**NOTICE OF INTENT TO DRILL**

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

<table>
<thead>
<tr>
<th>Expected Spud Date: 7/13/04</th>
<th>OPERATOR: License # 22625</th>
</tr>
</thead>
<tbody>
<tr>
<td>City: HOUSTON, TEXAS 77090</td>
<td>ADDRESS: 3503 KKYENDAHL SUITE 200</td>
</tr>
<tr>
<td>Contract: PIDA BURRIS 1230</td>
<td>Approver: 258-883-5400 Ext. 272</td>
</tr>
<tr>
<td>Contractor: License # 33006</td>
<td>Name: ACE DRILLING</td>
</tr>
<tr>
<td>Well Name:</td>
<td></td>
</tr>
<tr>
<td>Oil Well Drilled For:</td>
<td></td>
</tr>
<tr>
<td>Water Well Drilled For:</td>
<td></td>
</tr>
<tr>
<td>Type: Methane</td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td></td>
</tr>
<tr>
<td>Storage</td>
<td></td>
</tr>
<tr>
<td>Storage</td>
<td></td>
</tr>
<tr>
<td>Disposal</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
</tr>
<tr>
<td>Rec</td>
<td></td>
</tr>
<tr>
<td>Inj</td>
<td></td>
</tr>
<tr>
<td>Mud</td>
<td></td>
</tr>
<tr>
<td>Rotary</td>
<td></td>
</tr>
<tr>
<td>Mud</td>
<td></td>
</tr>
<tr>
<td>Storage</td>
<td></td>
</tr>
<tr>
<td>Disposal</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

If OWWO: Oil well information as follows:

- Operator:
- Well Name:
- Original Completion Date:
- Original Total Depth:
- Directional Deviation or Horizontal Direction:
- Yes or No
- Vertical Depth:
- Yes or No
- System Name Location:
- KCC Okt. #1
- WICHITA, KS

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KSA. 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 § 84 through all unconsolidated materials and a minimum of 20 feet into the 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 the casing water to surface within 120 days of spud date.

An pursuit of Appendices "B" - Eastern Kansas surface casing under #153, 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: 09/05/2004 Signature of Operator or Agent: [Signature]

Title: Reservoir Engineer

**AFFIDAVIT**

**For KCC Use ONLY**

API # 15: 075 - 2195 C 00 00

Conductor pipe required: [ ] Yes [ ] No

Working interest pipe required: [ ] Yes [ ] No

Approved by: [Signature]

This authorization expires: (This authorization will end 90 days from initial request or 6 months of effective date)

Spud date: [Date]

[ ] Not Drilled - Permit Expired

Mail to: KCC - Conservation Division, 130 S. Merkert. Room 2079, Wichita, Kansas 67202

**Mail to:**

KCC - Conservation Division, 130 S. Merkert. Room 2079, Wichita, Kansas 67202

**Signature of Operator or Agent:**

Date:
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 boundary of the proposed acreage attribution unit in 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: Swango
Well Number: 5-36
Fiduciary: SPIVEY-GRABS BASIS

Location of Well: County: KINGMAN
330
16th
Sec.: 36
6 Line of Section
1650
Line of Section
tw.: 30
S. R. 9
E. [ ] W.
I. [ ] W.

If Section is irregular, locate well from nearest corner boundary:
- Section: [ ] Regular or [ ] Irregular
- Location 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 40 ft 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 well 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 31, 2005

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

Re: Drilling Pit Application
Swingle Lease Well No. 6-36
NE/4 Sec. 36-305-09W
Kingman 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis