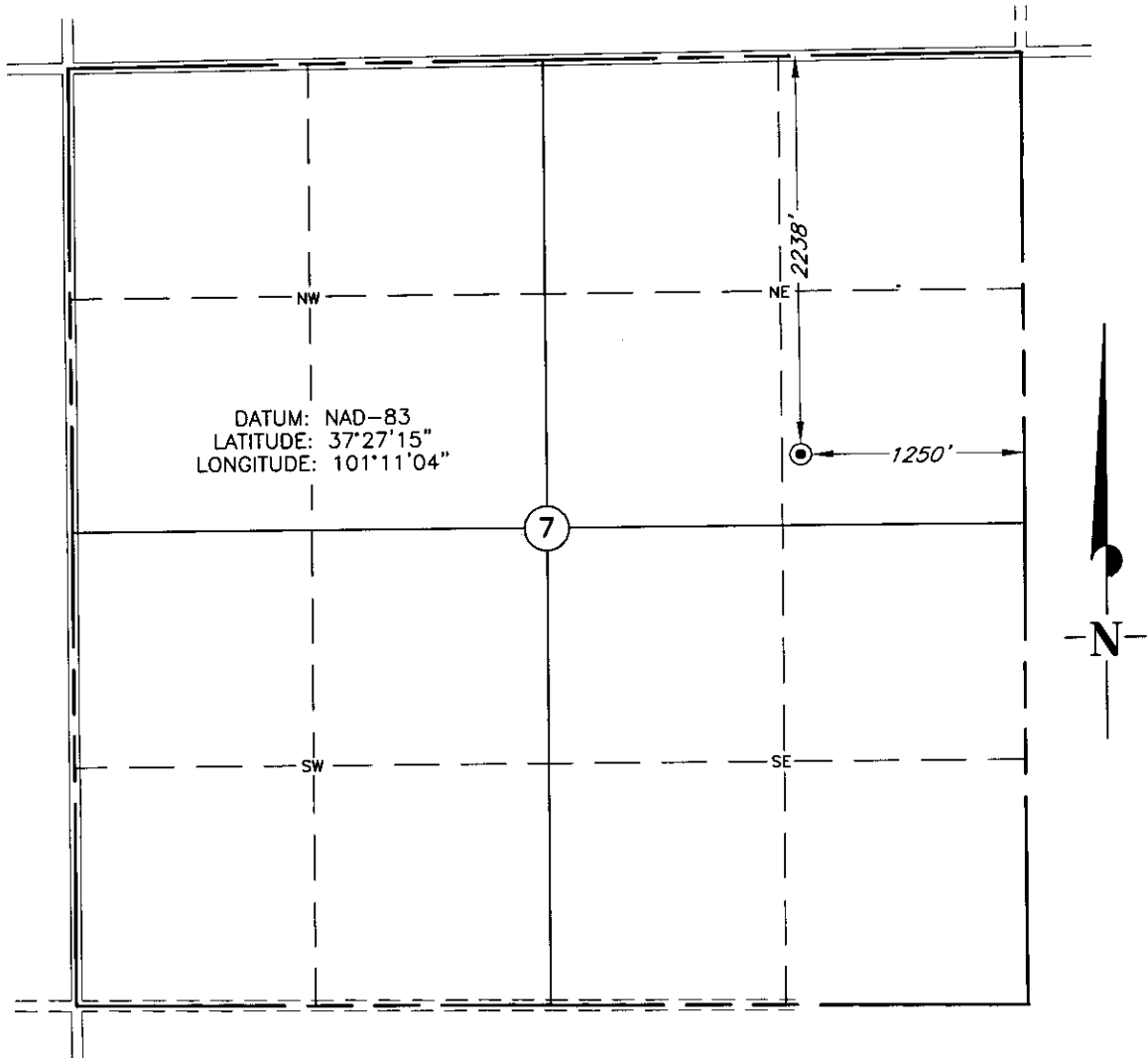
October 27, 2006

TOPOGRAPHIC LAND SURVEYORS OF PAMPA, TEXAS

2225 PERRYTON PKWY * PAMPA, TEXAS 79065
 (806) 665-7218 * (800) 658-6382 * FAX (806) 665-7210
 Kansas Certificate of Authorization No. LS-99

15067-21626-01-00

Operator: PIONEER NATURAL RESOURCES USA, INC. Lease Name: MAUDE ALMON #1-7HR
 Footages: 2238'FNL & 1250'FEL Elevation: 3002'GR
 Section: 7 Township: 30S Range: 35W, GRANT County, Kansas



Topography & Vegetation: PASTURE
 Reference or Alternate Stakes Set: NONE SET
 Best Accessibility to Location: FROM EXISTING LEASE ROAD TO THE NORTH
 Distance & Direction: ±8 MILES SOUTHEAST OF ULYSSES, KANSAS



This plot DOES NOT represent a true Boundary Survey. The footages and ties shown are from lines of occupation, which may not be actual Property Lines.
 Date Surveyed: 10-18-06
 Date Drawn: 10-25-06
 Drawn by: J.SMITH
 Job No.: 117768
 Book: 891 Page: 38

CERTIFICATE
 I, V. Lynn Bezner, a Registered Land Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown.
 V. Lynn Bezner, R.P.S. No.1059

RECEIVED
 KANSAS CORPORATION COMMISSION
 OCT 31 2006
 CONSERVATION DIVISION
 WICHITA, KS

APPLICATION FOR SURFACE POND

Submit in Duplicate

Operator Name PIONEER NATURAL RESOURCES USA, INC.		License Number 04824
Operator Address 5205 N. O'CONNOR BLVD. - ROOM 1357, IRVING TX 75039		
Contact Person LINDA KELLY		Phone Number (972) 969-3946
Lease Name ALLMON, M 1-7HR		Pit Location NE Qtr. Sec 7 Twp. 30S R. 35W <input type="checkbox"/> E <input checked="" type="checkbox"/> W 2238 Ft. from N S (circle one) Line of Sec 1250 Ft. from E / W (circle one) Line of Sec GRANT County
Type of Pond: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Treatment Pit <input type="checkbox"/> Workover Pit* <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Burn Pit (If WP Sply API No. or year drilled)	Pit is <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If existing, date constructed _____ Pit capacity 11,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Treatment Pit, only)
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is pit lined if a plastic liner is not used? SOIL COMPACTION
Pit dimensions (all but working pits): 125' Length (feet) 125' Width (feet) Depth from ground level to deepest point 4 (feet)		
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. RECEIVED KANSAS CORPORATION COMMISSION OCT 31 2006 CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit 2592 feet Depth of water well 382 feet	Depth to shallowest fresh water 282 feet. / Source of information: JR HGS <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> other	
Emergency, Treatment and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pond? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling and Workover Pits ONLY: Type of material utilized in drilling/workover FRESH WATER Number of working pits to be utilized 4 Abandonment procedure: EVAPORATION & BACKFILL Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. October 27, 2006 Date Linda Kelly Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: 10/31/06 Permit Number: _____ Permit Date: 10/31/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-067-21026-01-00

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, 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.