

For KCC Use: Effective Date: 3-14-07  
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 01/14/07  
month day year

OPERATOR: License# 32825  
Name: Pioneer Exploration, Ltd.  
Address: 15603 Kuykendahl, Suite 200  
City/State/Zip: Houston, TX 77090-3655  
Contact Person: Samar Chohan  
Phone: 281/893-9400, ext. 208

CONTRACTOR: License# 32753  
Name: AA Drilling

Well Drilled For:  Oil  Gas  OWO  Seismic; # of Holes  Other  
Well Class:  Infield  Pool Ext.  Wildcat  Other  
Type Equipment:  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: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Spot NE SW SE Sec. 17 Twp. 30S S. R. 8W  
 East  West  
990 feet from  N /  S Line of Section  
1650 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Kingman  
Lease Name: Lloyd Wells Well #: 8-17  
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: 1524 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: 180'

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 230'  
Length of Conductor Pipe required: None  
Projected Total Depth: 4250'

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: 01/15/07 Signature of Operator or Agent: Samar Chohan Title: Production Coordinator

For KCC Use ONLY  
API # 15 - 095-22091-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per Alt. 1  
Approved by: RH3907  
This authorization expires: 9-9-07  
(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 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: \_\_\_\_\_

RECEIVED

KANSAS CORPORATION COMMISSION

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

CONSERVATION DIVISION  
WICHITA, KS

17  
30  
8W

JAN 22 2007

**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 - 095-22091-0000  
Operator: Pioneer Exploration, Ltd.  
Lease: Lloyd Wells  
Well Number: 8-17  
Field: Spivey-Grabs-Basil  
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NE - SW - SE

Location of Well: County: Kingman  
\_\_\_\_\_ feet from  N /  S Line of Section  
\_\_\_\_\_ feet from  E /  W Line of Section  
Sec. 17 Twp. 30S S. R. 8W  East  West

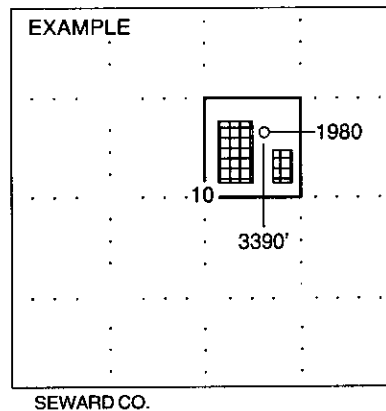
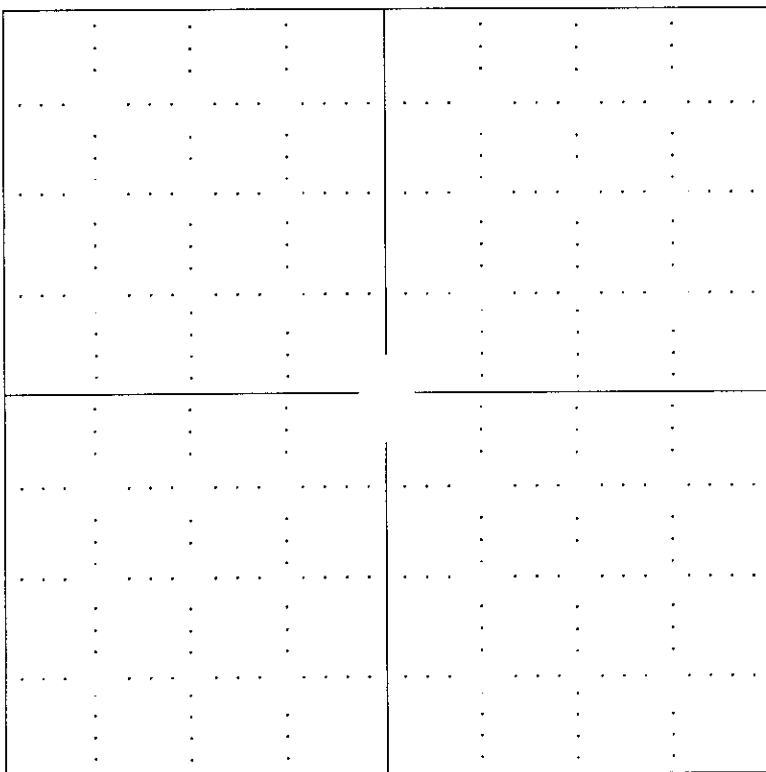
Is Section:  Regular or  Irregular

