KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Effective Date: 3-30-04

For KCC Use:

District #

SGA? Yes No

Expected Spud Date: 3-29-04

OPERATOR:
License#: 32825
Name: PIONEER EXPLORATION, LTD.
Address: 15603 KUYKENDAHL SUITE 200
City/State/Zip: HOUSTON, TEXAS 77090
Contact Person: DANA BURNSIDES
Phone: 281-893-9400 EXT. 222

CONTRACTOR:
License#: 33350
Name: SOUTHWIND DRILLING, Inc.

Oil Enh Rec Gas Storage OWOO
Yes Gas Infield Mud Rotary Storage Disposal, Wildcat

Seismic: # of Holes
Other:

If OWOO: 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

SW . SW . NE

Sec. 20

Twp 34

S. R. 12

feet from East

feet from West

Is SECTION Regular Irregular?

County: BARBER
Lease Name: J.V. COOK
Field Name: HARDTNER

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): MISSISSIPPIAN CHAT

Nearest Lease or unit boundary:

2310' feet MSL

Ground Surface Elevation: 1482'

Water well within one-quarter mile:

Yes No

Public water supply well within one mile:

Yes No

Depth to bottom of fresh water:

150'

Depth to bottom of usable water:

180'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set:

200'

Length of Conductor Pipe required:

NONE

Projected Total Depth:

4500'

Formation at Total Depth:

MISSISSIPPIAN CHAT

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #:

Will Cores be taken?

Yes No

If Yes, proposed zone:

The undersigned hereby affirms that drilling, completion and eventual plugging of this well will comply with K.S.A.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office to spudding of well;
2. A copy of the approved notice of intent to drill posted on each drilling rig;
3. The minimum amount of surface pipe as specified below 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;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within of spudd 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 spudd date or the well shall be plugged.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent:

For KCC Use ONLY

API # 15:

Conductor pipe required: NONE feet

Minimum surface pipe required: 200 feet per Alt. 0

Approved by: RJP 3-25-04

This authorization expires: 9-25-04

Spud date: 3-29-04

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

RECEIVED

MAR 25 2004
KANSAS CORPORATION COMMISSION

Dated: MARCH 24, 2004

Signature of Operator or Agent:

Title: Reservoir Engineer

- Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spudd 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, please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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 -
Operator: PIONEER EXPLORATION, LTD.
Lease: J. V. COOK
Well Number: 1-20
Field: HARDTNER

Location of Well: County: BARBER

2970 feet from □ N / □ S Line of Section
2310 feet from □ E / □ W Line of Section
Sec. 20 Twp. 34 S, R. 12 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

In plotting the proposed location of the well,

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: (CG-7 for oil wells; CG-8 for gas wells).
March 25, 2004

Mr. Dana Burnsides  
Pioneer Exploration, Ltd.  
15603 Kuyendahl, Ste 200  
Houston, TX 77090

RE: Drilling Pit Application  
J.V. Cook Lease Well No. 1-20  
NE/4 Sec. 20-34S-12W  
Barber County, Kansas

Dear Mr. Burnsides:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. Please keep the pits away from the draw.

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 (620) 225-8888 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: S Durrant