KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 10-12-04
District #: 2
SGA? ☑ Yes ☐ No

Expected Spud Date: 8/10/04

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

CONTRACTOR: License #: 33006
Name: ACE DRILLING INC

Well Drilled For: Oil
Well Class: Enh Rec
Type Equipment: Mud Rotary

Spot SW NW NE Sec. 7 Twp. 31 S. R. 8
feet from N / E Line of Section
2310 feet from W Line of Section

Is SECTION □ Regular □ Irregular?

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

County: Harper
Lease Name: Kernohan
Well #: 6-7
Field Name: SPIVEY-GRABS-BASIL

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

Nearest Lease or Unit boundary: 1065'
Ground Surface Elevation: 1659'
Water well within one-quarter mile: Yes ☑ No ☐
Public water supply well within one mile: Yes ☑ No ☐
Depth to bottom of fresh water: 110'
Depth to bottom of usable water: 180'

Directional, Deviated or Horizontal well: Yes ☑ No ☐
If Yes, true vertical depth:

KCC DKT #: CONSERVATION DIVISION WICHITA, KS

August 15, 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 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: 08/05/04
Signature of Operator or Agent: Reservoir Engineer

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

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled
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: Kernohan
Well Number: 6-7
Field: SPIVEY-GRABS-BASIL
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: SW - NW - NE

Location of Well: County: Harper
1065 2310 feet from N / S Line of Section feet from E / W Line of Section
Sec. 7 Twp. 31 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.)

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 25 2004
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

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: (CO-7 for oil wells; CG-6 for gas wells).
October 7, 2004

Mr. Dana Burnside
Pioneer Exploration, Ltd.
15603 Kuykendahl Ste 200
Houston, TX 77090

Re: Drilling Pit Application
Kernohan Lease Well No. 6-7
NE/4 Sec. 07-31S-08W
Harper County, Kansas

Dear Mr. Burnside:

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) 630-4000 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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis