

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

Spot SW/4 NE/4 NE/4 Sec 35 Twp 29S S. R 36W  East  West

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

1250' ✓ 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: NOVOTNY Well #: 1-35HR

Field Name: HUGOTON  
Is this a Prorated/Spaced Field?  Yes  No

Target Formation(s): CHASE  
Nearest Lease or unit boundary: 1250'

Ground Surface Elevation: 2919' feet MSL

Water well within one-quarter mile:  yes  no

Public water supply within one mile:  yes  no

Depth to bottom of fresh water: 450

Depth to bottom of usable water: 560

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: 2730'

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: \_\_\_\_\_

CONTRACTOR: License #: 30606 ✓  
Name: MURFIN DRILLING

Well Drilled For: Well Class: Type Equipment:

Oil  Gas  OWWO  Seismic; # of Holes  Other REPLACEMENT  
 Enh Rec  Storage  Disposal  
 Infield  Pool Ext.  Wildcat  Other  
 Mud Rotary  Air Rotary  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: 2730'

Bottom Hole Location 1250' FSL & 1740' FEL

KCC DKT # 07-CONS-095-CHOR

PRORATED & SPACED; HUGOTON & PANOMA

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-1101. 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: Linda Kelly Title: ENGINEERING TECH

For KCC Use ONLY  
API # 15- 067-21625-01-00  
Conductor pipe required None feet  
Minimum surface pipe required 580 feet per AL 1   
Approved by: 12-7-06  
This authorization expires: 6-7-07  
(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: \_\_\_\_\_

35-29-36W

**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- 067-21625-01-00  
 Operator PIONEER NATURAL RESOURCES  
 Lease NOVOTNY  
 Well Number I-35HR  
 Field HUGOTON

Location of Well: County: GRANT  
1250' feet from  N /  S Line of Section  
1250' feet from  E /  W Line of Section  
 Sec 35 Twp 29S S. R. 36W  East  West

Number of Acres attributable to well: 640

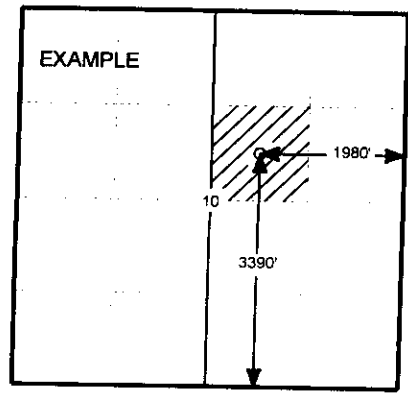
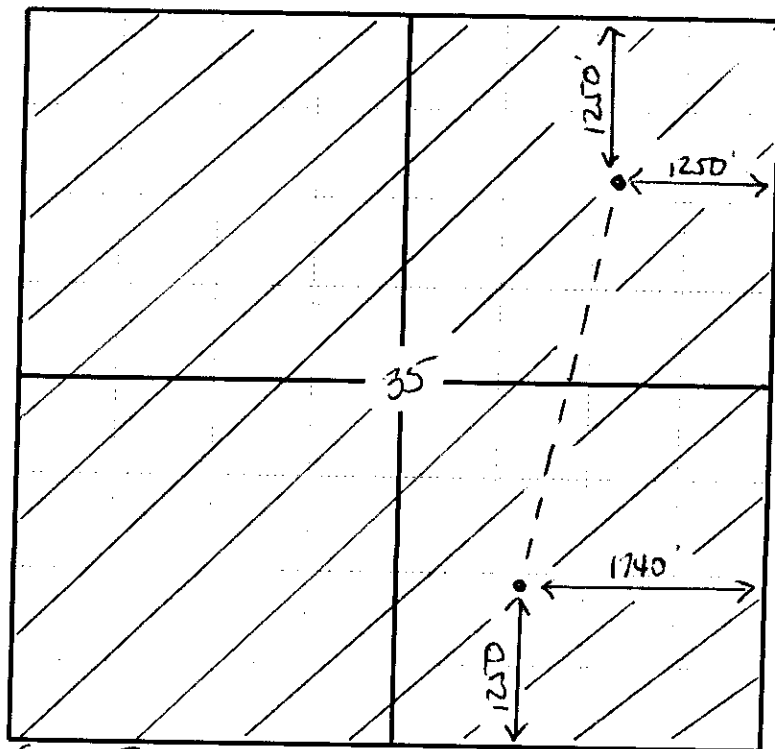
Is Section  Regular or  Irregular

