

For KCC Use: 12-14-04  
Effective Date: 12-14-04  
District # 1  
SGA?  Yes  No

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

Form C-1  
December 2002  
Form must be signed  
All blanks must be Filled

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

Expected Spud Date 12/22/04  
month day year

Spot: AP SW - SW - NE - NW Sec. 4 Twp. 26S R. 33  
 East  West

OPERATOR: License # 5447 (6-30-05)

1260 feet from  N /  S Line of Section  
1450 feet from  E /  W Line of Section

Name: OXY USA Inc.  
Address: P.O. Box 2528  
City/State/Zip: Liberal, KS 67905  
Contact Person: Vicki Carder  
Phone: (620) 629-4242

Is SECTION Regular  Irregular?  
(Note: Locate well on the Section Plat on reverse side)  
County: Finney  
Lease Name: Drussel B Well #: 3  
Field Name: Panoma Council Grove

CONTRACTOR: License # 5502-33375  
Name: Cheyenne Drilling Inc. LP

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Council Grove  
Nearest Lease or unit Boundary: 1260

Well Drilled For: Well Class: Type Equipment:  
 Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic: # of Holes  Other Field Extension  
 Other

Ground Surface Elevation: 2914 feet MSL  
Water well within one-quarter mile  Yes  No  
Public water supply well within one mile:  Yes  No  
Depth to bottom of fresh water: 540  
Depth to bottom of usable water: 1000

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 560' min 330'  
Length of Conductor Pipe Required: NONE  
Projected Total Depth: 3100  
Formation at Total Depth: Council Grove

Directional, Deviated or Horizontal wellbore?  Yes  No  
IF Yes, true vertical depth \_\_\_\_\_  
Bottom Hole Location \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Water Source for Drilling Operations:  
 Well  Farm Pond Other X  
DWR Permit # \_\_\_\_\_  
(Note: Apply for Permit with DWR )  
Will Cores be Taken?  Yes  No  
If Yes, Proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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: November 23, 2004. Signature of Operator or Agent: Vicki Carder Title: Capital Project

**For KCC Use ONLY**  
API # 15 - 055-21850-00-00  
Conductor pipe required NONE feet  
Minimum Surface pipe required 560 feet per Alt. + (2)  
Approved by: RJP 12-9-04  
This authorization expires: 6-9-05  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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 proation 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.  
 Well Not Drilled - Permit Expired  
Signature of Operator or Agent: \_\_\_\_\_  
Date: \_\_\_\_\_

RECEIVED  
DEC 06 2004  
KCC WICHITA

7  
26  
33W

**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: OXY USA Inc.  
 Lease: Drussel B  
 Well Number: 3  
 Field: Panoma Council Grove

Location of Well: County Finney  
 \_\_\_\_\_ 1260 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ 1450 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 4 Twp. 26S R. 33  East  West

Number of Acres attributable to well: 880  
 QTR / QTR / QTR of acreage: SW - NE - NW

Is Section  Regular or  Irregular

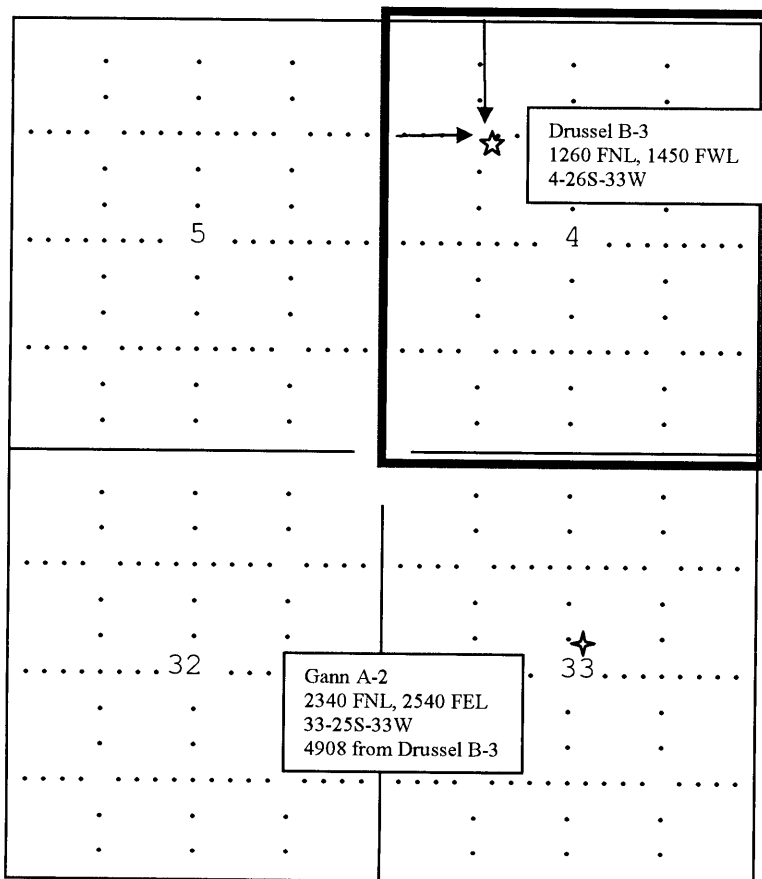
**IF Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

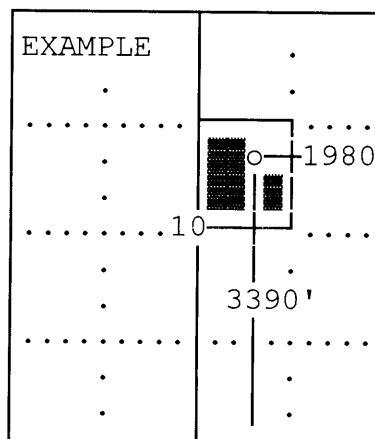
**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*



Section 4 is located on a correction line in Finney County, KS. Total acreage for Section 4 is 879.62 acres, making unit longer in the N/S direction.



SEWARD CO.

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

Finney County

**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 sections 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-8 for gas wells).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

December 9, 2004

Vicki Carder  
OXY USA Inc  
PO Box 2528  
Liberal KS 67905

Re: Drilling Pit Application  
Drussel B Lease Well No. 3  
NW/4 04-26S-33W  
Finney County, Kansas

Dear Ms. Carter:

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 Exploration and Production Waste Transfer, form CDP-5, 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,



Jonelle Rains, Supervisor  
Department of Environmental Protection and Remediation

cc: Steve Durrant  
File