

Blowout Preventer Required
For KCC Use:
Effective Date: 3-20-07
District # 1

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

Gas Storage Area
Blowout Preventer Required
Form C-1
December 2002
Form must be Typed
Form must be signed
All blanks must be Filled

SGA? Yes No
Expected Spud Date 06/09/07
month day year

Spot: East West
SE - SE - SW Sec. 9 Twp. 33S R. 42
330.0 feet from N / S Line of Section
2310.0 feet from E / W Line of Section

OPERATOR: License # 5447
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
(Note: Locate well on the Section Plat on reverse side)
County: Morton
Lease Name: Austin A Well #: 6
Field Name: Mustang East

CONTRACTOR: License # 33784
Name: Trinidad Drilling Limited Partnership

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): St. Louis
Nearest Lease or unit Boundary: 330 FSL

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

Ground Surface Elevation: 3506.3 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: 300
Depth to bottom of usable water: 420

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

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 1750
Length of Conductor Pipe Required: 624' 13 3/8"
Projected Total Depth: 5100
Formation at Total Depth: St. Louis

Directional, Deviated or Horizontal wellbore? Yes No
IF Yes, true vertical depth _____
Bottom Hole Location _____

Water Source for Drilling Operations:
 Well Farm Pond Other _____
DWR Permit # _____
(Note: Apply for Permit with DWR)

KCC DKT #: _____

Will Cores be Taken? Yes No
If Yes, Proposed zone: _____

PRORATED & SPACED - HUGOTON & Greenwood

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: 03/12/07 Signature of Operator or Agent: _____ Title: Capital Project

For KCC Use ONLY

API # 15 - 129-21801-0000
Conductor pipe required 624 feet
Minimum Surface pipe required 1750 feet per Alt. 1
Approved by: RH3-15-07
This authorization expires: 9-15-07
(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;
- 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: _____

RECEIVED
MAR 14 2007

9-33-42 W

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.

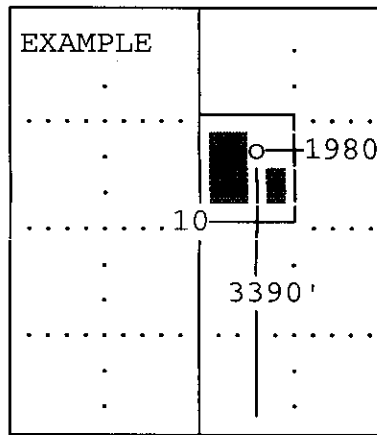
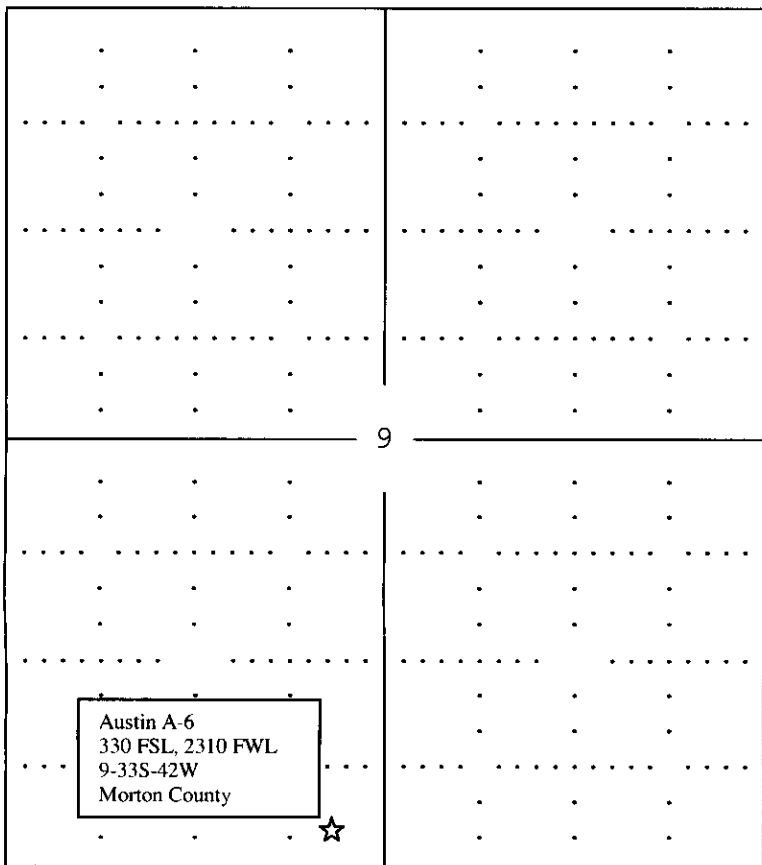
API No. 15 - 129-21801-0000
 Operator: _____
 Lease: _____
 Well Number: _____
 Field: _____

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

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

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.

