

For KCC Use:
Effective Date: 3-12-07
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 03/13/07
month day year

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

OPERATOR: License # 5447 ✓

990.0 feet from N / S Line of Section
1962.0 feet from E / W Line of Section

Name: OXY USA Inc.
Address: P.O. Box 2528
City/State/Zip: Liberal, KS 67905
Contact Person: Rafael Bacigalupo
Phone: (620) 629-4229

Is SECTION X Regular _____ Irregular _____

CONTRACTOR: License # 30606 ✓

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

Name: Murfin Drilling Inc.

Lease Name: MLP Light G Well #: 1

Field Name: Victory ~~unknown~~

Is this a Prorated / Spaced Field? Yes No

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil ✓ <input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield ✓	<input checked="" type="checkbox"/> Mud Rotary ✓
<input type="checkbox"/> Gas <input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO <input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic: _____ # of Holes	<input type="checkbox"/> Other _____	
<input type="checkbox"/> Other _____		

* Target Formation(s): St. Louis ✓

Nearest Lease or unit Boundary: 990.0 FNL

Ground Surface Elevation: 2987.9 feet MSL

Water well within one-quarter mile Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 550 ✓

Depth to bottom of usable water: 700

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1750 ✓

Length of Conductor Pipe Required: _____

Projected Total Depth: 5575 ✓

Formation at Total Depth: St. Louis ✓

Water Source for Drilling Operations:

Well Farm Pond Other _____

DWR Permit # _____

(Note: Apply for Permit with DWR)

Will Cores be Taken? Yes No

If Yes, Proposed zone: _____

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

IF Yes, true vertical depth _____

Bottom Hole Location _____

KCC DKT #: PVPA 0307D2

* PRORATED & SPACED EUBANK SOUTH (MORROW & CHESTER SAND), HUGOTON, & 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 with 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: 02/28/07 Signature of Operator or Agent: _____

Title: Capital Project

For KCC Use ONLY

API # 15 - 081-21708-0000

Conductor pipe required None feet

Minimum Surface pipe required 720 feet per Alt. 1

Approved by: Int-3-7-07

This authorization expires: 9-7-07

(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

2-30-34W

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 - 081-21708-0000
 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: _____ - _____ - _____

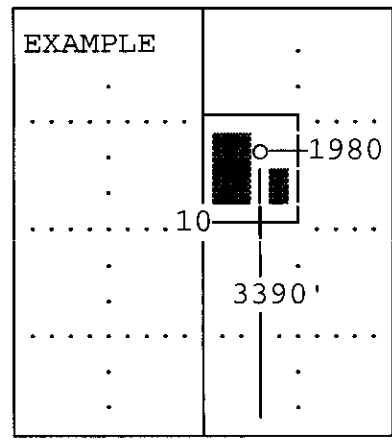
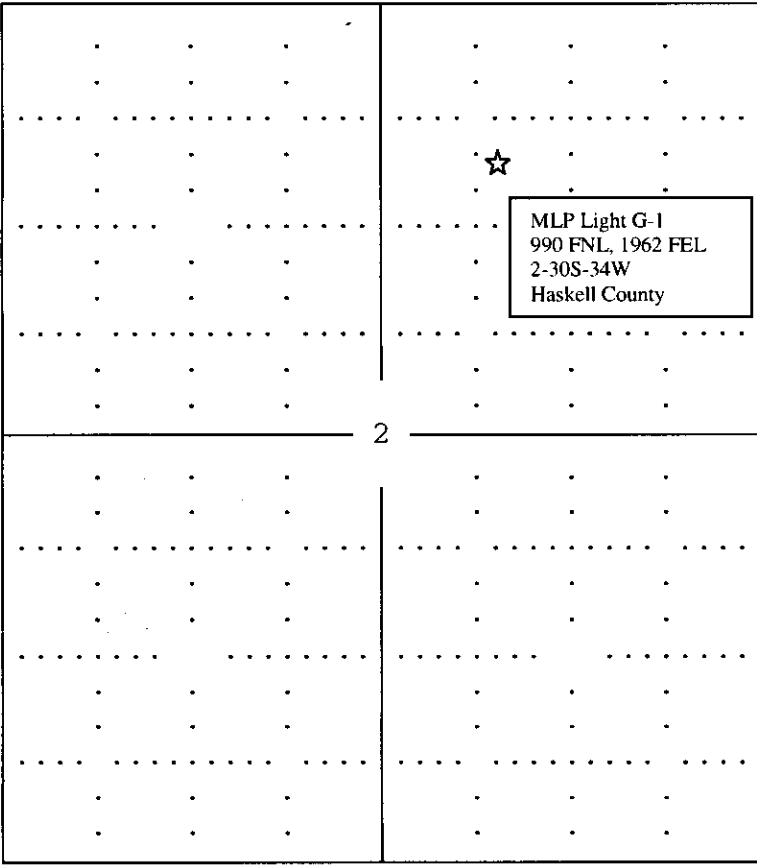
Is Section Regular or Irregular

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.

