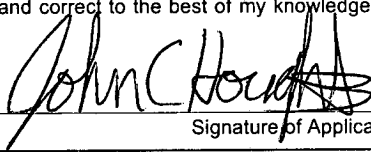


15-095-22065-0000

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Pioneer Exploration, LTD.		License Number: 32825	
Operator Address: 15603 Kuykendahl Suite 200 Houston, TX 77090			
Contact Person: John Houghton		Phone Number: (281) 893 - 9400 ext 256	
Lease Name & Well No.: Lloyd Wells Unit #4-17 (Pit will be on the Lloyd Wells #6-20)		Pit Location (QQQQ): S/2 NW NE	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input checked="" type="checkbox"/> Haul-Off Pit <small>(If W/P Supply API No. or Year Drilled)</small>	Pit is: <input type="checkbox"/> Proposed <input checked="" type="checkbox"/> Existing If Existing, date constructed: December 5, 2006 Pit capacity: _____ (bbls)	Sec. 20 Twp. 30S R. 8 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 990 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kingman 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? Bentonite			
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) _____ N/A: Steel Pits 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. Bentonite Lined		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
Distance to nearest water well within one-mile of pit 1811 feet Depth of water well 36 feet		Depth to shallowest fresh water 10 12 feet. Source of information: KALGS ② _____ measured <input checked="" type="checkbox"/> well owner _____ electric log _____ KDWR	
Emergency, Settling 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 pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Waterbase Number of working pits to be utilized: _____ Abandonment procedure: Dry & 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.			
December 12, 2006 Date		 Signature of Applicant or Agent	
		RECEIVED DEC 18 2006 KF 724es	
KCC OFFICE USE ONLY			
Date Received: 12/18/06 Permit Number: 15-095-22065-0000 Permit Date: 1/5/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-095-22065-0000

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

January 5, 2007

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

Re: Haul-Off Pit Application
Lloyd Lease Well No. 4-17
NE/4 Sec. 20-30S-08W
Kingman County, Kansas

Dear Mr. Houghton:

District staff has inspected the above referenced location and has determined that the haul-off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **the free fluids must be removed**. The fluids are to be removed from the haul-off pit within 72 hours after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

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 Waster 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.

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: D Louis

PIONEER EXPLORATION, LTD.



December 12, 2006

**Kansas Corporation Commission
Conservation Division,
Finney State Office Building
130 S. Market Room 2078
Wichita, KS 67202-3802**

RE: Lloyd Wells #4-17 Haul-Off Pit Application

Pioneer Exploration is submitting this Haul-Off Pit Application. The haul-off pit is for the Lloyd Wells #4-17 drill operations. The proposed haul-off pit is existing and is near the Lloyd Well #6-20. The landowners are different for the two locations.

Included in this submission:

- Form CDP-1
(Original and Copy)
- Written Permission from landowner for Lloyd Wells #6
(Original and Copy)
- Haul-off Pit Application
- Lease assignment that covers the acreage where the haul-off pit is to be located

If you need any additional information please contact me.

Thank you

John Houghton
Petroleum Engineer

Pioneer Exploration, Ltd
Office # (281) 893-9400 Ext 256
Fax # (281) 893-7629
E-mail Johnhou@pecogas.com

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KANSAS

CORPORATION COMMISSION

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

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.

Conservation Division, Finney State Office Building, 130 S. Market, Room 207B, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us

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Dec-07-96 03:12pm From-281 803 7628

+281 803 7628

7-560 P 002/002 P-830

PIONEER EXPLORATION, LTD.

December 7, 2006

Jello LLC
Jon Messenger
525 S Main
Kingman, KS 67068

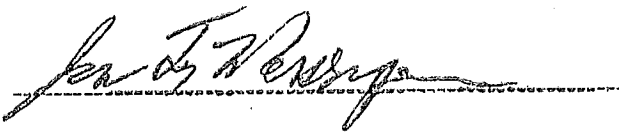
Tel: (620) 532 5400

RE: Lloyd Wells #4-17
Haul-Off Pit Agreement

Pioneer Exploration requests your permission to use the existing pit located near the Lloyd Wells #6-20 as a haul-off pit for the Lloyd Wells #4-17. The exact site of the haul-off pit can be seen on the attached CDP-1 form.

Pioneer Exploration will pay \$ 2,500 for the damages to use the pit located near the Lloyd Wells #6-20 as a haul-off pit for the Lloyd Wells #4-17 drilling location.

Please sign below if the terms are agreeable.



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15603 Katylandahl Suite 200, Houston, TX 77060 Phone (281) 893-9400 Fax (281) 893-7600 DEC 18 2006

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compression facilities, gathering systems, and other equipment, which are located on the properties described in subsections (a), (b), (c), (d) and (e) above and used in connection with the exploration, development, operation or maintenance thereof; and

- (h) All of Grantors' lease files, title opinions, abstracts and other title information, production records, well files, accounting records (but not including general financial accounting or tax accounting records), seismic records and surveys, electric logs, geological or geophysical data and records (to the extent that Grantors have the legal right to transfer such seismic records and other geological and geophysical data and records to Grantee), and other files, documents and records which directly relate to the properties described above; and
- (i) All computer software, licenses, manuals, source codes, and specialized computer hardware owned by Grantors and used solely in connection with the operation and accounting for the properties described in subsections (a), (b), (c), (d) and (e) above, to the extent that Grantors have the legal right to transfer same to Grantee.

TO HAVE AND TO HOLD the Subject Properties unto Grantee, its successors and assigns, forever.

The Subject Properties are being conveyed by Grantors "where is" and "as is", and without any warranty of title, express or implied, except as to any persons claiming by, through or under Grantors, but not otherwise. Grantors hereby expressly disclaim any and all representations or warranties with respect to the Subject Properties. Specifically, as a part of (but not a limitation of) the foregoing, Grantee acknowledges that Grantors have not made, and Grantors hereby expressly disclaim, any representation or warranty (express, implied, under common law, by statute or otherwise) relating to titles of the properties, the condition of the properties (INCLUDING WITHOUT LIMITATION, GRANTORS DISCLAIM ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS), the extent of oil, gas and/or other mineral reserves, the recoverability of or the cost of covering any of such reserves, the value of reserves, prices (or anticipated prices) at which production has been or will be sold, the ability to sell oil or gas production from the Subject Properties, and the condition (including, without limitation, the environmental condition) of the Subject Properties.

Grantee hereby (a) assumes, and agrees to timely pay and perform, all duties, obligations and liabilities relating to the ownership and/or operation of the Subject Properties after the Effective Date, and (b) agrees to indemnify and hold Grantors, their parent and subsidiary companies and other affiliates, and their directors, officers, employees and agents harmless from and against any and all claims, actions, liabilities, losses, damages, costs or expenses (including court costs and attorneys' fees) of any kind or character arising out of or otherwise relating to the ownership and/or operation of the Subject Properties after the Effective Date. In connection with (but not in limitation of) the foregoing, it is specifically understood and agreed that matters arising out of or otherwise relating to the ownership and/or operation of the Subject Properties after the Effective Date shall include all matters arising out of the condition of the Subject Properties on the Effective Date (including, without limitation, within such matters all obligations to properly plug and abandon, or re-plug and re-abandon, wells located on the Subject Properties, to restore the surface of the Subject Properties and to comply with, or to bring the Subject Properties into compliance with applicable environmental laws, including conducting any remediation activities which may be required on or otherwise in connection with activities on the Subject Properties), regardless of when the events occurred which give rise to such condition (and regardless of whether Grantors, their officers, employees, agents or other representatives, were wholly or partially negligent or otherwise at fault), and the above provided for assumptions and indemnifications by Grantee shall expressly cover and include such matters so arising out of such condition. This indemnification expressly includes any claims that arise as a result of strict liability.

This Conveyance is being executed in several counterparts all of which are identical, except that, to facilitate recordation, in certain counterparts hereof only that portion of Exhibit A which contains specific descriptions of properties located in the recording jurisdiction in which the particular counterpart is to be recorded are included, and other portions of Exhibit A are included by reference only. All of such counterparts together shall constitute one and the same instrument. Complete copies of this Conveyance containing the entire Exhibit A have been

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THE STATE OF MONTANA)
)
COUNTY OF YELLOWSTONE)

This instrument was acknowledged before me on this 26th day of January, 2001, by G. K. Nelson, President of COLT RESOURCES CORPORATION, a Delaware corporation, for and on behalf of such corporation.

My Commission expires: 3/15/2004

Melody Myhre
Notary Public, State of Montana
Residing at Billings, Montana

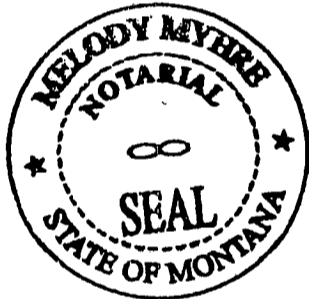


THE STATE OF MONTANA)
)
COUNTY OF YELLOWSTONE)

This instrument was acknowledged before me on this 26th day of January, 2001, by G. K. Nelson, President of PRINCEPS PARTNERS, INC., a Colorado corporation, for and on behalf of such corporation.

My Commission expires: 3/15/2004

Melody Myhre
Notary Public, State of Montana
Residing at Billings, Montana

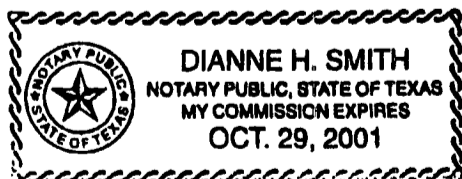


THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this 29th day of January, 2001, by Younas Chaudhary as President of Peco Energy, Inc., a Texas corporation, and the sole general partner of PIONEER EXPLORATION, LTD., a Texas limited partnership, for and on behalf of such corporation as general partner of the above named limited partnership.

My Commission expires: 10/29/01

Dianne H. Smith
Notary Public, State of Texas
Residing at Houston, Texas



After recording return to:
Annie Poort-Maas
Crary, Jewett & McCulley, L.L.P.
909 Fannin, Suite 1400
Houston, TX 77010

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LLR275

PROSPECT: SPIVEY-GRABS
 COUNTY: KINGMAN
 STATE: KANSAS

DATED JANUARY 26, 2001, BY AND BETWEEN
 JN EXPLORATION & PRODUCTION LIMITED PARTNERSHIP; COLT RESOURCES CORPORATION;
 AND PRINCEPS PARTNERS, INC. AS GRANTORS AND
 PIONEER EXPLORATION, LTD. AS GRANTEE

LEASE NO. BOOK PAGE ENTRY	LEASE DATE EXP DATE	LESSOR NAME	LESSEE NAME	DESCRIPTION
1960.022 68 123	04/08/54 04/07/64	LEONARD KREHBIEL ET AL	ELMER M OAK	TOWNSHIP 30 SOUTH, RANGE 7 WEST SECTION 2: NW, W2NE
1960.023 56 435	11/02/45 11/01/55	LLOYD M WELLS ET UX	L V LILLE	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 20: E2NW
1960.024 60 429	08/13/48 08/13/58	GEORGE CONRARDY ET UX	RALPH OWEN	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 31: W2SW, NW
1960.025 65 329	08/17/53 08/23/64	L D BANTA ET UX	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 33: E2SE SECTION 34: SWSW
1960.026 59 53	04/01/54 04/01/64	LOUISE A MORRIS ET AL	O G SMITH	TOWNSHIP 30 SOUTH, RANGE 9 WEST SECTION 35: SE
1960.027 65 62	04/01/54 03/31/64	LOUISE A MORRIS ET AL	O G SMITH	TOWNSHIP 30 SOUTH, RANGE 9 WEST SECTION 35: NE
1960.028 8 119	04/01/54 04/01/64	WILLIAM F KEIMIG ET UX	O G SMITH	TOWNSHIP 30 NORTH, RANGE 9 WEST SECTION 34: SE SECTION 35: S2SW
1960.029.A 58 413	12/26/46 12/25/56	BERNICE L GWYNN ET AL	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 1: N2
1960.029.B 59 415	12/26/46 12/25/56	ARNOLD A MUELLER ET UX	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 1: N2
1960.030 55 331	10/15/45 10/14/55	J F BIRKENBAUGH ET UX	ELMER M OAK	TOWNSHIP 29 SOUTH, RANGE 7 WEST SECTION 15: SW

