NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use:
Effective Date: 5-2-04
District #
SGA? Yes No

Expected Spud Date
month 1 day 03 2004

OPERATOR: License # 04824 1/28/05
Name: PIONEER NATURAL RESOURCES USA, INC.
Address: 5205 N. O'CONNOR BLVD. - ROOM 1357
City/State/Zip: IRVING, TX 75039
Contact Person: LINDA KELLY
Phone: (972) 444-9001

CONTRACTOR: License # WILL ADVISE ON ACO-1
Name: ADVICE ON ACO-1 MUST BE LICENSED WITH KCC

Well Drilled For: Oil Gas OWIWO Seismic, # Previous Holes

Well Class:
Type Equipment:

[ ] Infield [ ] Mud Rotary
[ ] Pool Ext. [ ] Air Rotary
[ ] Wildcat [ ] Cable
[ ] Other

Well: X

Original Completion Date: 06/1-17-04
Original Total Depth

Directional, Deviated or Horizontal wellbore?
Yes No

If yes, true vertical depth:

Bottom Hole Location

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 15 2004

AFFIDAVIT

The undersigned hereby affirms that the following minimum requirements shall 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: 3/9/04
Signature of Operator or Agent: LINDA KELLY
Title: ENGINEERING TECH III

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 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
In all cases plot the intended well on the plat below.

If the intended well is in a prorated or spaced field, please fully complete this side of the form. 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 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 NATURAL RESOURCES USA, INC.
Lease L. M. STUBBS
Well Number 1-36R
Field HUGOTON
Number of Acres attributable to well: 640
QTR/QTR/QTR of acreage: NE/4 NE/4 NW/4

Location of Well:
County: GRANT
330’ FNL feet from X N / S Line of Section
1250’ FEL feet from X E / W Line of Section
Sec 36 Twp 29S S. R 36W
Is Section X Regular or ___ Irregular
If Section is irregular, locate well from nearest corner boundary.
Section corner used: ___ NE ___ NW ___ SE ___ SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to nearest lease or unit boundary line)

In plotting the proposed location of the well, you must show:
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; and
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).
April 27, 2004

Ms. Linda Kelly
Pioneer Natural Resources USA, Inc.
5205 N. O'Connor Blvd. Ste 900
Irving, TX 75039

RE: Drilling Pit Application
LM Stubbs Lease Well No. 1-36R
NE/4 Sec. 36-29S-36W
Grant County, Kansas

Dear Ms. Kelly:

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 (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,

[Signature]

Kathleen Haynes
Environmental Protection and Remediation Department

cc: S Durrant