

For KCC Use:
Effective Date: 7-4-06
District # 1
SGA? Yes No

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

Owwd
RECEIVED
December 2002
Form must be Typed
Form must be signed
All blanks must be Filled
JUN 14 2006

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

Expected Spud Date 06/27/06
month day year

Spot: SW - NE - SW Sec. 10 Twp. 34S R. 35
 East
 West

OPERATOR: License # 5447 ✓

1957 feet from N / S Line of Section

Name: OXY USA Inc.

1970 feet from E / W Line of Section

Address: P.O. Box 2528

Is SECTION X Regular Irregular?

City/State/Zip: Liberal, KS 67905

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

Contact Person: Vicki Carder

County: Stevens

Phone: (620) 629-4242

Lease Name: Skinner B Well #: 2

CONTRACTOR: License # 30606 ✓

Field Name: Ski

Name: Murfin Drilling Co., Inc.

Is this a Prorated / Spaced Field? Yes No

Well Drilled For: Well Class: Type Equipment:

Target Formation(s): Chester ✓

Oil Enh Rec Infield Mud Rotary ✓

Nearest Lease or unit Boundary: 1957

Gas Storage Pool Ext Air Rotary

Ground Surface Elevation: 2996 feet MSL

OWWO Disposal Wildcat Cable

Water well within one-quarter mile Yes No

Seismic: # of Holes Other

Public water supply well within one mile: Yes No

Other Re-Entry - P&A 01/31/62 API 15-189-10048

Depth to bottom of fresh water: 780 ✓

Depth to bottom of usable water: 780 ✓

If OWWO: old well information as follows:

Surface Pipe by Alternate: 1 2

Operator: Cities Service

Length of Surface Pipe ~~Planned to be set~~: 2887

Well Name: Skinner B-2

Length of Conductor Pipe Required: _____

Original Completion Date: P&A 01/31/62 Original Total Depth: 6594

Projected Total Depth: 6594 ✓

Formation at Total Depth: Chester ✓

Directional, Deviated or Horizontal wellbore? Yes No

Water Source for Drilling Operations: Well Farm Pond Other

IF Yes, true vertical depth _____

DWR Permit # _____

Bottom Hole Location _____

(Note: Apply for Permit with DWR)

KCC DKT #: _____

Will Cores be Taken? Yes No

Prorated & Spaced: Hugoton & Panoma

If Yes, Proposed zone: _____

AFFIDAVIT

PUPA 060607

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: 12/23/06 Signature of Operator or Agent: Vicki Carder Title: Capital Project

For KCC Use ONLY

API # 15 - 15-189-10048-00-01

Conductor pipe required None feet

Minimum Surface pipe required 2887 feet per Alt. **① X**

Approved by: 12-29-06

This authorization expires: 12-29-06

(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 proaction 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: _____

10-34-35W

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: _____
 Lease: _____
 Well Number: _____
 Field: _____