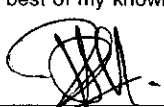
In plotting the proposed location of the well, you must show:

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: 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.: Austin A-6		Pit Location (QQQQ): _____ SE _____ SE _____ SW Sec. 9 Twp. 33S R. 42 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2310 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Morton _____ 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>2425</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 <u>(6)</u> 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>03/12/07</u> Date	 Signature of Applicant or Agent	RECEIVED MAR 14 2007
KCC OFFICE USE ONLY		KCC WICHITA
Date Received: <u>3/14/07</u>	Permit Number: _____	Permit Date: <u>3/14/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

15-129-21801-0000

KANSAS

CORPORATION COMMISSION

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

March 15, 2007

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

RE: Austin "A" #6, 330' FSL & 2310' FWL, 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

K:\Reservoir Services\Word\Word3\OXY\AustinA-6\DrillingPlanA11.ppt xl.doc

Austin A6
15-129-21801-0000



Colorado
Interstate Gas
an El Paso company

February 28, 2007

OXY USA Inc.
5 Greenway Plaza, Suite 1500
Houston, TX 77227-7570
Bruce Vollertsen

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 28 2007

CONSERVATION DIVISION
WICHITA, KS

Subject: OXY USA Inc.
Austin A-6
330' FSL & 2,310' FWL
Section 9, T33S-R42W
Morton County, Kansas

Dear Bruce:

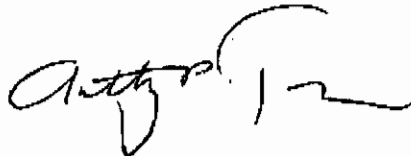
Colorado Interstate Gas Company (CIG) has reviewed OXY's drilling proposal for the Austin A-6 well which is to be located within the protection acreage boundary of CIG's Boehm Storage Field. On the condition that OXY provides CIG with a copy of a cement bond log that indicates that Boehm Field's gas storage zones (see enclosed Exhibit "A" and type log section) are isolated with a sufficient volume/quality of cement, CIG approves of the drilling plans for the Austin A-6 well.

Please also provide me with well data requested under separate cover in a letter dated February 28, 2007, when it becomes available. In the event that the Austin A-6 well is to be plugged and abandoned, please provide a copy of your plugging proposal in advance in order to allow CIG to confirm that its storage reservoirs will be isolated properly.

Attached is a copy of a letter to OXY USA, Inc. from the KCC regarding the previously drilled Austin A-4 well. Please the first paragraph of the letter which discusses the potential for shallow zones being charged with high pressure storage gas.

I am faxing a copy of this letter to Rick Hestermann with the KCC. If you have any questions, please feel free to contact me at 719-520-4557.

Sincerely,



Anthony P. Trinko
Sr. Engineer
Reservoir Services -West

Cc: L. D. Kennedy
D. I. Veatch

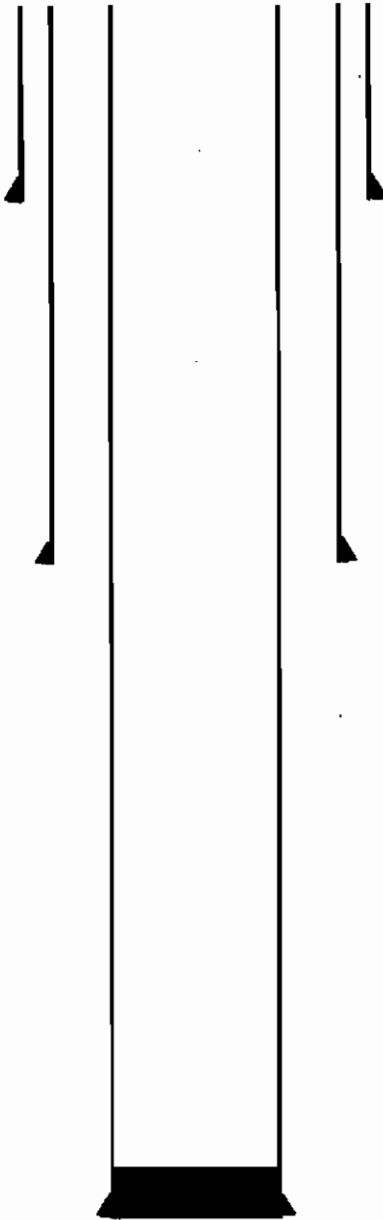
Colorado Interstate Gas
2 North Nevada Avenue Colorado Springs, Colorado 80903
PO Box 1067 Colorado Springs, Colorado 80944
tel 719.473.2300

OXY USA INC.

15-129-21801-0000

Field Name ELKHART
 Well Name AUSTIN A-8
 Elevation = 3,511'

Prepared By Robert Marciano
 Date 02/21/2007
 Location Section 9 - T33S - R42W
330' FSL & 2,310 FWL



Hole Size: 17-1/2", drilled into competent bedrock.
 13-3/8" H-40 48.0 # Csg set - 624'. CEMENTED TO SURFACE.
 INSTALL AND TEST BOP TO 1,000 PSIG BEFORE DRILLING OUT.

Hole Size: 12-1/4", DRILLED THROUGH GLORIETTA SAND.
 8-5/8" J-55 24.0 # Csg Set - 1,750' CEMENTED TO SURFACE
 INSTALL AND TEST BOP TO 1,000 PSIG BEFORE DRILLING OUT.

Hole Size: 7-7/8", DRILLED TO - 5,200'.
 5-1/2" J-55 16.5 # Csg Set @ 5,100'.
 CEMENT DESIGNED TO PROTECT > 500' ABOVE
 HIGHEST PRODUCTION AND GAS STORAGE ZONES★

TD @ 5,200' W/ 7-7/8" Bit

RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 28 2007
 CONSERVATION DIVISION
 WICHITA, KS

APPROVED THIS 28TH DAY OF FEBRUARY, 2007

BY [Signature]

TITLE SR. ENGINEER

ON BEHALF OF
COLORADO INTERSTATE GAS COMPANY

★ GAS STORAGE ZONES DEFINED ON ATTACHED EXHIBIT "A" AND TYPE LOG (DUAL INDUCTION - LATER LOG - 9044M #48 WELL)

K:\Reservoir Services\Type Logs\Boehm\Boehm Storage Field Type Log Definition for Day Agreement.doc

15-129-21801-0000

Exhibit "A"

Boehm Storage Field Type Log Definition

The gas storage zone consists of the portion of the Morrow Formation which is more fully described as:

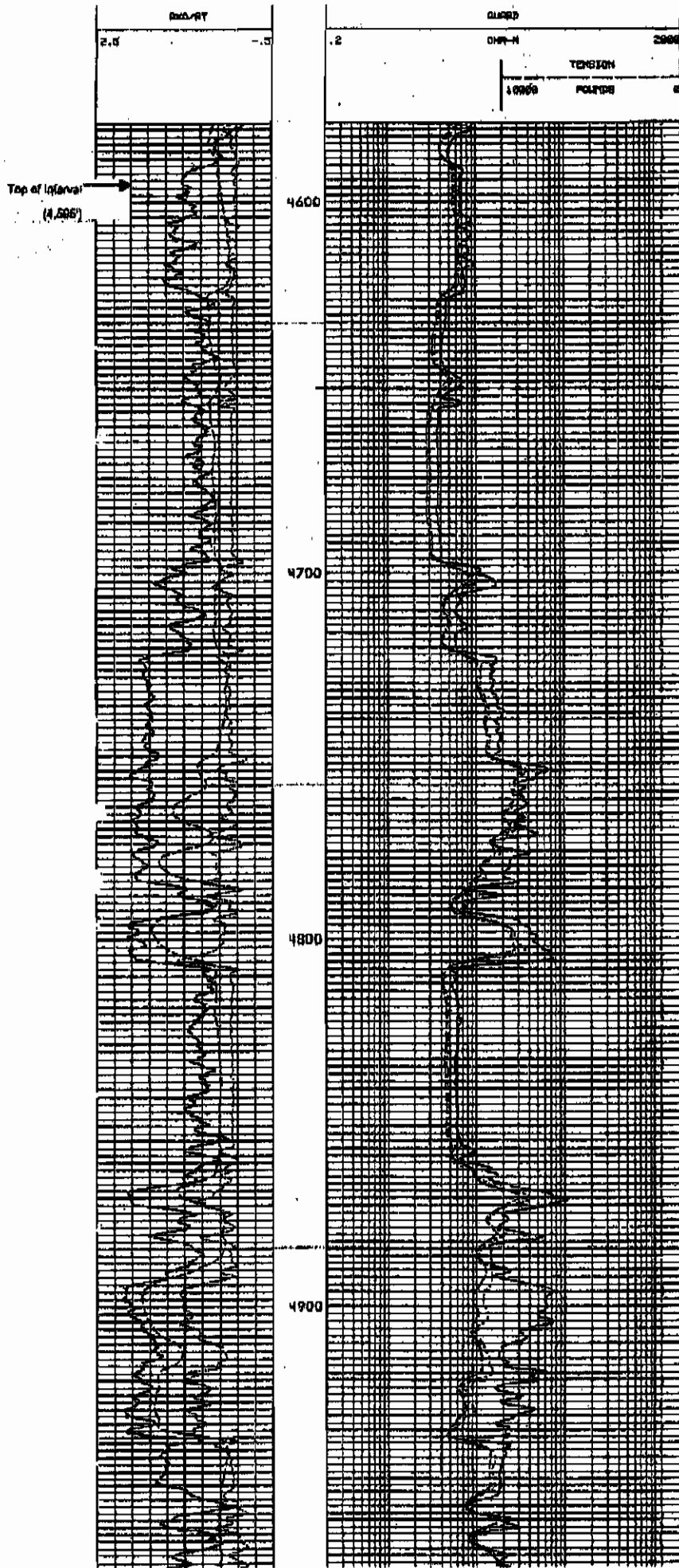
- 1) The depth interval from 4,595 feet down to 5,000 feet as found in the Boehm #48 well located in Section 14, Township 33 South, Range 42 West, Morton County, Kansas.

Said depths being measured by Dual Induction-Laterolog of the CIG Boehm #48 Well dated August 20, 1992.

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 28 2007

CONSERVATION DIVISION
WICHITA, KS



RECEIVED
 KANSAS CORPORATION COMMISSION
 FEB 28 2007
 CONSERVATION DIVISION
 WICHITA, KS



DUAL INDUCTION LATEROLOG

FINAL PRINT

CONSERVATION DIVISION
WICHITA, KS

FEB 28 2007

RECEIVED
KANSAS CORPORATION COMMISSION

COMPANY COLORADO INTERSTATE	COMPANY COLORADO INTERSTATE GAS COMPANY		
	WELL BOEHN NO. 48	WELL BOEHN NO. 48	
	FIELD BOEHN STORAGE	FIELD BOEHN STORAGE	
	COUNTY MORTON	COUNTY MORTON	STATE KS
	API NO 15-129-21129		OTHER SERVICES
	LOCATION 1550 F&L AND 1250 F&L		SDL-DSM
	SECT 14	TWP 33S	RGE 12W
PERMANENT DATUM G.L.	ELEV. 3491	ELEV.: K.B. 3502	
LOG MEASURED FROM G.L.	0 FT. ABOVE PERM DATUM	D.F. 3501	
DRILLING MEASURED FROM GROUND LEVEL		G.L. 3491	
DATE	08/20/92		
RUN NO.	ONE		
DEPTH-DRILLER	5087		
DEPTH-LOGGER	5029		
BTH. LOG INTER	5027		
TOP LOG INTER	1394		
CASING DRILLER	8 5/8 #1407		
CASING-LOGGER	1394		
BIT SIZE	7 7/8		
TYPE FLUID IN HOLE	CHEMICAL		
DENS. : VISC.	9.0 143		
PH : FLUID LOSS	9.5 19.8		
SOURCE OF SAMPLE	CIRCULATED		
RM # MEAS. TEMP.	1.65 #73		
RMF # MEAS. TEMP.	1.24 #73		
RMC # MEAS. TEMP.	2.15 #73		
SOURCE RMF/RMC	MEAS. INERES.		
RM #BHT	1.09 #114		
TIME SINCE CIRC.	3.0 HRS.		
TIME ON BOTTOM	03:30		
MAX. REC TEMP.	114 #Y.D.		
EQUIP. : LOCATION	S17811118		
RECORDED BY	J. DOLAN		
WITNESSED BY	MR. JARRELL	MR. JONES	