

For KCC Use:
Effective Date: 3.16.05
District # 1
SGA? Yes No

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

CORRECTED

Form C-1

December 2002

Form must be Typed

Form must be signed

All blanks must be Filled

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

AP 28' W & S of

Expected Spud Date 04/08/05
month day year

Spot: **CORRECTED FOOTAGES 03/24/05**
~~SW~~ - ~~SW~~ - SW Sec. 36 Twp. 32S R. 43
 East West

OPERATOR: License # 5447

*1348 feet from N / S Line of Section

*1370 feet from E / W Line of Section

Name: OXY USA Inc.

RECEIVED

Address: P.O. Box 2528

City/State/Zip: Liberal, KS 67905

MAR 28 2005

Contact Person: Cal Wylie

Is SECTION X Regular Irregular?

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

Phone: (620) 629-4200

County: Morton

Lease Name: Smith R Well #: 3

Field Name: Mustang Kansas City

CONTRACTOR: License # 33375

Is this a Prorated / Spaced Field? Yes No

Name: Cheyenne Drilling LP

Target Formation(s): Kansas City

Nearest Lease or unit Boundary: * Lease line 1298, Unit boundary 1348

Well Drilled For: Well Class: Type Equipment:

*

Ground Surface Elevation: *3563 feet MSL

Oil Enh Rec Infield Mud Rotary

Water well within one-quarter mile Yes No

Gas Storage Pool Ext Air Rotary

Public water supply well within one mile: Yes No

OWWO Disposal Wildcat Cable

Depth to bottom of fresh water: 250

Seismic: # of Holes Other

Depth to bottom of usable water: 420

Other

Surface Pipe by Alternate: 1 2

If OWWO: old well information as follows:

Length of Surface Pipe Planned to be set: 1400

Operator: _____

Length of Conductor Pipe Required: NONE

Well Name: _____

Projected Total Depth: 3950

Original Completion Date: _____ Original Total Depth: _____

Formation at Total Depth: Kansas City

Directional, Deviated or Horizontal wellbore? Yes No

Water Source for Drilling Operations:

IF Yes, true vertical depth _____

Well Farm Pond Other _____

Bottom Hole Location _____

DWR Permit # _____

KCC DKT #: _____

Will Cores be Taken? Yes No

* Prorated & Spaced KC (Dennis Swore, Herthel) Mustang Kansas City Gas Pool

If Yes, Proposed zone: _____

AFFIDAVIT

* Elev was: 3564' Elev. is 3563'

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:

* WAS: 1250' FSL, 1250 FWL ap NENE SW SW
IS: 1348' FSL, 1370 FWL, ap C SW

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: March 24, 2005 Signature of Operator or Agent: Walter Jander Title: Capital Project

For KCC Use ONLY

API # 15 - 129-21750-0000 15-129-21750-0000

Conductor pipe required NONE feet

Minimum Surface pipe required 440 feet per Alt. 1

Approved by: RJP 3.11.05 / RJP 3.29.05

This authorization expires: 9.11.05

(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: _____

36
32
430

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: Smith R
 Well Number: 3
 Field: Mustang Kansas City

Location of Well: County Morton
 _____ *1348 _____ feet from N / S Line of Section
 _____ *1370 _____ feet from E / W Line of Section
 Sec. 36 Twp. 32S R. 43 East West

Number of Acres attributable to well: 160
 QTR / QTR / QTR of acreage: NE - SW - SW

Is Section Regular or Irregular

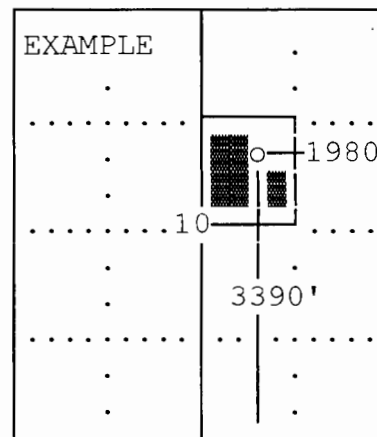
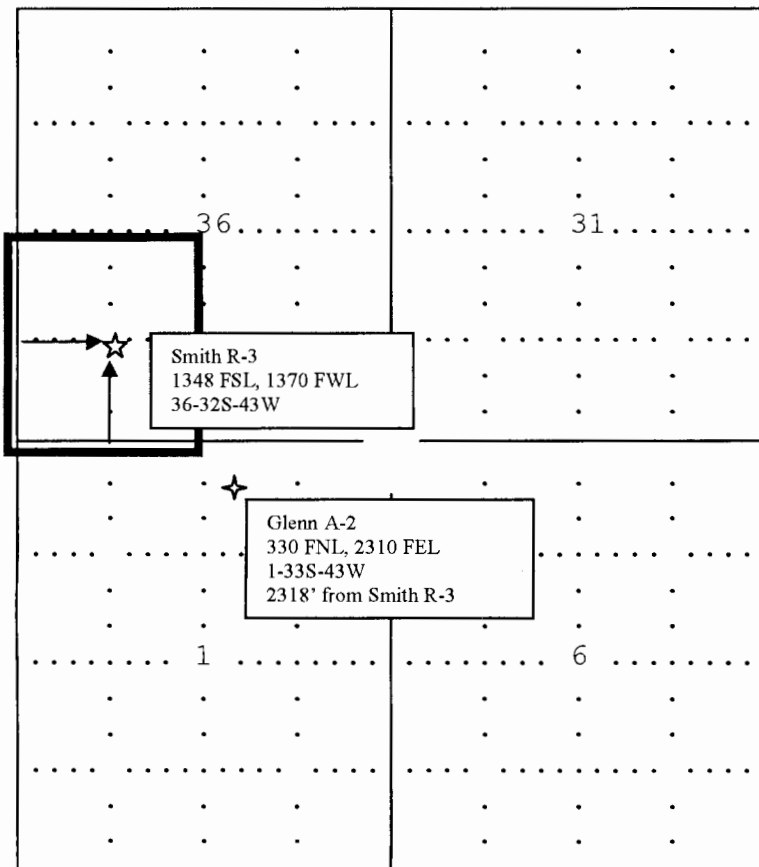
IF Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

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

Morton 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).