QTR/QTR/QTR of acreage: SW/4 - NE/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. 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-095-C HOR

API NUMBER 15- 067-21625-01-00

OPERATOR PIIONEER NATURAL RESOURCES USA, INC.  
 LEASE NOVOTNY  
 WELL NUMBER 1-35HR  
 FIELD HUGOTON

LOCATION OF WELL: COUNTY GRANT

1250' ENL feet from south/north line of section

1250' EEL feet from east / west line of section

SECTION 35 TWP 29S (s) RG 36W E/W

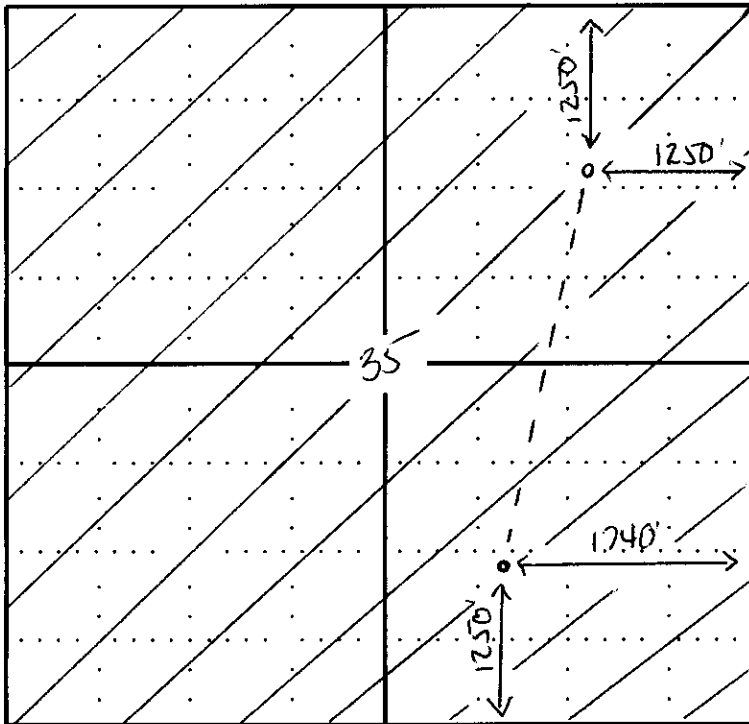
IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR

IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY. (check line below)

Section corner used: \_\_\_\_\_ NE \_\_\_\_\_ NW \_\_\_\_\_ SE \_\_\_\_\_ SW

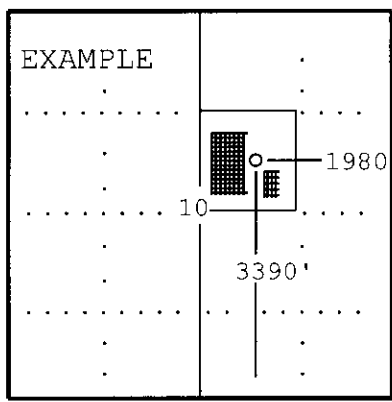
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640  
 QTR/QTR/QTR OF ACREAGE SW/4 - NE/4 - NE/4

(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).



SURF  
LOC

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



SEWARD CO.

GRANT CO.

