Expected Spud Date: August 30, 2005

Operators:
Name: Pioneer Exploration Ltd.
Address: 15603 Kuykendahl suite 200
City/State/Zip: Houston, Texas 77090
Contact Person: John Houghtaling
Phone: 281/851-9400 ext 253

Contractor: Ace Drilling
Name: Ace Drilling
Lic# 33006

Well Drilled For:
[ ] Oil [ ] Gas [ ] Storage [ ] Water [ ] Other
[ ] Enlarged [ ] Production [ ] Well Completion [ ] Disposal
[ ] N/A

Type Equipment:
[ ] Oil [ ] Gas [ ] Storage [ ] Water [ ] Mud Rotary
[ ] Air Rotary [ ] Other

Well Completion:
[ ] Plug
down to
[ ] Depth
[ ] Other

If OffWD: old well information as follows:
Operator: Ace Drilling
Name: Ace Drilling
Original Completion Date: 05/30/2001
Original Total Depth: 3150 ft
Directional, deviated or Horizontal well?: Yes
If Yes, true vertical depth: 3150 ft
Bottom Hole Location: KCC DKT #

Consortium Division: Wichita, KS

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and expansion of all wells as described in this well permit 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 well
2. A copy of the approved Outline 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 of all casing. Surface pipe shall be set through all uncompleted materials plus a minimum of 30 feet into the engineering formation.
4. If the well is a gas, an agreement between the operator and the district office on plug back and plugging is necessary prior to plugging.
5. The appropriate district office will be notified before well is either plugged or production casing is cemented.
6. If an alternative completion, production pipe shall be cemented from below any usable water surface within 30 days of spudding.

Or pursuant to Appendix B, Eastern Kansas Surface casing order #193,891-2, which applies to the KCC District 3 area. Permittee is responsible for completing all testing prior to the 30 days of the spudd date or the well shall be plugged. In all cases, NOTRYP 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: August 19, 2005

Signature of Operator or Agent: [Signature] The Production Engineer: [Signature]

Remember to:
- File DTH Well Application form (CDP-1) with intent to drill.
- Complete Form CDP-1 within 120 days of spudding.
- Follow all District guidelines for well completion;
- Notify appropriate district office 48 hours prior to work-up or re-entry;
- Submit completion report (CP-5) after plugging is cemented;
- Obtain written approval before disposing of any injected water;
- If this permit has expired, see authorized expiration notice please check the box below and return to the address below.

Mail to: KCC - Conservation Division, 130 S. Markid - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE IN-ENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prolated or spaced field

If the intended well is in a prolated or spaced field, please fully complete the side of the form. If the intended well is in a prolated or spaced field complete the plat below showing that the well will be properly located in relation 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: R. Douglas Oil Trust
Well Number: 2-9
Field: Spivey-Graves-Basil

Number of Acres attributable to well: 
QTR / QTR / QTR of acreage NW - NE - SE
Location of Well: County: Harper
990 feet N / 31 feet W
Sec. 5 Twp. 31 R. 8
Line of Section: S / E
Line of Section: East (X) West
In Section: [ ] Regular or [ ] Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner named: [ ] NE [ ] NW [ ] SE [ ] SW

PLAT

(Show location of the well and shade attributable acreage for prolated or spaced wells.)
(Show footage to the nearest (1) acre or unit boundary line.)

NOTE: In all cases locate the west 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, 4 sections, etc.
2. The distance of the proposed drilling location from the section’s north / north and east: west.
3. The distance to the nearest unit or unit boundary line.
4. If proposed location is Locate within a prolated or spaced field a certificate of acreage attribution plat must be attached. (CG-7 for oil wells; CG-8 for gas wells).
September 27, 2005

Mr. John Houghton
Pioneer Exploration, Ltd.
15003 Kuykendahl Ste 200
Houston, TX 77090

Re: Drilling Pit Application
R. Douglas Gill Trust Lease Well No. 2-5
SEA Sec. 05-31S-08W
Harper County, Kansas

Dear Mr. Houghton:

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. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation Division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservationforms.

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 Haynie
Environmental Protection and Remediation Department

cc: Doug Louis

KANSAS CORPORATION COMMISSION
KATHLEEN SEBELIUS, GOVERNOR
VIRJAN J. MOUHERE, LIAISON
ROBERT E. KRASIEL, COMMISSIONER
MICHAEL E. MCFEET, COMMISSIONER

KANSAS CORPORATION COMMISSION
FINNEY STATE OFFICE BUILDING, 130 S. MARKET, Room 2670, WICHITA, KS 67212-3002
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