

\* Within boundaries of Boehm Gas Storage Field \*

Gas Storage Area

Gas Storage Area

Form C-1

For KCC District 3 Blowout Preventer Required

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Blowout Preventer Required

December 2002

Form must be Typed  
Form must be signed  
All blanks must be Filled

Effective Date: 3-13-07

District # 1  
SGA?  Yes  No

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

Expected Spud Date 05/01/07  
month day year

Spot:  East  West  
SW - SW - NE Sec. 9 Twp. 33S R. 42

OPERATOR: License # 5447 ✓

2214.0 feet from  N /  S Line of Section

Name: OXY USA Inc.

2200.0 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: Rafael Bacigalupo

County: Morton

Phone: (620) 629-4229

Lease Name: Austin A Well #: 5

CONTRACTOR: License # 33275 ✓ 33784

Field Name: Boehm

Name: Trinidad Drilling Limited Partnership  
Chevonne Drilling LP.

Is this a Prorated / Spaced Field?  Yes  No

Well Drilled For: Well Class: Type Equipment:

Target Formation(s): Mississippian ✓

Oil  Enh Rec  Infield  Mud Rotary ✓

Nearest Lease or unit Boundary: 2200 FEL

Gas  Storage  Pool Ext  Air Rotary

Ground Surface Elevation: 3506.2 feet MSL

OWWO  Disposal  Wildcat  Cable

Water well within one-quarter mile  Yes  No

Seismic: # of Holes  Other Step-out

Public water supply well within one mile: MAR 05 2007  Yes  No

Other

Depth to bottom of fresh water: 300

Depth to bottom of usable water: 420 KCC WICHITA

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: 13312 0624

Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Projected Total Depth: 5200

Formation at Total Depth: Mississippian

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: HUBBARD & GREENWOOD

AFFIDAVIT

MAR 05 2007

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:

KCC WICHITA

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: 03/01/07 Signature of Operator or Agent: \_\_\_\_\_

Title: Capital Project

For KCC Use ONLY

API # 15 - 129-21799-0000

Conductor pipe required 624 feet

Minimum Surface pipe required 1750 feet per All.  Y

Approved by: RH 3-8-07

This authorization expires: 9-8-07

(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: \_\_\_\_\_

Date: \_\_\_\_\_

9-33-42W

**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.*

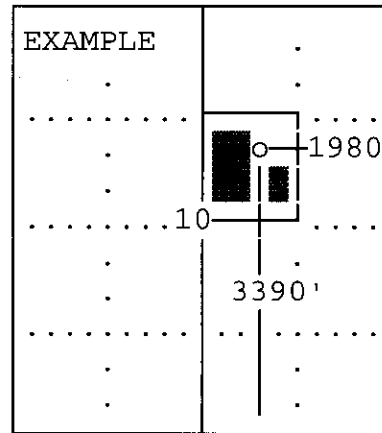
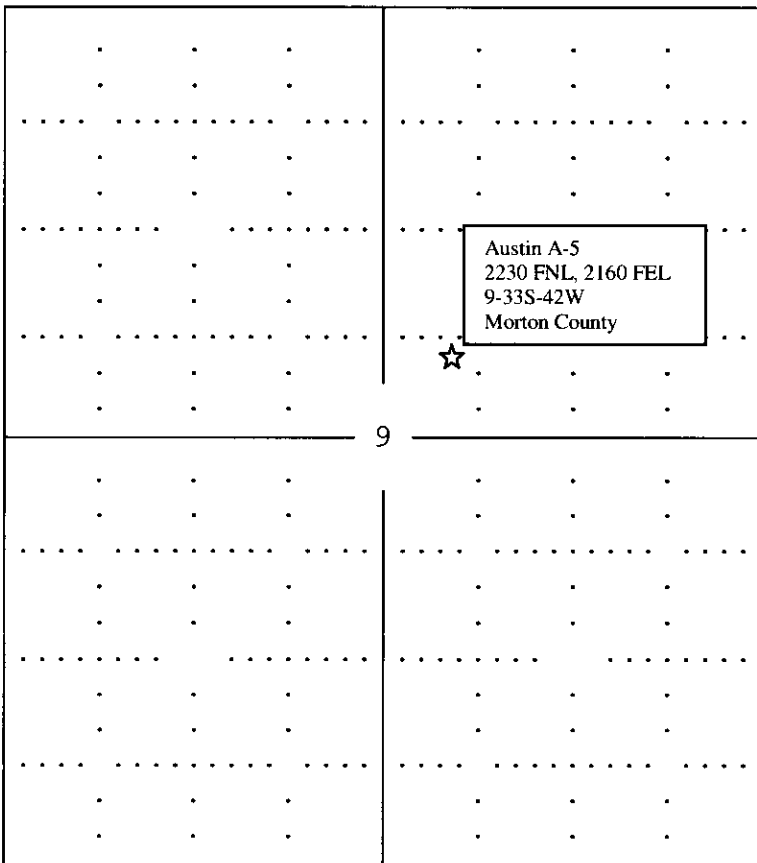
API No. 15 - 129-21799-0000  
 Operator: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_