**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.**

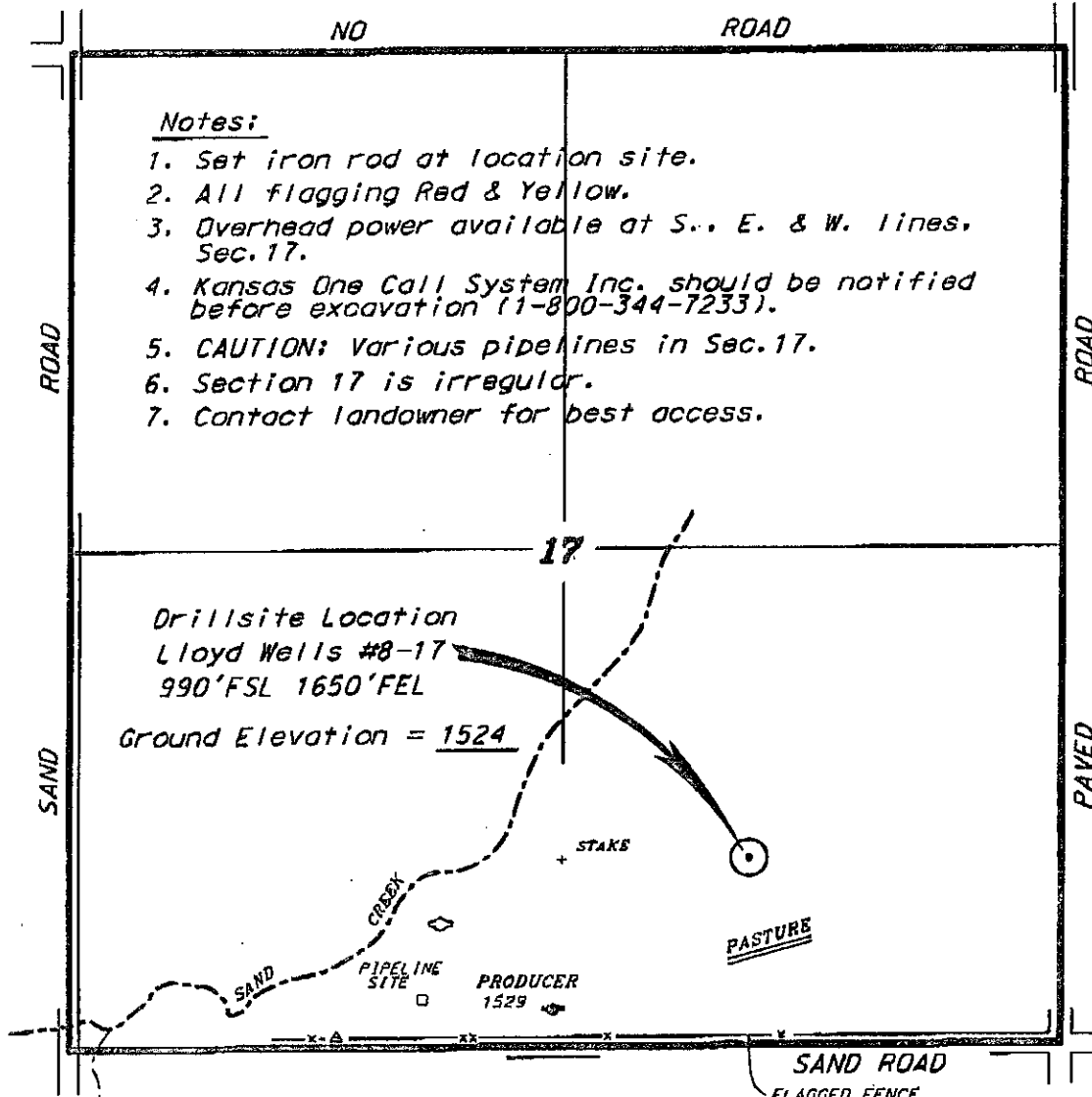
**In plotting the proposed location of the well, you must show:**

