

For KCC Use:
Effective Date: 6-24-06
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 Typed
Form must be signed

All blanks must be Filled

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

Expected Spud Date 07/09/06
month day year

Spot: East West
NW - SW - SE Sec. 27 Twp. 32S R. 43

OPERATOR: License # 5447

673 feet from N / S Line of Section

2242 feet from E / W Line of Section

Name: OXY USA Inc.

Is SECTION X Regular _____ Irregular _____

Address: P.O. Box 2528

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

City/State/Zip: Liberal, KS 67905

County: Morton

Contact Person: Vicki Carder

Lease Name: Sharp D Well #: 3

Phone: (620) 629-4242

Field Name: _____

CONTRACTOR: License # 30606

Is this a Prorated / Spaced Field? Yes No

Name: Murfin Drilling Co., Inc.

Target Formation(s): St. Louis

Nearest Lease or unit Boundary: 673

Well Drilled For: Well Class: Type Equipment:

Ground Surface Elevation: 3571 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: 450

Seismic: # of Holes Other Develop-cat

Depth to bottom of usable water: 450

Other _____

Surface Pipe by Alternate: 1 2

If OWWO: old well information as follows:

Length of Surface Pipe Planned to be set: 1750

Operator: _____

Length of Conductor Pipe Required: _____

Well Name: _____

Projected Total Depth: 5380

Original Completion Date: _____ Original Total Depth: _____

Formation at Total Depth: St. Louis

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 #: _____

(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: 06/07/06 Signature of Operator or Agent: Vicki Carder Title: Capital Projects

For KCC Use ONLY

API # 15 - 129-21788-0000

Conductor pipe required None feet

Minimum Surface pipe required 470 feet per Alt. 1

Approved by: PH 6-19-06

This authorization expires: 12-19-06

(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: _____

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

RECEIVED
JUN 12 2006
KCC WICHITA

27-32-43W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

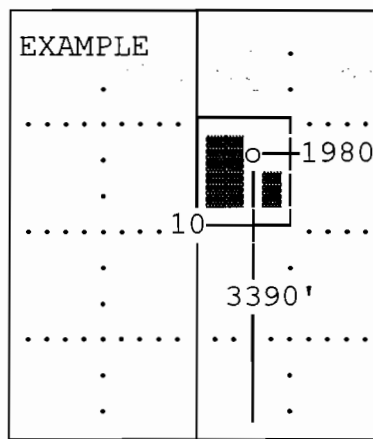
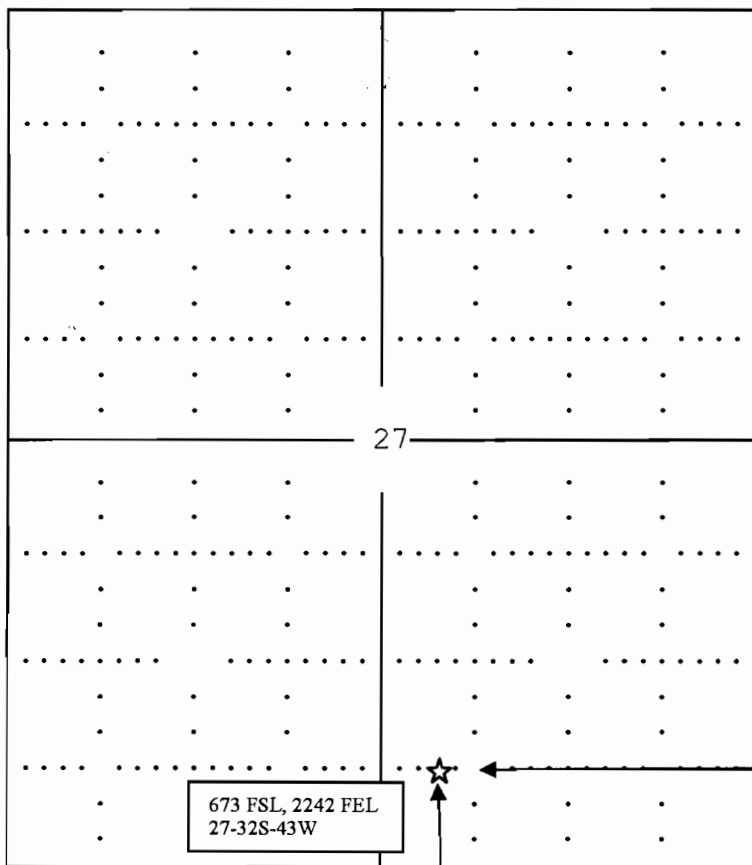
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 129-21788-0000
Operator:
Lease:
Well Number:
Field:
Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

Location of Well: County
feet from N / S Line of Section
feet from E / W Line of Section
Sec. Twp. R. 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.)



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).

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: OXY USA Inc.		License Number: 5447
Operator Address: P. O. Box 2528, Liberal, KS 67901		
Contact Person: Rusty Hanna		Phone Number: (620) 629 - 4200
Lease Name & Well No.: Sharp D-3		Pit Location (QQQQ): _____ NW _____ SW _____ SE Sec. 27 Twp. 32S R. 43 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 673 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2242 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Morton _____ County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 16000 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Bentonite & Cuttings
Pit dimensions (all but working pits): 150 Length (feet) 150 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 _____ (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 1638 feet Depth of water well 260 feet		Depth to shallowest fresh water 40 feet. Source of information: KAK 63 <input checked="" type="checkbox"/> electric log <input type="checkbox"/> KDWR _____ measured _____ well owner _____
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Water Mud Number of working pits to be utilized: _____ Abandonment procedure: Evaporation and Backfill _____ Drill pits must be closed within 365 days of spud date.
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
_____ 06/07/06 _____ Date		_____ <i>Vicki Gander</i> _____ Signature of Applicant or Agent

RECEIVED
JUN 12 2006
KCC WICHITA

15-189-21788-000

KCC OFFICE USE ONLY		<i>Normal</i>
Date Received: 6/12/06	Permit Number: _____	Permit Date: 6/19/06 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No