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

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

**Ap 136' 5 of**

<table>
<thead>
<tr>
<th>Spot</th>
<th>S/2</th>
<th>Sec. 17</th>
<th>Twp. 30</th>
<th>S. R. 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>S/2</td>
<td>-</td>
<td></td>
<td>East</td>
</tr>
<tr>
<td>2640</td>
<td>S/2</td>
<td>-</td>
<td></td>
<td>West</td>
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</tbody>
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Is SECTION ___ Regular __ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: KINGMAN
Lease Name: LLOYD WELLS
Field Name: SPIVEY-GRABS-BASIL

If this is a Prorated / Spaced Field? Yes No

Target Formation(s): MISSISSIPPIAN CHAT, SIMPSON SS

Nearest Lease or unit boundary: 2640'

Ground Surface Elevation: 1529'

Well water 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: 4800'

Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:
- Well  Yes
- Farm Pond  No
- Other

DWR Permit:

(Note: Apply for Permit with DWR)

Will Cores be taken?

If Yes, proposed zone:

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 01 2004

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 must 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.

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

Date: 8/31/04

Signature of Operator or Agent: [Signature]

Title: Reservoir Engineer

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.

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

For KCC Use ONLY

API # 15 - 095 - 21909 - 00 - 00

Conductor pipe required: NONE feet

Minimum surface pipe required: 200 feet per All 4

Approved by: [Signature] 3-10-05

This authorization expires: 3-10-05

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: [Date]

Agent: [Signature]
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plat of acreage attributable to a well in a prorated or spaced field

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 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: LLOYD WELLS
Well Number: 5-17
Field: SPIVEY-GRABS-BASIL

Location of Well: County: KINGMAN
200 feet from N / ☑ S Line of Section
2640 feet from E / ☑ W Line of Section
Sec. 17 Twp. 30 S. R. 8 ☑ 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
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location.

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.
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: (C0-7 for oil wells; CG-8 for gas wells).
September 10, 2004

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

Re: Drilling Pit Application
Lloyd Wells Lease Well No. 5-17
S/2 17-30S-08W
Kingman County, Kansas

Dear Mr. Burnsides:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. District has approved the transfer of drilling fluids from the above referenced well, to the Lloyd Wells No. 3-20. The enclosed Exploration and Production Waste Transfer, form CDP-5, must be filed within 30 days of waste transfer.

Sincerely,

Jonelle Rains, Supervisor
Environmental Protection and Remediation Department

Cc: Doug Louis
File