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LLR275

EXHIBIT A
LEASE SCHEDULE

PROSPECT: SPIVEY-GRABS
COUNTY: KINGMAN
STATE: KANSAS

LEASE NO. BOOK PAGE ENTRY	LEASE DATE EXP DATE	LESSOR NAME	LESSEE NAME	DESCRIPTION
1960.031 67 161	11/18/53 11/17/63	FRED HAGEMAN	HARRY MCADAM	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 6: W2NE
1960.032 59 13	12/31/46 12/30/66	FRANK D RALL ET UX	ELMER M OAK	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 15: SE SECTION 22: E2NE
1960.034 67 249	12/30/53 01/05/65	WILLIAM MARX ET AL	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 29 SOUTH, RANGE 8 WEST SECTION 32: NW, N2SW
1960.035 69 574	10/12/54 11/25/65	RALPH R MATLACK ET UX	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 29 SOUTH, RANGE 7 WEST SECTION 23: SE
1960.036 60 272	08/14/48 08/14/58	FRED MESSENGER ET UX	RALPH OWEN	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 31: SE, E2SW
1960.037 65 613	12/17/52 12/16/62	JAMES G SCHUMAN ET UX	HARRY MCADAM	TOWNSHIP 30 SOUTH, RANGE 7 WEST SECTION 20: SW, W2SE
1960.038 67 411	02/18/54 03/19/65	RALPH SWINGLE ET AL	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 30 SOUTH, RANGE 9 WEST SECTION 36: NE
1960.039 58 331	12/26/46 12/25/56	JOE TJADEN ET UX	BERT LILLE	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 24: NE
1960.040 58 333	12/26/46 12/25/56	JOE TJADEN ET UX	BERT LILLE	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 24: SE
1960.041 58 354	06/28/45 06/27/55	LLOYD M WELLS ET UX	L V LILLE	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 17: SWSE, SESH

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EXHIBIT A
LEASE SCHEDULE

PROSPECT: SPIVEY-GRABS
COUNTY: KINGMAN
STATE: KANSAS

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LEASE NO. BOOK PAGE ENTRY	LEASE DATE EXP DATE	LESSOR NAME	LESSEE NAME	DESCRIPTION
1960.042 60 403	08/16/48 08/15/58	LLOYD M WELLS ET UX	ELMER M OAK	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 20: W2NE
1960.043 66 249	06/19/53 06/28/64	WILLIAM F KEINIG ET UX	MAGNOLIA PETROLEUM COMPANY	TOWNSHIP 30 SOUTH, RANGE 9 WEST SECTION 34: S2SW, N2SW, S2NW
1960.044 60 421	08/19/48 08/18/58	MYRTLE LATTIMORE ET AL	ELMER M OAK	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 15: SW
1960.045	10/13/83 11/19/84	PAUL O WILSON ET AL	ENERGY RESERVES GROUP INC	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 22: E2NE
1960.046 82 184	12/03/57 10/08/58	J G POMEROY ET UX	PETROLEUM INC	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 6: E2NE
1960.047 66 21	04/14/54 04/13/64	CONLEY KINSLER ET UX	CAMERON C FUNK	TOWNSHIP 29 SOUTH, RANGE 8 WEST SECTION 32: SE, S2SW
1960.051	01/27/98 01/01/28	MESSENGER PETROLEUM INC	COLT RESOURCES CORPORATION	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 20: NE
1960.052	03/09/98 01/01/28	KEVIN MICHOLOS	COLT RESOURCES CORPORATION	TOWNSHIP 30 SOUTH, RANGE 8 WEST SECTION 20: NENE

EXHIBIT A-1

Attached to and made a part of that certain Conveyance and Bill of Sale dated January 26, 2001, by and between JN Exploration & Production Limited Partnership; Colt Resources Corporation and Princeps Partners, Inc., as Grantors, and Pioneer Exploration, Ltd., as Grantee

SPIVEY GAS PLANT LOCATED IN HARPER COUNTY, KANSAS, to-wit:

