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

For KCC Use: 4-20-04

Effective Date: 2

District #: 32825

SGA? Yes □ No

Expected Spud Date: 3/29/04

OPERATOR: License #: 32825

Name: PIONEER EXPLORATION, LTD.

Address: 15603 KUYKENDAL SUITE 200

City/State/Zip: HOUSTON, TEXAS 77090

Contact Person: DANA BURNSIDES

Phone: 281-833-9400 EXT. 222

CONTRACTOR: License #: 33006

Name: ACE DRILLING, INC.

Oil ☑ Gas ☑ Enh Rec ☑ Infied ☑ Mud Rotary
OWO ☑ Disposal ☑ Pool Ext. ☑ Air Rotary
Seismic: # of Holes 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
NE NW SW Sec. 3 Twp. 31 S. R. 9 East
940 feet from N / S Line of Section
330 feet from E / W Line of Section

Is SECTION Regular ☑ Irregular ☑

County: HARPER

Lease Name: KEIMIG MCDANIEL Well #: 5-3

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: 1702' 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: 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: N/A

Projected Total Depth: 4500'

Formation at Total Depth: MISSISSIPPIAN CHAT

Water Source for Drilling Operations:

DWR Permit #: ☑

Will Cores be taken? Yes ☑ No ☑

If Yes, proposed zone:

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KCC #2001-1-02. 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 in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 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.

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

Date: MARCH 24, 2004  
Signature of Operator or Agent:  
Title: Reservoir Engineer

For KCC Use ONLY

API #: 77, 21478, 0000

Conductor pipe required: NONE feet
Minimum surface pipe required: 200 feet per Alt. 0
Approved by: RSP 4-15-04
This authorization expires: 10-15-04

Spud date: Agent:

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

- 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 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
MAR 2 5 2004
CONSERVATION DIVISION
WICHITA, KS
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 - Location of Well: COUNTY: HARPER
Operator: PIONEER EXPLORATION, LTD. 330 feet from ✔ N / ☐ S Line of Section
Lease: KEIMIG MCDANIEL 940 feet from ☐ E / ✔ W Line of Section
Well Number: 5-3 Sec. 3 Twp. 31 S. R. 9 ☒ East ✔ West
Field: SPIVEY-GRABS-BASIL
Number of Acres attributable to well: Is Section: ☑ Regular or ☐ Irregular
QTR / QTR / QTR of acreage: NE - NW - NW

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).
April 15, 2004

Mr. Dana Burnsides
Pioneer Exploration, LTD
15603 Kuykendahl, Ste 200
Houston, TX  77090

Re:  Drilling Pit Application
     Keimig McDaniel Lease Well No. 5-3
     NW/4 Sec. 03-31S-09W
     Harper 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 all pits must be lined with bentonite. 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 within 72 hours 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 (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis