NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

RECEIVED

Form C-1
November 1999

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

January 10, 2004

Expected Spud Date

OPERATOR: PIONEER RESOURCES
License#: 32016
Name:
Address: 177W. Limestone Rd.
City/State/Zip: Phillipsburg, KS, 67661
Contact Person: Rodger D. Wells
Phone: 785/543-5556

CONTRACTOR: SHIELDS Oil Producers, Inc.
License#: 5184
Name:

Well Drilled For: Oil
Well Class: Infield
Type Equipment: Mud Rotary

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 20' W & 130' N
Sec. 9 Twp 8 S R 32 E
West line from Sec. 6 R 32 E (circle one) Line of Section
feet from Sec. 6 R 32 E (circle one) Line of Section

Is SECTION Regular: Yes No

(Notes: Locate well on the Section Plat on reverse side)
County: Graham
Lease Name: Hull
Field Name: Montgomery
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle
Nearest Lease or unit boundary:

Target Surface Pipe by Alternate:
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe required:
Projected Total Depth:
Formation at Total Depth:

Water Source for Drilling Operations:
Well
DWR Permit #:

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. 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: 11/5/03
Signature of Operator or Agent: Rodger D. Wells
Title: Owner

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

For KCC Use ONLY
API # 15 - 065-29448.00
Conductor pipe required: None
Minimum surface pipe required: 200
Approved by: KS-11-19-03
This authorization expires: 5-19-04
(Spud date void if drilling not started within 6 months of effective date.)

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.
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A OIL WELL
Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market; Room 2078
Wichita, Kansas 67202

API NUMBER 15-

OPERATOR Pionton Resources

LEASE Mwild 7/01

WELL NUMBER

FIELD

NUMBER OF ACRES ATTRIBUTABLE TO WELL QTR/QTR/QTR OF ACREAGE

LOCATION OF WELL: COUNTY Graham

_feet from south/north line of section
_feet from east/west line of section

SECTION TWF (S) RG E/W IS SECTION_ REGULAR or __ IRREGULAR

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

Section corner used: NE NW SE SW

(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).

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NOV 6 2003
KCC WICHITA

The undersigned hereby certifies as ____________ (title) for _______________ (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.

Signature

Subscribed and sworn to before me on this _______ day of ____________, 19___

My Commission expires ______________

Notary Public

FORM CO-7 (12/94)
November 13, 2003

Mr. Rodger D. Wells
Pioneer Resources
177 W. Limestone Rd.
Phillipsburg, KS 67661

RE: Drilling Pit Application
Hull Lease Well No. 1
SE/4 Sec. 09-08S-23W
Graham County, Kansas

Dear Mr. Wells:

District staff has inspected the above referenced location and has determined that the reserve 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 reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (785) 625-0550 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

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,

Kathleen Haynes
Environmental Protection and Remediation Department

cc: H Deines