

15-077-21570-0000

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: <b>Pioneer Exploration, LTD.</b>		License Number: <b>32825</b>
Operator Address: <b>15603 Kuykendahl Suite 200 Houston, TX 77090</b>		
Contact Person: <b>John Houghton</b>		Phone Number: ( <b>281</b> ) <b>893 - 9400</b> ext <b>256</b>
Lease Name & Well No.: <b>Darnes "A" #3-18 (Near the Darnes #5-18)</b>		Pit Location (QQQQ): <b>NW NE NE</b>
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 <i>(If WP Supply API No. or Year Drilled)</i>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. <b>18</b> Twp. <b>31</b> R. <b>8</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West 4428 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 816 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Harper</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 <i>(For Emergency Pits and Settling Pits only)</i>
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</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: <u>4</u> (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. <b>Bentonite-Lined</b>		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit <u>1400</u> <sup>660</sup> feet    Depth of water well <u>124</u> feet	Depth to shallowest fresh water <u>110</u> <sup>70</sup> feet. <b>(5)</b> Source of information: <u>KH, KGS</u> _____ measured <input checked="" type="checkbox"/> well owner    _____ 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: _____ Abandonment procedure: <u>Dry/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.  December 18, 2006 <u>John Houghton</u> <b>RECEIVED KANSAS CORPORATION COMMISSION</b> Date    Signature of Applicant or Agent <b>DEC 26 2006</b>		

15-077-21570-0000

<b>KCC OFFICE USE ONLY</b>		<b>CONSERVATION DIVISION WICHITA, KS</b>
Date Received: <u>12/20/06</u>	Permit Number: <u>15-077-21570-0000</u>	Permit Date: <u>1/5/07</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

\* Public Water Supply well    Sec 18-315-80    NENEWE.



# 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  
Darnes A Lease Well No. 3-18  
NE/4 Sec. 18-31S-08W  
Harper County, Kansas

Dear Mr. Houghton:

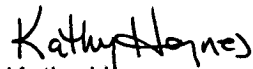
District staff has inspected the above referenced location and has determined that the haul-off pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and **the free fluids must be removed**. The fluids are to be removed from the haul-off pit within 72 hours after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

# **PIONEER EXPLORATION, LTD.**



December 12, 2006

**LaVera Bertholf**  
1132 NW 120 Rd  
Attica, KS 67009

**Tel: (620) 254 7681**

**RE: Darnes A-3  
Haul-Off Pit Agreement**

Pioneer Exploration requests your permission to construct a haul-off pit for the Darnes A-3. The haul-off pit will be constructed near the Darnes A-5 well site. The exact site of the haul-off pit can be seen on the attached CDP-1 form.

Pioneer Exploration will pay \$ 1,500 for the damages to build the Darnes A-3 locations and to construct a haul-off pit near the Darnes A-5 well site.

Please sign below if the terms are agreeable.

*LaVera Bertholf*  
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KANSAS CORPORATION COMMISSION  
**DEC 26 2006**  
CONSERVATION DIVISION  
WICKITA, KS

# **PIONEER EXPLORATION, LTD.**



December 14, 2006

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

**RE: Darnes A-3 Haul-Off Pit Application**

Pioneer Exploration is submitting this Haul-Off Pit Application. The haul-off pit is for the Darnes A-3 drilling operations. The proposed site of the haul-off pit is on acreage owned by the same landowner as the Darnes A-3

Included in this submission:

- Form CDP-1  
(Original and Copy)
- Written Permission from the landowner of the Darnes A Lease
- Haul-off Pit Application

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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DEC 15 2006  
CONSERVATION DIVISION  
WICHITA, KS**

# 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 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 2078, Wichita, KS 67202-3802

Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us

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DEC 26 2006

CONSERVATION DIVISION  
WICHITA, KS

# PIONEER EXPLORATION, LTD.



December 18, 2006

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

**RE: Correction to Darnes A #3-18 Haul-Off Pit Application**

Pioneer Exploration is resubmitting this Haul-Off Pit Application. The haul-off pit location was changed per the KCC man's recommendations.

Included in this submission:

- Form CDP-1 with new footages  
(Original and Copy)
- Written Permission from landowner for Lloyd Wells #6  
(Original and Copy)
- Haul-off Pit Application

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

Fax  
12/29/06

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KANSAS CORPORATION COMMISSION  
DEC 26 2006  
CONSERVATION DIVISION  
WICHITA, KS

For KCC Use: 12-16-06  
 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 December 18, 2006  
month day year

OPERATOR: License# 32825  
 Name: Pioneer Exploration LTD.  
 Address: 15603 Kuykendahl Suite 200  
 City/State/Zip: Houston, Texas 77090-3655  
 Contact Person: John Houghton  
 Phone: 281-893-9400 ext 256

CONTRACTOR: License# 33724  
 Name: Warren 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"/> Intfield	<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"/> QWO <input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; _____ # of Holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

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  East  
NE NE NE Sec. 18 Twp. 31 S. R. 8  West  
330 feet from  N /  S Line of Section  
380 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: Darnes "A" Well #: 3-18  
 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: 1667 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: 220'  
 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: December 4, 2006 Signature of Operator or Agent: [Signature] Title: Production Engineer

**For KCC Use ONLY**  
 API # 15 - 077-21570-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 200 feet per Alt. 1  
 Approved by: [Signature] 12-11-06  
 This authorization expires: 12-11-07  
 (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**  
 DEC 11 2006  
 KCC WICHITA

18  
31  
8W

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
CLOSURE OF SURFACE PIT**

Form CDP-4  
April 2004  
Form must be Typed

*08/07*

Operator Name: <b>PIONEER EXPLORATION, LTD.</b>	License Number: <b>32825</b>
Operator Address: <b>15603 Kuykendahl Suite 200, Houston, TX 77090</b>	
Contact Person: <b>John Houghton</b>	Phone Number: ( <b>281</b> ) <b>893 - 9400 x 256</b>
Permit Number (API No. if applicable): <b>15-077-21570-00-00</b>	Lease Name & Well No.: <b>Darnes "A" #3-18</b>
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	Pit Location (QQQQ):  <b>NW NE NE</b> Sec. <b>18</b> Twp. <b>31S</b> R. <b>8</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>4428</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>816</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Harper</b> County

Date of closure: 08/29/07

Was an artificial liner used?  Yes  No

If no, how were the sides and bottom sealed to prevent downward migration of the pit contents?

OK'd by KCC man- Bentonite

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KANSAS CORPORATION COMMISSION

SEP 05 2007

CONSERVATION DIVISION  
WICHITA, KS

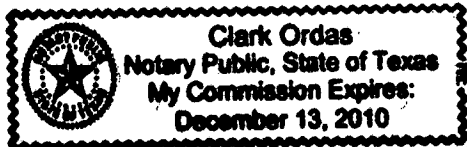
Abandonment procedure of pit:

Sucked Water Out, Allowed to Dry and Covered

The undersigned hereby certifies that he / she is Production Engineer for Pioneer Exploration, LTD (Co.),  
a duly authorized agent, that all information shown hereon is true and correct to the best of his / her knowledge and belief.

*John C Houghton*  
\_\_\_\_\_  
Signature of Applicant or Agent

Subscribed and sworn to me on this 30th day of August, 2007



*Clark Ordas*  
\_\_\_\_\_  
Notary Public

My Commission Expires: DEC. 13, 2010