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

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - _____

Is Section Regular or Irregular

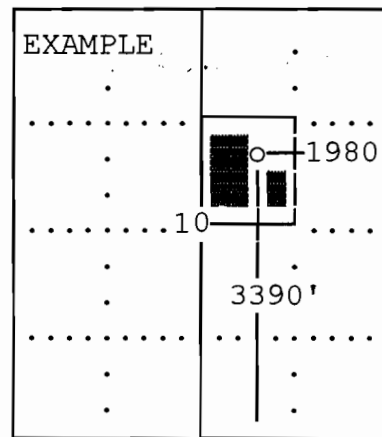
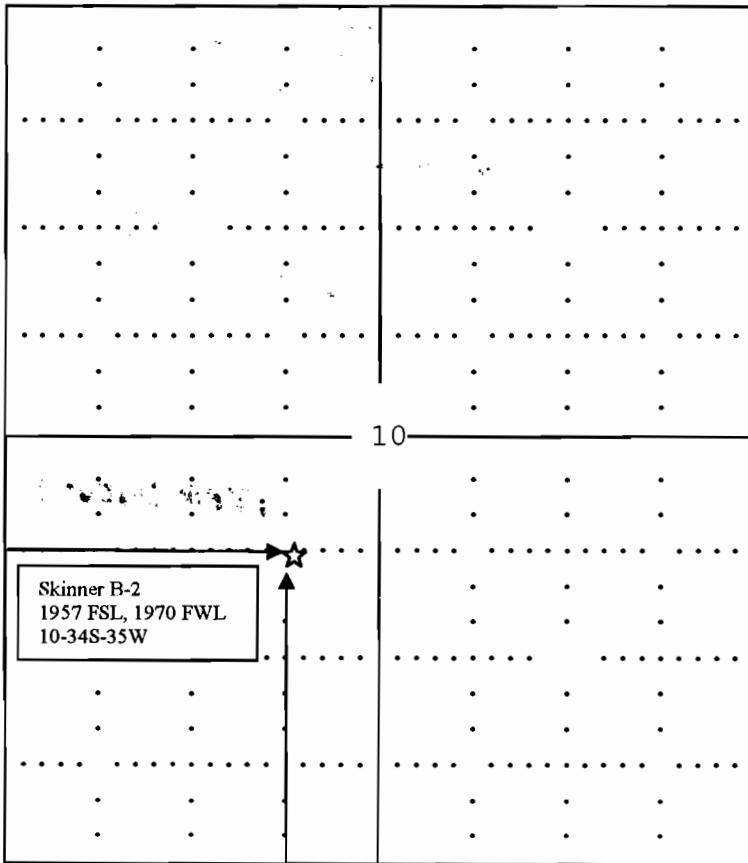
IF Section is Irregular, locate well from nearest corner boundary.

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.

Stevens 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


RECEIVED

JUN 14 2006

KCC WICHITA

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: Gregg Fillpot		Phone Number: (620) 629 - 4200
Lease Name & Well No.: Skinner B-2		Pit Location (QQQQ): _____ Sw - NE - SW Sec. 10 Twp. 34S R. 35 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1957 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1970 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Stevens _____ 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 checked="" type="checkbox"/> Yes <input 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 1928 feet Depth of water well 696 feet		Depth to shallowest fresh water 184 feet. (2) Source of information: KHKOS _____ measured _____ well owner _____ electric log _____ KDWR
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.		
_____ 05/23/06 _____ Date		_____  _____ Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: 6/14/06 Permit Number: _____ Permit Date: 6/14/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-189-10048-00-01

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

June 29, 2006

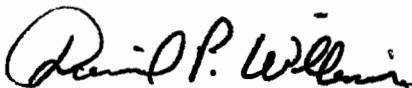
Vicki Carder
OXY USA, INC
P.O. Box 2528
Liberal, KS 67905

Re: Skinner B #2 API #15-189-10048-0001
Docket # PVPA 060607
Sec. 10-T34S-R35W
Stevens County, Kansas

Dear Ms. Carder,

The form VPA-1 affidavit filed for the above-referenced well stated that service of the affidavit was mailed on June 12, 2006. The fifteen (15) day protest period has expired and we have not received any protests. Therefore, we are advising you that the drilling of this well may commence and, in lieu of cement, drilling mud of the weight specified in your affidavit may be used across the interval between the base of the Council Grove group and the top of the Chase group.

Sincerely,



David P. Williams
Production Department

KANSAS CORPORATION COMMISSION
 CONSERVATION DIVISION
 130 S. Market – Room 2078
 Wichita, Kansas 67202

RECEIVED Form _____
 JUN 14 2006 4/01
 KCC WICHITA

VERIFIED AFFIDAVIT FOR USE OF MUD AS AN
 ALTERNATIVE TO THE CEMENTING REQUIREMENT IN ¶18(D)
 OF THE PANOMA COUNCIL GROVE B.P.O.

FORM MUST BE TYPED

Submit in Duplicate
 Attach to Drilling Permit

Operator Name OXY USA Inc.		KCC License No. 5447	
Operator Address P.O. Box 2528: Liberal, KS 67905			
Contact Person Vicki Carder		Telephone No. (620) 629-4200	
Lease Name & No. Skinner B 2	API No. 15-189-10048-00-01		KCC Lease Code No.
Location Quarter SW	Section 10	Township 34S	Range 35W
		1957 Ft. from N (S (circle one) Line of Sec.	1970 Ft. from E (W (circle one) Line of Sec.
County Stevens	Field Name Ski	Producing Formation Group Chester	Mud Weight 9.0 ppg