BH LOC

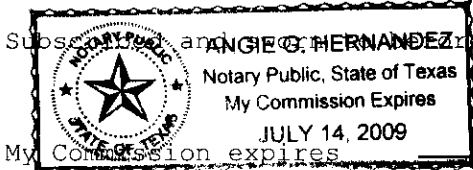
The undersigned hereby certifies as ENGINEERING TECH (title) for

PIIONEER 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 [Handwritten Signature]

Subscribed and sworn to before me on this 27 day of OCT, 2006



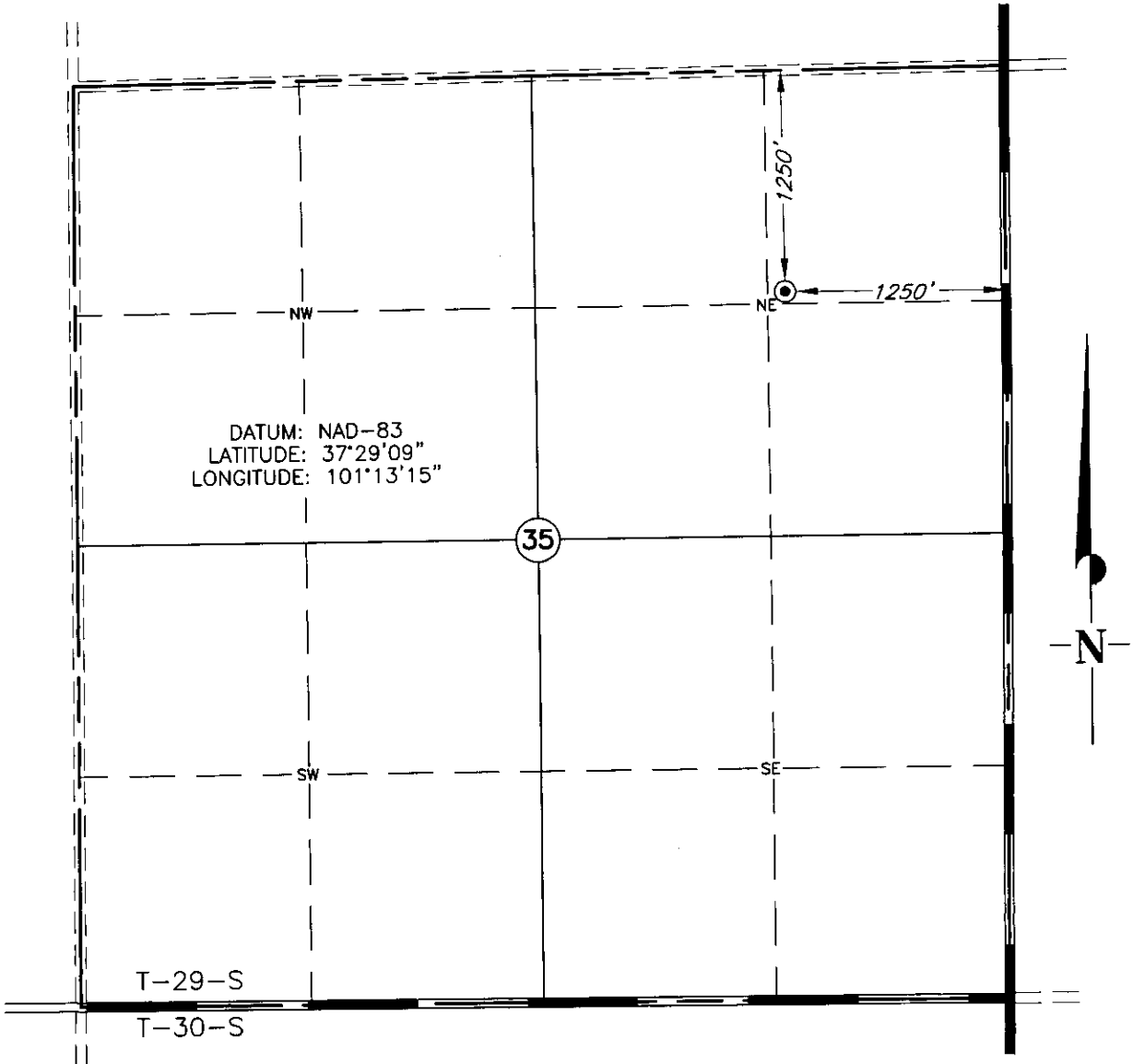
[Handwritten Signature]  
 Notary Public

# 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

15-067-21025-01-00

Operator: PIONEER NATURAL RESOURCES USA, INC. Lease Name: NOVOTNY #1-35HR  
Footages: 1250'FNL & 1250'FEL Elevation: 2919'GR  
Section: 35 Township: 29S Range: 36W GRANT County, Kansas



Topography & Vegetation: PASTURE

Reference or Alternate Stakes Set: NONE SET

Best Accessibility to Location: FROM LEASE ROAD NORTH OF LOCATION

Distance & Direction: APPROX. 6 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: 10-24-06

Drawn by: J.SMITH

Job No.: 117698

Book: 891 Page: 39

## 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.

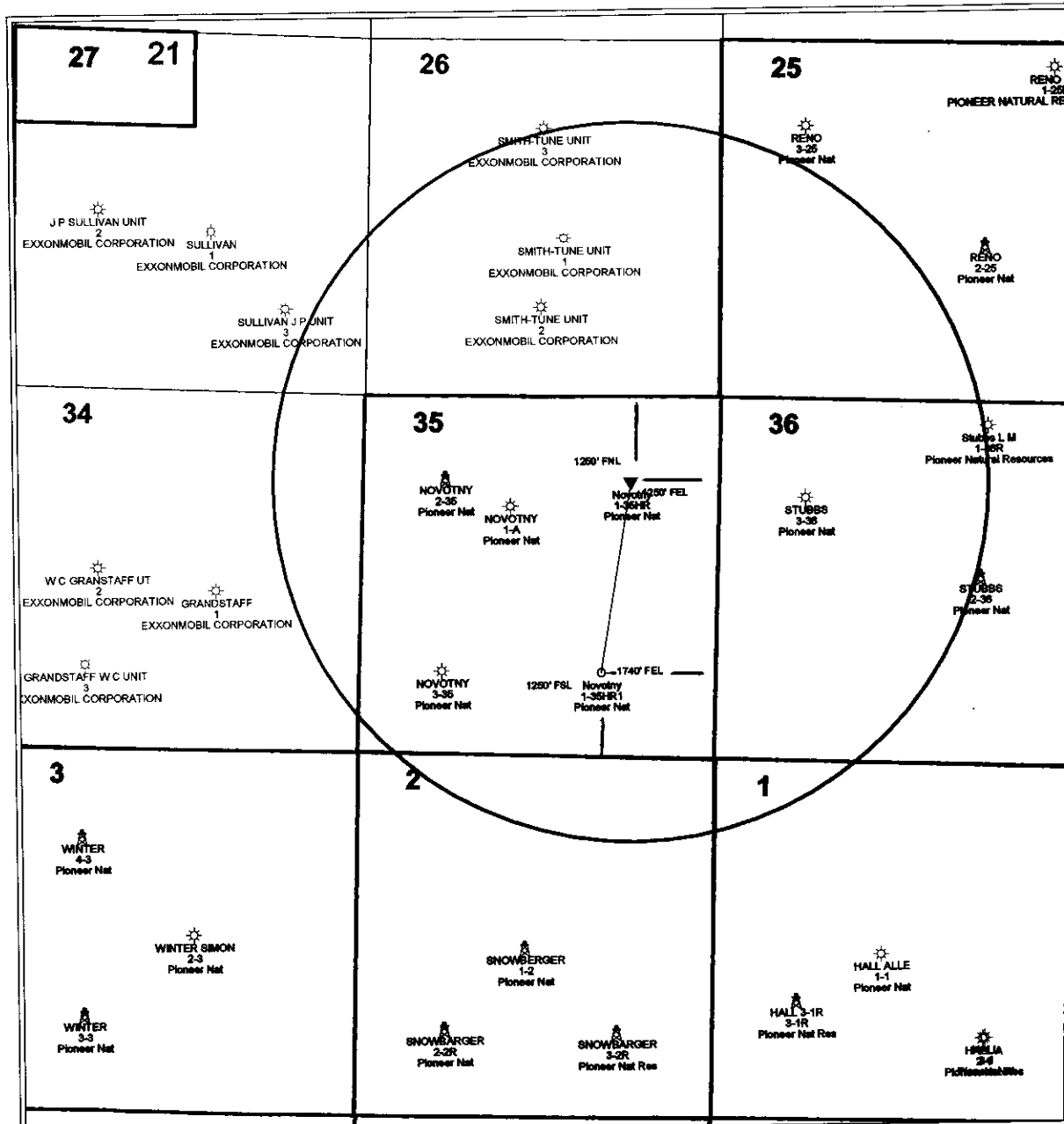
V. Lynn Bezner, R.P.S. No.1059

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OCT 31 2006

CONSERVATION DIVISION  
WICHITA, KS

15-007-21625-01-00



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 OCT 31 2006  
 CONSERVATION DIVISION  
 WICHITA, KS

 **Pioneer Natural Resources**

**HUGOTON FIELD, KANSAS**

NOVOTNY 1-35HR  
 Section 35 T-29S-R 36W  
 GRANT COUNTY, KS

0 1,579 3,158 4,737  
 FEET

**POSTED WELL DATA**

●  
 Well Name  
 Well Number  
 Operator

**REMARKS**  
 SURF LOC 1250' FNL, 1250' FEL  
 BH LOC 1250' FSL, 1740' FEL  
 Panoma wells = Green  
 Hugoton wells = Red

October 27, 2006

### APPLICATION FOR SURFACE POND

Submit in Duplicate

Operator Name <b>PIONEER NATURAL RESOURCES USA, INC.</b>		License Number <b>04824</b>
Operator Address <b>5205 N. O'CONNOR BLVD. - ROOM 1357, IRVING TX 75039</b>		
Contact Person <b>LINDA KELLY</b>		Phone Number <b>(972) 969-3946</b>