Location of Well: County \_\_\_\_\_  
 \_\_\_\_\_ feet from  N /  S Line of Section  
 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ R. \_\_\_\_\_  East  West  
 Is Section  Regular or  Irregular  
**IF Section is Irregular, locate well from nearest corner boundary.**  
 Section corner used:  NE  NW  SE  SW

Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

**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  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>OXY USA Inc.</b>		License Number: <b>5447</b>
Operator Address: <b>P. O. Box 2528, Liberal, KS 67901</b>		
Contact Person: <b>Wes Willimon</b>		Phone Number: ( <b>620</b> ) <b>629 - 4200</b>
Lease Name & Well No.: <b>Austin A-5</b>		Pit Location (QQQQ): _____ <u>SW</u> <u>SW</u> <u>NE</u> Sec. <u>9</u> Twp. <u>33S</u> R. <u>42</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>2230</u> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>2160</u> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Morton</b> _____ 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: <b>16000</b> (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? <b>Bentonite &amp; Cuttings</b>
Pit dimensions (all but working pits): <u>150</u> Length (feet) <u>150</u> Width (feet) _____ N/A: <b>Steel Pits</b> 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>2768</u> feet    Depth of water well <u>220</u> feet		Depth to shallowest fresh water <u>60</u> feet. Source of information: _____ measured    _____ well owner    _____ electric log    _____ KDWR
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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.		
_____ Date <b>03/01/07</b>	_____ Signature of Applicant or Agent	<b>RECEIVED</b> <b>MAR 05 2007</b>

15189-21799-0002

<b>KCC OFFICE USE ONLY</b>		<b>KCC WICHITA</b>	
Date Received: <u>3/5/07</u>	Permit Number: _____	Permit Date: <u>3/5/07</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

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

March 8, 2006

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

**RE: Austin "A" #5, 2214' FNL & 2200' FEL, SEC. 9, T. 33, R. 42W, Morton County**

Dear Mr. Bacigalupo,

This letter confirms receipt of the OXY USA, Inc (OXY) drilling proposal submitted to Colorado Interstate Gas Company (CIG) for the above described well. This well is located within the boundaries of the Boehm gas storage field operated by CIG. CIG reported storage gas lost from a leak within the 1420 to 1850' interval in Boehm Storage Well #30. The KCC is concerned that shallow zones charged with lost storage gas may be encountered above the conductor and surface pipe setting depths.

From the drilling proposal, the KCC understands that OXY will drill a 17-1/2" hole to approximately 624' and run a string of 13-3/8" conductor pipe that will be installed a minimum of 20' into competent bedrock. A Blow-Out Preventor (BOP) tested to 1000 psi will be fitted on the conductor pipe and then a 12-1/4" hole will be drilled through the Glorietta Sand to a depth of 1750' and 8-5/8" surface pipe will be run. A Blow-Out Preventor (BOP), tested to 1000 psi will be fitted on the surface pipe and then a 7- 7/8" hole will be drilled to rotary total depth of approximately 5200.' Production pipe, if run, will be cemented-in to cover a minimum of 500' above the highest zone of production and gas storage.

**K.A.R. 82-3-311(b) states that any person, firm or corporation shall maintain the well or test hole in a manner that will protect the stratum or formation at all times against pollution and the escape of natural gas.** During drilling operations for wells drilled in the Boehm gas storage field, a Blow Out Preventor (BOP) must be in place as required under K.A.R. 82-3-311(b). The BOP must have a pressure rating exceeding the maximum storage reservoir shut-in pressure. A copy of this letter must be posted in the doghouse with the intent-to-drill. If you have any questions please contact me at 316-337-6223.

Sincerely



Rick Hestermann  
Production Department

cc: Dan Fredlund, KCC Gas Storage Section  
Tony Trinko, CIG