AFFIDAVIT CERTIFICATE OF SERVICE

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements here are complete and correct to the best of my knowledge. The well subscribed to in this Affidavit will be completed in accordance with all applicable rules and regulations of the KCC. However, applicant intends to use drilling mud of sufficient weight across the interval between the base of the Council Grove group and the top of the Chase Group as an alternative to the cementing requirements found in paragraph 18(D) of the Panoma Council Grove B.P.O. unless timely objection is filed hereto. I hereby certify that I caused a true and correct copy of the foregoing Affidavit and any attachments of said Affidavit to be served by placing the same in the United States mail, postage prepaid, to the following parties, which represent all of the operators or lessees of record and the owners of record of unleased acreage within a one mile radius of the well, including operators and working interest owners having interests in the lands covered by the unit on which the well is to be drilled:

- | | <u>Operator/WI Owner</u> | <u>Address</u> | <u>City, State Zip</u> | <u>Contact</u> |
|-----|--------------------------|----------------|------------------------|----------------|
| 1. | Four Star Oil & Gas | P.O. Box 36366 | Houston, TX 77236 | Chevron |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |

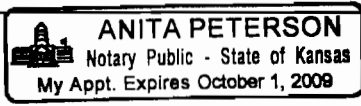
Signature Vicki Carder Date 06/12/06

Title Capital Project

Subscribed and sworn to before me this 12 day of June, 2006.

Notary Public Anita Peterson

Date Commission Expires Oct. 1, 2009

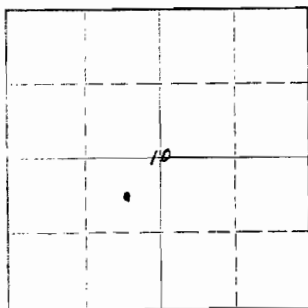


(Handwritten mark)

WELL PLUGGING RECORD

15-189-10048-00-00

NORTH



Locate well correctly on above Section Flat

Stevens County, Sec. 10 Twp. 34S Rge. (E) 35 (W)
 Location as "NE/CNWxSWx" or footage from lines. C NE SW
 Lease Owner Cities Service Petroleum Company
 Lease Name Skinner "B" Well No. 2
 Office Address Box 1147, Liberal, Kansas
 Character of Well (completed as Oil, Gas or Dry Hole) Dry Hole
 Date well completed 1-13- 1962
 Application for plugging filed 1-15- 1962
 Application for plugging approved 19
 Plugging commenced 1-14- 1962
 Plugging completed 1-14- 1962
 Reason for abandonment of well or producing formation Dry Hole

If a producing well is abandoned, date of last production 19
 Was permission obtained from the Conservation Division or its agents before plugging was commenced? Yes

Name of Conservation Agent who supervised plugging of this well Mr. W. L. Iackamp, Jr.
 Producing formation _____ Depth to top _____ Bottom _____ Total Depth of Well _____ Feet
 Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

FORMATION	CONTENT	FROM	TO	SIZE	PUT IN	PULLED OUT
D.S.T. - Marmaton	420' M.S.W.	5173	5190	8-5/8 OD	2887	None

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from _____ feet to _____ feet for each plug set.

6595' to 2880' - Heavy Mud
 2880' to 2633' - Spotted 75 sx. Common Cement
 2633' to 650' - Heavy Mud
 650' to 584' - Spotted 20 sx. Common Cement
 584' to 35' - Heavy Mud
 35' to Surface - Spotted 10 sx. Cement

RECEIVED
 STATE CORPORATION COMMISSION

JAN 2 1962

CONSERVATION DIVISION
 WICHITA, KANSAS

(If additional description is necessary, use BACK of this sheet)

Name of Plugging Contractor Halliburton Company
 Address Duncan, Oklahoma

STATE OF Kansas COUNTY OF Seward, ss.

I, W. J. Devaney (employee of owner) or (~~owner or operator~~) of the above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed and that the same are true and correct. So help me God.

(Signature) [Signature]
Box 1147, Liberal, Kansas
 (Address)

SUBSCRIBED AND SWORN to before me this 15th day of January, 1962

James F. Kyger [Signature]
 Notary Public.

My commission expires 3-31-65