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).

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**JAN 22 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

PIONEER EXPLORATION COMPANY  
LLOYD WELLS LEASE  
SE. 1/4, SECTION 17, T30S, R8W  
KINGMAN COUNTY, KANSAS

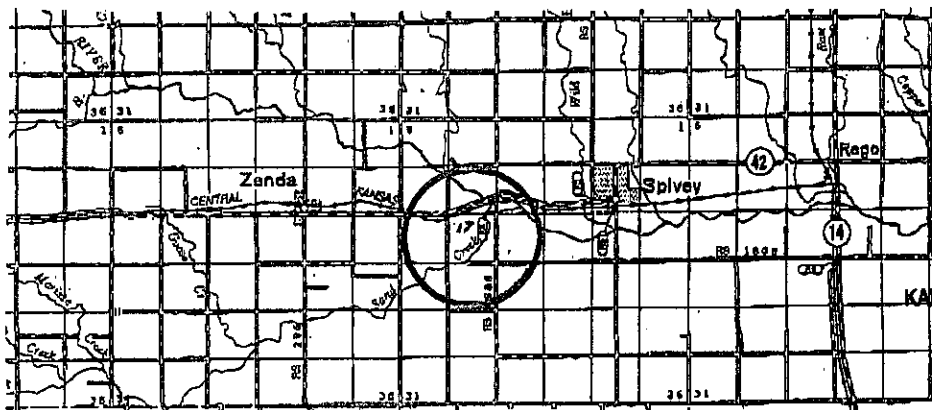
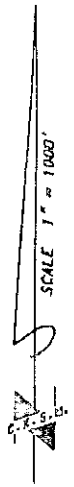
15-095-22091-0000



Notes:

1. Set iron rod at location site.
2. All flagging Red & Yellow.
3. Overhead power available at S., E. & W. lines, Sec. 17.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. CAUTION: Various pipelines in Sec. 17.
6. Section 17 is irregular.
7. Contact landowner for best access.

\*Ingress and egress to location as shown on this plat is per usage only and may not be legally opened for public use. Contact landowner, tenant and county road department for access.



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JAN 22 2007  
CONSERVATION DIVISION  
WICHITA, KS

1 Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.

2 Appropriate section lines were determined using the normal standard of care of allfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located, and the exact location of the drillsite location in the section is not guaranteed. Therefore, the operator securing this service and occupying this plat and all other plat's relying thereon agree to hold Central Kansas Allfield Services, Inc., its officers and employees harmless from all losses, costs and expenses and said entities released from any liability from incidental or consequential damages.

3 Elevations derived from National Geodetic Vertical Datum.

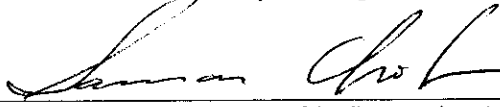
Date January 9, 2007

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: <b>Pioneer Exploration, Ltd.</b>		License Number: <b>32825</b>
Operator Address: <b>15603 Kuykendahl Suite 200, Houston, Texas 77090-3655</b>		
Contact Person: <b>Samar Chohan</b>		Phone Number: ( <b>281</b> ) <b>893 - 9400, ext. 208</b>
Lease Name & Well No.: <b>Lloyd Wells 8-17</b>		Pit Location (QQQQ): <b>NE SW SE</b>
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. <b>17</b> Twp. <b>30S</b> R. <b>8W</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West _____ Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1650</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Kingman</b> _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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 the pit lined if a plastic liner is not used? <b>Bentonite Lined</b>
Pit dimensions (all but working pits): <u>100</u> Length (feet) <u>100</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <del>4,199</del> <u>4</u> (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.
Distance to nearest water well within one-mile of pit <u>1260</u> feet    Depth of water well <u>36</u> feet		Depth to shallowest fresh water <u>12</u> feet. Source of information: _____ measured <input checked="" type="checkbox"/> well owner <sup>(2)</sup> _____ electric log _____ KDWR
<b>Emergency, Settling 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <u>Waterbase</u> Number of working pits to be utilized: <u>3</u> Abandonment procedure: <u>Dry and Backfill</u> _____ 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.		
<u>01112107 1/15/07</u> Date		 Signature of Applicant or Agent
		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>JAN 22 2007</b>
<b>KCC OFFICE USE ONLY</b>		
<b>CONSERVATION DIVISION WICHITA, KS Steel Pits</b>		
Date Received: <u>1/22/07</u> Permit Number: _____ Permit Date: <u>3/8/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-095-22091-0023

# KANSAS

## CORPORATION COMMISSION

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

March 9, 2007

Mr. Samar Chohan  
Pioneer Exploration, Ltd.  
15603 Kuykendahl Ste 200  
Houston, TX 77090-3655

Re: Drilling Pit Application  
Lloyd Wells Lease Well No. 8-17  
SE/4 Sec. 17-30S-08W  
Kingman County, Kansas

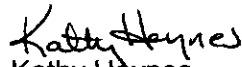
Dear Mr. Chohan:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid that will be disposed. **If a haul-off pit is necessary please file, form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (316) 630-4000. 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).

Sincerely,

  
Kathy Haynes

Environmental Protection and Remediation Department

Cc: File

# KANSAS

CORPORATION COMMISSION

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## HAUL-OFF PIT APPLICATION FILING REQUIREMENTS

### 82-3-607. DISPOSAL OF DIKE AND PIT CONTENTS.

- (a) Each operator shall perform one of the following when disposing of dike or pit contents:
- (1) Remove the liquid contents to a disposal well or other oil and gas operation approved by the commission or to road maintenance or construction locations approved by the department;
  - (2) dispose of reserve pit waste down the annular space of a well completed according to the alternate I requirements of K.A.R. 82-3-106, if the waste to be disposed of was generated during the drilling and completion of the well; or
  - (3) dispose of the remaining solid contents in any manner required by the commission. The requirements may include any of the following:
    - (A) Burial in place, in accordance with the grading and restoration requirements in K.A.R. 82-3-602 (f);
    - (B) removal and placement of the contents in an on-site disposal area approved by the commission;
    - (C) removal and placement of the contents in an off-site disposal area on acreage owned by the same landowner or to another producing lease or unit operated by the same operator, if prior written permission from the landowner has been obtained; or
    - (D) removal of the contents to a permitted off-site disposal area approved by the department.
- (b) Each violation of this regulation shall be punishable by the following:
- (1) A \$1,000 penalty for the first violation;
  - (2) a \$2,500 penalty for the second violation; and
  - (3) a \$5,000 penalty and an operator license review for the third violation.

### **Complete and return with Haul-Off Pit Application, Form CDP1(2004)**

Haul-off pit will be located in an on-site disposal area:  Yes  No

Haul-off pit is located in an off-site disposal area on acreage owned by the same landowner:  
 Yes  No If yes, written permission from the land owner must be obtained. Attach written permission to haul-off pit application.

Haul-off pit is located in an off-site disposal area on another **producing** lease or unit operated by the same operator:  Yes  No If yes, written permission from the land owner must be obtained. Attach permission and a copy of the lease assignment that covers the acreage where the haul-off pit is to be located, to the haul-off pit application.