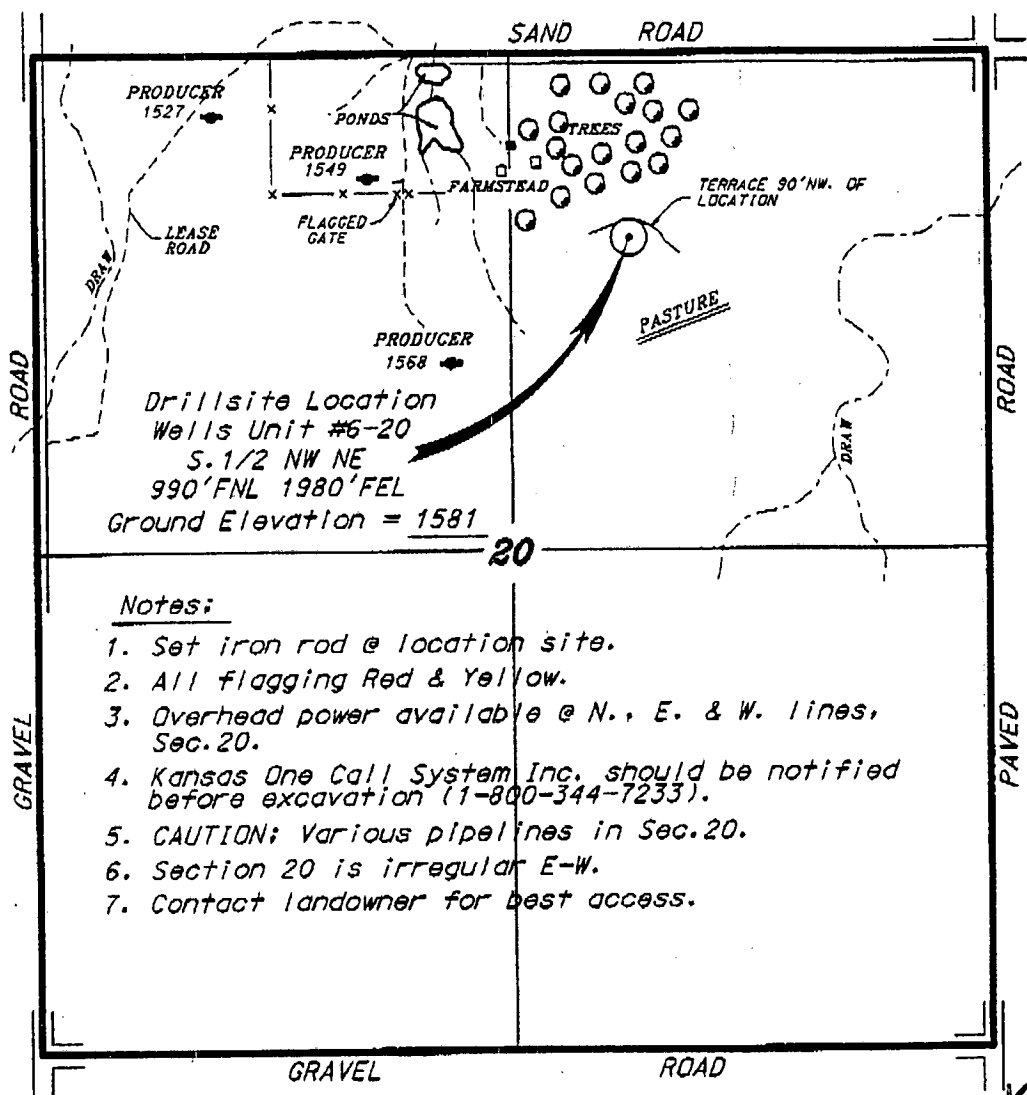
The Southwest Quarter of the Southwest Quarter (SW/4SW/4) of Section 5, Township 31 South, Range 8 West, less 2.75 acres, beginning at a point in the South line of said Section 5, said point being North 89° 51' East 350 feet from a concrete post at the Southwest Corner of said Section 5; thence North 0° 30' West, parallel with the West line of said Section 5, 300 feet; thence North 89° 51' East, parallel to the South line of said Section 5, 400 feet; thence South 0° 30' East, parallel to the West line of said Section 5, 300 feet to a point in the South line of Section 5; thence South 89° 51' West, with the South line of Section 5; 400 feet to the place of beginning.

There is specifically excluded from this Conveyance and Bill of Sale any interest or rights owned by Grantor, as Operator of the Spivey Gasoline Plant, by virtue of that certain Quit Claim Deed dated January 22, 1999 between Dynegy Midstream, Inc. and Colt Resources Corporation recorded in Book 101 on Page 1188 in the records of Harper County, Kansas, and that certain Assignment dated January 22, 1999 between Dynegy Midstream, Inc. and Colt Resources Corporation recorded in Book 86 on Page 1501 in the records of Harper County, Kansas, and in Book 0-4 on Page 1 in the records of Kingman County, Kansas.

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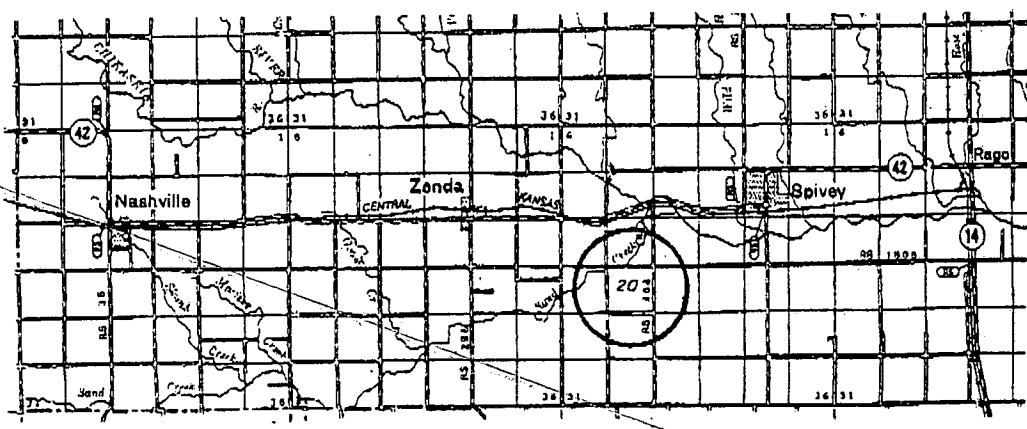
**PIONEER EXPLORATION COMPANY
WELLS UNIT LEASE
NE.1/4, SECTION 20, T30S, R8W
KINGMAN COUNTY, KANSAS**



- Notes:**
1. Set iron rod @ location site.
 2. All flagging Red & Yellow.
 3. Overhead power available @ N., E. & W. lines, Sec. 20.
 4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
 5. CAUTION: Various pipelines in Sec. 20.
 6. Section 20 is irregular E-W.
 7. Contact landowner for best access.

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

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KCC WICHITA



Controlling data is based upon the best map and photographs available to us and upon a regular section of land containing 640 acres.
Approximate section lines were determined using the normal standard of care of all field 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 assuming this service and accepting this plat and all other parties relying thereon agree to hold Central Kansas Surveying & Mapping, Inc., its officers and employees harmless from all losses, costs and expenses and hold entities released from any liability from incidental or consequential damages.
Elevations derived from National Geodetic Vertical Datum.

Date April 11, 2005

CENTRAL KANSAS SURVEYING & MAPPING, INC. (620)792-5754

For KCC Use:
 Effective Date: 11-27-06
 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 November 24, 2006
 month day year

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

OPERATOR: License# 32825
 Name: Pioneer Exploration LTD.
 Address: 15603 Kuykendahl Suite 200
 City/State/Zip: Houston, Texas 77090
 Contact Person: John Houghton
 Phone: 620-532-5460

(Note: Locate well on the Section Plat on reverse side)
 County: Kingman
 Lease Name: Lloyd Wells Unit Well #: 4-17
 Field Name: Spivey-Grabs-Basil

CONTRACTOR: License# 32753
 Name: AA Drilling

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian Chat
 Nearest Lease or unit boundary: 330'

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input 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"/> OWD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

Ground Surface Elevation: 1523 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: 2
 Length of Surface Pipe Planned to be set: 230'
 Length of Conductor Pipe required: None
 Projected Total Depth: 4375'
 Formation at Total Depth: Mississippian Chat

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

(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: November 15, 2006 Signature of Operator or Agent: John C Houghton Title: Petroleum Engineer

For KCC Use ONLY
 API # 15 - 095-22065-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. X
 Approved by: WJH 11-27-06
 This authorization expires: 5-22-07
 (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: _____

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

RECEIVED
 NOV 16 2006
 KCC WICHITA

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