

For KCC Use:
Effective Date: 10-18-06
District # 1
SGA? Yes No

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

Form C-1
December 2002
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 11/09/06
month day year

Spot: East West
- SW - SE Sec. 20 Twp. 34S R. 33

OPERATOR: License # 5447

660 feet from N / S 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

1830 feet from E / W Line of Section

Is SECTION X Regular _____ Irregular _____

CONTRACTOR: License # 30606

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

Name: Murfin Drilling Co., Inc.

Lease Name: Stevesson A Well #: 7

Field Name: Salley

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): St. Louis

Nearest Lease or unit Boundary: 660

Well Drilled For: Well Class: Type Equipment:

Ground Surface Elevation: 2848 feet MSL

- Oil Enh Rec Infield Mud Rotary
- Gas Storage Pool Ext Air Rotary
- OWWO Disposal Wildcat Cable
- Seismic: # of Holes Other _____
- Other _____

Water well within one-quarter mile Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: _____

Depth to bottom of usable water: _____

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: 6600

Original Completion Date: _____ Original Total Depth: _____

Formation at Total Depth: St. Louis

Water Source for Drilling Operations:

Directional, Deviated or Horizontal wellbore? Yes No

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

If Yes, Proposed zone: _____

**PRORATED & SPACED HUBBARD & SALLEY CHESTER
D7-CONS-056-CWILE**

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: 10/11/06 Signature of Operator or Agent: Vicki Carder Title: Capital Project

For KCC Use ONLY

API # 15 - 175 220 69-0000
Conductor pipe required None feet
Minimum Surface pipe required 700 feet per Alt. (1) X
Approved by: But 10/13/06 / But 10/23/06
This authorization expires: 4-13-07
(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

OCT 18 2006

KCC WICHITA

20-34-33W

RECEIVED

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plat of acreage attributable to a well in a prorated or spaced field

CORRECTED

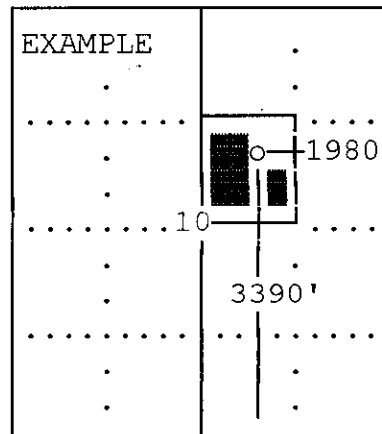
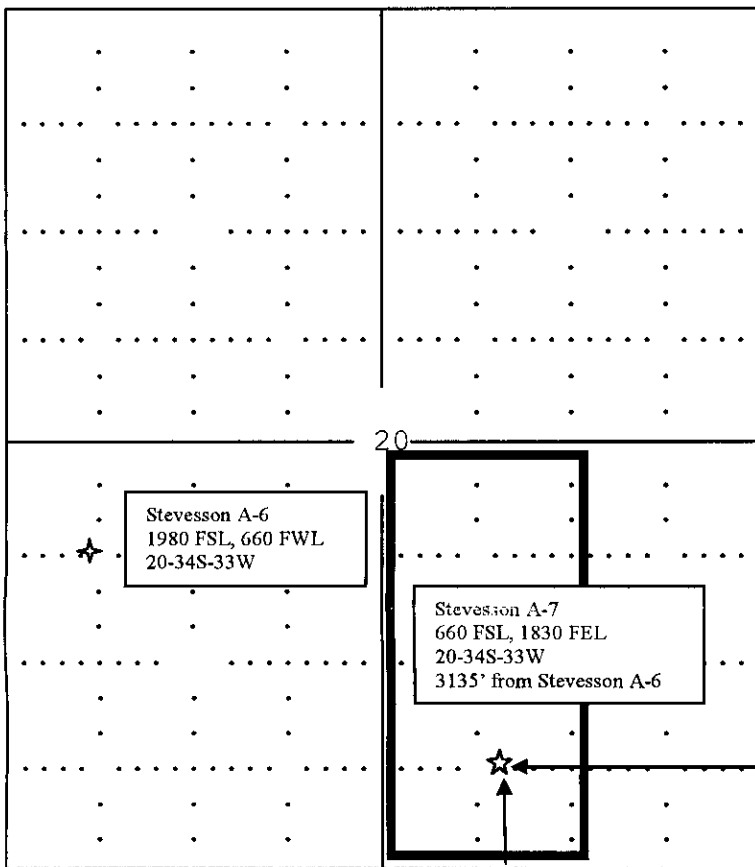
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 175-22069-0000
Operator: OXY USA Inc.
Lease: Stevesson A
Well Number: 7
Field: Salley
Number of Acres attributable to well: 80
QTR / QTR / QTR of acreage: SW - SE

Location of Well: County Seward
660 feet from N / S Line of Section
1830 feet from E / W Line of Section
Sec. 20 Twp. 34S R. 33 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.

