

For KCC Use:
Effective Date: 11-27-06
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 11/24/06
month day year

Spot: East West
SE NW - SW - SW Sec. 2 Twp. 30S R. 34

OPERATOR: License # 5447

784 feet from N / S Line of Section

Name: OXY USA Inc.

509 feet from E / W Line of Section

Address: P.O. Box 2528

Is SECTION Regular Irregular

City/State/Zip: Liberal, KS 67905

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

Contact Person: Vicki Carder

County: Haskell

Phone: (620) 629-4242

Lease Name: MLP Black B Well #: 1

CONTRACTOR: License # 30606

Field Name: FURANK SOUTH UNKNOWN

Name: Murfin Drilling Co., Inc.

Is this a Prorated / Spaced Field? Yes No

Well Drilled For: Well Class: Type Equipment:

Target Formation(s): St. Louis

Oil Enh Rec Infield Mud Rotary

Nearest Lease or unit Boundary: 509

Gas Storage Pool Ext Air Rotary

Ground Surface Elevation: 2986 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

Depth to bottom of fresh water: 590

Depth to bottom of usable water: 640

If OWWO: old well information as follows:

Surface Pipe by Alternate: 1 2

Operator: _____

Length of Surface Pipe Planned to be set: 1750

Well Name: _____

Length of Conductor Pipe Required: _____

Original Completion Date: _____ Original Total Depth: _____

Projected Total Depth: 5600

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: _____

PRORATED - SPACED HASSELMAN/PANOMA

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: 11/15/06 Signature of Operator or Agent: Vicki Carder Title: Capital Project

For KCC Use ONLY

API # 15 - 081-21694-00-00

Conductor pipe required NONE feet

Minimum Surface pipe required 700 feet per Alt. 1 2

Approved by: WJM 11-22-06

This authorization expires: 5-22-07

(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 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: RECEIVED

Date: _____

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

NOV 20 2006
KCC WICHITA

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 - 081-21694-00-00
 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 of acreage: _____ - _____ - _____

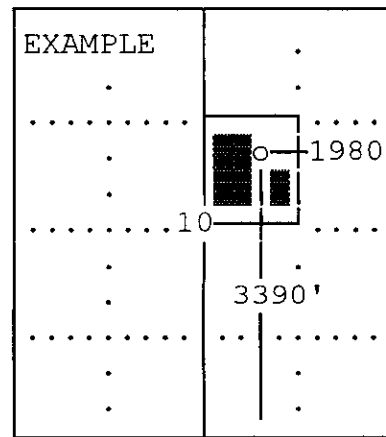
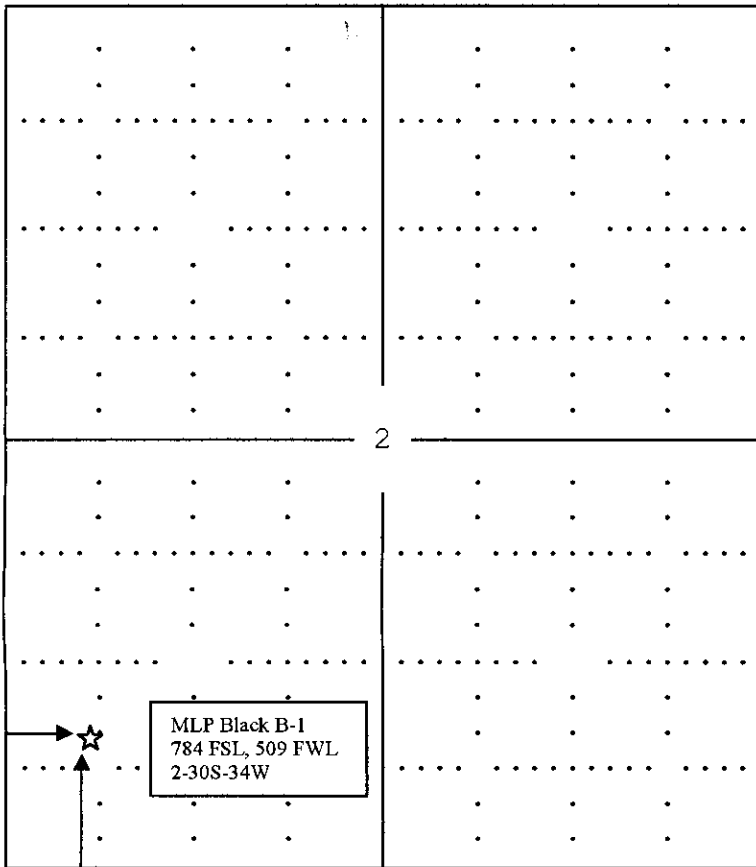
Is Section Regular or Irregular

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.

Haskell 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
CONSERVATION DIVISION
130 S. Market – Room 2078
Wichita, Kansas 67202**

Form _____
4/01

**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. MLP Black B 1		API No.	KCC Lease Code No.
Location Quarter SW	Section 2	Township 30S	Range 34W
		784 Ft. from N <u>S</u> (circle one) Line of Sec.	509 Ft. from E <u>W</u> (circle one) Line of Sec.
County Haskell	Field Name Unknown	Producing Formation Group	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>
Pioneer Natural Resources, USA	5205 N. O'Connor Blvd., Suite 1400 W	Irving, TX 75039	
Chesapeake Operating Inc.	P.O. Box 18496	Oklahoma City, OK 73154	
Anadarko Petroleum Corporation	P.O. Box 1330	Houston, TX 77251	
Merit Energy Company	13727 Noel Road, Suite 500	Dallas, TX 75240	

Signature Vicki Carder Date 11/15/06

Title Capital Project

Subscribed and sworn to before me this 15th day of November, 2006.

Notary Public Anita Peterson

Date Commission Expires Oct. 1, 2009



RECEIVED
NOV 20 2006
KCC WICHITA

15-081-21694-00-00

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.: MLP Black B-1		Pit Location (QQQQ): _____ NW _____ SW _____ SW Sec. <u>2</u> Twp. <u>30S</u> R. <u>34</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>784</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>509</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Haskell 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): <u>150</u> Length (feet) <u>150</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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 <u>1130</u> feet Depth of water well <u>400</u> feet		Depth to shallowest fresh water <u>305</u> feet. Source of information: <u>KCC</u> ⁽⁶⁾ _____ 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: <u>Fresh Water Mud</u> Number of working pits to be utilized: _____ Abandonment procedure: <u>Evaporation and Backfill</u> _____ 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.		
<u>11/15/06</u> Date		<u>[Signature]</u> Signature of Applicant or Agent

KCC OFFICE USE ONLY		
Date Received: <u>11/20/06</u>	Permit Number: _____	Permit Date: <u>11/20/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

RECEIVED
NOV 28 2006
KCC WICHITA

15-081-21694-00-00