Lease Name <b>NOVOTNY 1-35HR</b>		Pit Location <b>NE</b> Qtr. Sec. <b>35</b> Twp. <b>29S</b> R. <b>36W</b> <input type="checkbox"/> E <input checked="" type="checkbox"/> W <b>1250</b> Ft. from <b>N</b> S (circle one) Line of Sec <b>1250</b> Ft. from <b>E</b> W (circle one) Line of Sec <b>GRANT</b> 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 Spply API No. or year drilled)	Pit is <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If existing, date constructed _____ Pit capacity <b>11,000</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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? <b>SOIL COMPACTION</b>
Pit dimensions (all but working pits): <b>125'</b> Length (feet) <b>125'</b> Width (feet) Depth from ground level to deepest point <b>4</b> (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. <b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>OCT 31 2006</b> <b>CONSERVATION DIVISION</b>
Distance to nearest water well within one-mile of pit <b>2517</b> feet Depth of water well <b>368</b> feet	Depth to shallowest fresh water <b>398</b> feet Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" type="checkbox"/> electric log <input type="checkbox"/> other	<b>WICHITA, KS</b> <b>JR HGS</b>
<b>Emergency, Treatment and Burn Pits ONLY:</b> 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	<b>Drilling and Workover Pits ONLY:</b> Type of material utilized in drilling/workover <b>FRESH WATER</b> Number of working pits to be utilized <b>4</b> Abandonment procedure: <b>EVAPORATION &amp; BACKFILL</b> 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.  <b>October 27, 2006</b> Date <b>Linda Kelly</b> Signature of Applicant or Agent		
KCC OFFICE USE ONLY		
Date Received: <b>10/31/06</b> Permit Number: _____ Permit Date: <b>10/31/06</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-067-21685-01-00

# 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.