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

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: OXY USA Inc.		License Number: 5447
Operator Address: P. O. Box 2528, Liberal, KS 67901		
Contact Person: Wes Willimon		Phone Number: (620) 629 - 4200
Lease Name & Well No.: MLP Light G-1		Pit Location (QQQQ): _____ SE _____ NW _____ NE Sec. 2 Twp. 30S R. 34 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 990 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1962 Feet from <input checked="" type="checkbox"/> East / <input 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): 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 _____ feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	15-081-21788-0000
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.		RECEIVED KANSAS CORPORATION COMMISSION MAR 01 2007 CONSERVATION DIVISION WICHITA, KS
Date: <u>02/28/07</u>		Signature of Applicant or Agent: 
KCC OFFICE USE ONLY		
Date Received: <u>3/1/07</u> Permit Number: _____ Permit Date: <u>3/1/07</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

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

PVPA 030702

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 PO Box 2528; Liberal, KS 67905			
Contact Person Rafael Bacigalupo		Telephone No. 620-629-4200	
Lease Name & No. MLP Light G-1		API No. 15081-21708-0000	KCC Lease Code No.
Location Quarter NE	Section 2	Township 30S	Range 34 E/W (circle one) 1962
		Ft. from N S (circle one) Line of Sec. Ft. from E W (circle one) Line of Sec.	
County Haskell	Field Name	Producing Formation Group St. Louis	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 an objection is filed within 15 days of service of this Affidavit. 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>
Light Investments, LLC	PO Box 2797	Liberal, KS 67905
Pioneer Natural Resources USA Inc.	5205 N O'Connor Blvd, St 900	Irving, TX 75039
Chesapeake Operating, Inc.	PO Box 18496	Oklahoma City, OK 73154
Chesapeake Exploration Limited Partnership	PO Box 18496	Oklahoma City, OK 73154
Merit Energy Company, General Partner	13727 Noel Road, Suite 500	Dallas, TX 75240
Four Star Oil & Gas Company	PO Box 36366	Houston, TX 77236-6366
Berexco, Inc	PO Box 20380	Wichita, KS 67208
Adam Investments, Inc	PO Box 20380	Wichita, KS 67208
Anadarko Petroleum Corporation	PO Box 1330	Houston, TX 77251-1330

Signature *[Signature]* Date 02/28/2007

Title Financial Planning Analyst / Capital Projects

Subscribed and sworn to before me this 28 day of Feb, 2007.

Notary Public *Anita Peterson*

Date Commission Expires Oct. 1, 2009

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 01 2007
CONSERVATION DIVISION
WICHITA, KS

ANITA PETERSON
Notary Public - State of Kansas
My Appt. Expires October 1, 2009

[Signature]



15-081-21708-0000

OXY USA Inc.
1701 N. Kansas, Liberal, KS 67901
P.O. Box 2528, Liberal, KS 67905-2528

March 6, 2007

State Corporation Commission
Wichita State Office Bldg.
ATTN: Rick Hesterman
130 South Market, Room 2078
Wichita, KS 67202

Re: Mud exception 15 day period expiration
Oxy USA Inc.
MLP Light G-1
NE/4 2-30S-34W
Haskell County

Dear Mr. Hesterman:

Regarding the Mud Exception affidavit (Form VPA-1) of the above mentioned well, which was sent to your attention, offset operators and well interest owners on February 28, 2007, we are aware that the 15 days necessary for them to protest it will probably not have passed before we are ready to spud. We are scheduled to spud on March 15, and the 15 days will have passed on March 16. If such is the case, and the offset operators and/or well interest owners protest after we have spudded and the 15 days have not yet passed, we will do cementing across the Council Grove and Chase groups.

However, in order to be able to spud the well, we need the drilling application approval, which is why we kindly ask you to expedite this process before the protest period has passed, considering the conditions mentioned above.

If there are any questions or you require further information, please contact me at the above address or by phone at (620)-629-4229. My "E-Mail" address is Rafael.Bacigalupo@oxy.com.

Sincerely,

Rafael Bacigalupo
Capital Projects
Liberal, KS

Cc: Well File

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 07 2007
CONSERVATION DIVISION
WICHITA, KS

KANSAS

CORPORATION COMMISSION

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

March 7, 2007

Rafael Bacigalupo
OXY USA, Inc.
P.O. Box 2528
Liberal, KS 67905

Re: MLP Light G #1, API #15-081-21708-0000
Docket # PVPA030702
NE Sec. 2-T30S-R34W
Haskell County, Kansas

Dear Mr. Bacigalupo,

The form VPA-1 affidavit filed for the above-referenced well stated that service of the affidavit was mailed on March 1, 2007. The fifteen (15) day protest period has not expired. Per your letter of March 6, 2007, OXY USA, Inc. anticipates spudding this well before the fifteen-day protest period has expired. OXY USA, Inc. also stipulates that should any protests be received before the protest period has expired, the cementing required across the Council Grove and Chase Formations per the Panoma-Council Grove Proration Order will be done. Therefore, we are advising you that the drilling of this well may commence and, unless protests to your VPA-1 are received, 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,



Rick Hestermann
Production Department

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

NOTICE TO OPERATORS DRILLING IN THE PANOMA- COUNCIL GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

"The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted."

1. "No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled."
2. "Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well."
3. "The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation."
4. "The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area."
5. "The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log."

A copy of this survey and the cement tickets(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells "spud date."

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division's Production Department at (316) 337-6200.