Seward 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).

PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division
Finney State Office Building, 130 South Market, Room 2078
Wichita, Kansas 67202

CORRECTED

15-175-22069
07-CONS-056-CWLE

API NUMBER 15-

LOCATION OF WELL:

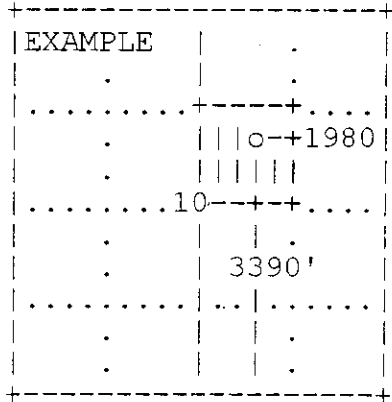
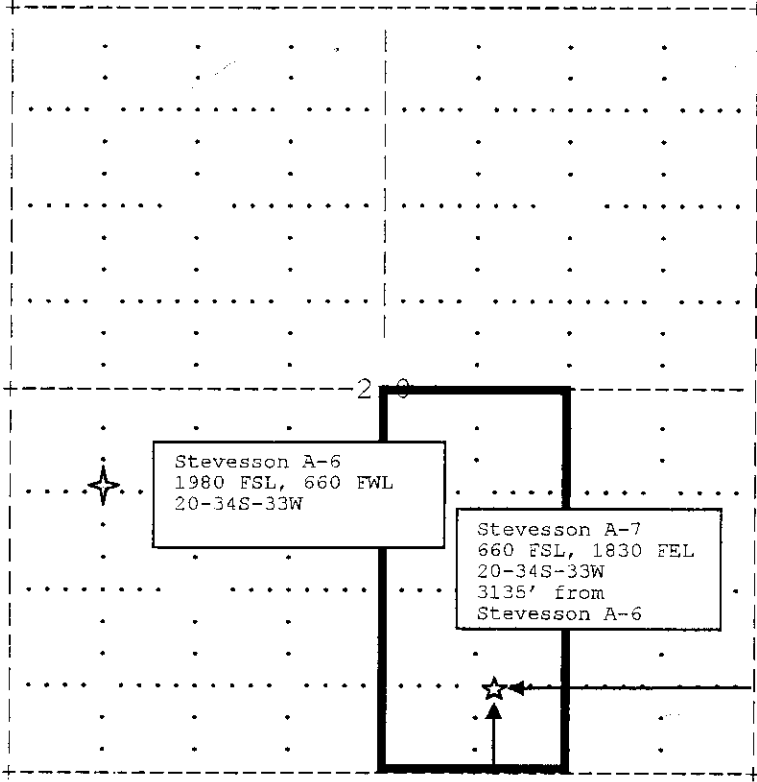
OPERATOR OXY USA Inc.
LEASE Stevesson A
WELL NUMBER 7
FIELD Salley

660 feet FROM South/North line of section
1830 feet from east / west line of section

NUMBER OF ACRES ATTRIBUTABLE TO WELL 80
QTR/QTR/QTR OF ACREAGE - SW - SE

SECTION 20 TWP 34 (S) RG 33 E/W
IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY. (check line below)
Section corner used: NE NW SE SW

(Show the location of the well and shade attributable acreage for prorated or spaced wells). (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



SEWARD CO.

Seward County

The undersigned hereby certifies as Vicki Carder - Capital Project (title) for OXY USA Inc. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

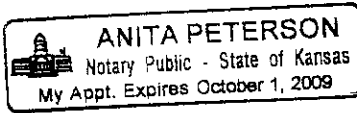
Signature Vicki Carder

Subscribed and sworn to before me on this 13th day of October, 2006

Anita Peterson
Notary Public

My Commission expires Oct 7, 2009

FORM CG-8 (12/94)



RECEIVED
OCT 18 2006
KCC WICHITA