

For KCC Use:

Effective Date: 3-21-07

District # 1

SGA? ☐ Yes ☒ No

Expected Spud Date 04/07/07
month day year

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

CONTRACTOR: License # 30606

Name: Murfin Drilling Inc.

Well Drilled For: Well Class: Type Equipment:

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

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 #: 07-CONS-151-CWLE

PRORATED & SPACED: HULSTON & SALLEY CHESTER BAS

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

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

Form C-1

December 2002

Form must be Typed

Form must be signed

All blanks must be Filled

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

330.0 feet from ☐ N / ☒ S Line of Section

1425.0 feet from ☐ E / ☒ W Line of Section

Is SECTION ☒ Regular ☐ Irregular

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

County: Seward

Lease Name: Stevesson A Well #: 8

Field Name: Salley

Is this a Prorated / Spaced Field? ☒ Yes ☐ No

Target Formation(s): St. Louis

Nearest Lease or unit Boundary: 330.0 FSL

Ground Surface Elevation: 2861.4 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: 580

Depth to bottom of usable water: 580

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 1750

Length of Conductor Pipe Required: _____

Projected Total Depth: 6700

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: _____

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 cementing**;
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: 02/05/07 Signature of Operator or Agent: _____ Title: Capital Project

For KCC Use ONLY

API # 15 - 189-22584-0000

Conductor pipe required None feet

Minimum Surface pipe required 600 feet per Alt. 1

Approved by: Feb 3-16-07

This authorization expires: 9-16-07

(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: _____

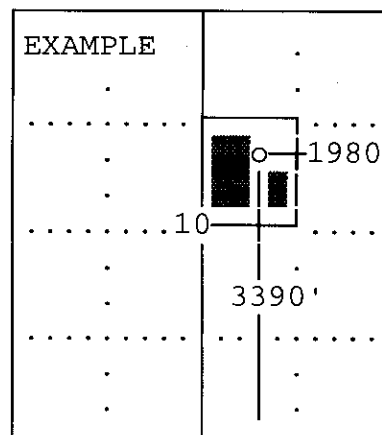
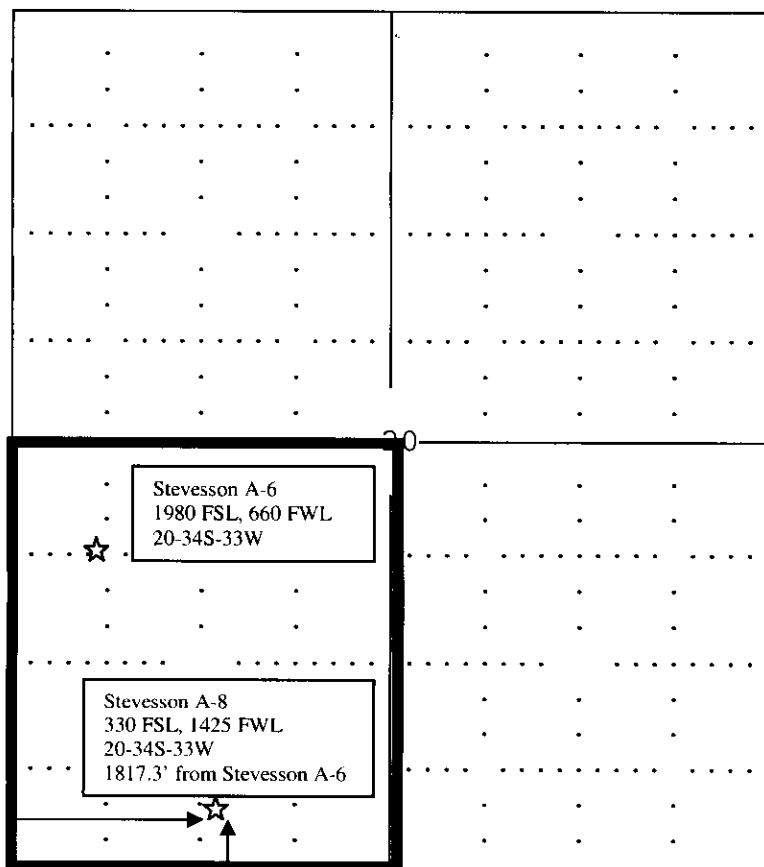
Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 08 2007
CONSERVATION DIVISION
WICHITA, KS

20-34-33W

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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 189-22584-0000Operator: OXY USA Inc.Lease: Stevesson AWell Number: 8Field: SalleyNumber of Acres attributable to well: 80QTR / QTR / QTR of acreage: SW - SE - SWLocation of Well: County Seward330 feet from ☐ N / ☒ S Line of Section1425 feet from ☐ E / ☒ W Line of SectionSec. 20 Twp. 34S R. 33 ☐ East ☒ WestIs 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

07-CONS-151-CWLE

API NUMBER 15- 189-22584-0000

OPERATOR OXY USA Inc.

LEASE Stevesson A

WELL NUMBER 8

FIELD Salley

NUMBER OF ACRES ATTRIBUTABLE TO WELL 80

QTR/QTR/QTR OF ACREAGE SW - SE - SW

LOCATION OF WELL: COUNTY Seward

330 feet from south/north line of section

1425 feet from east / west line of section

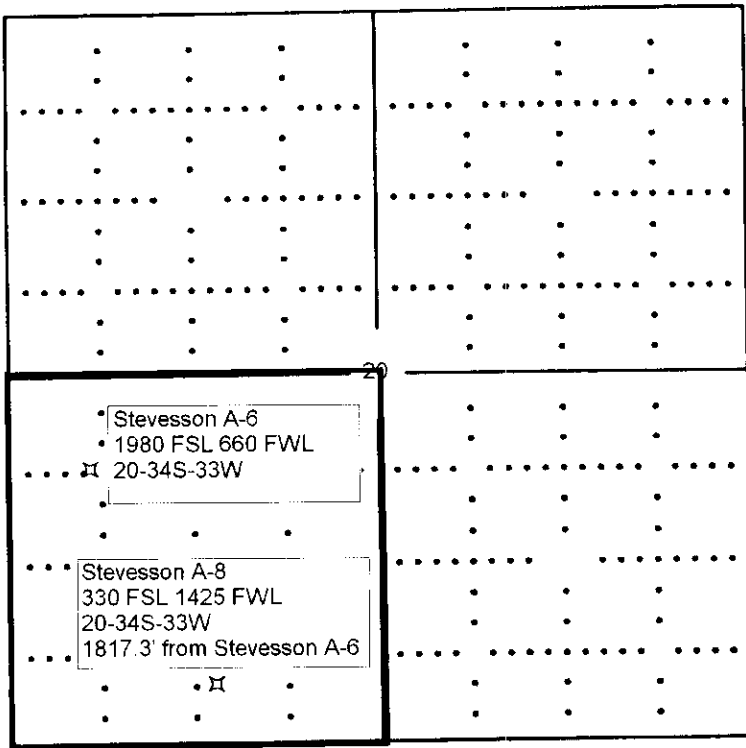
SECTION 20 TWP 34 (S) RG 33 E/W

IS SECTION X REGULAR or IRREGULAR

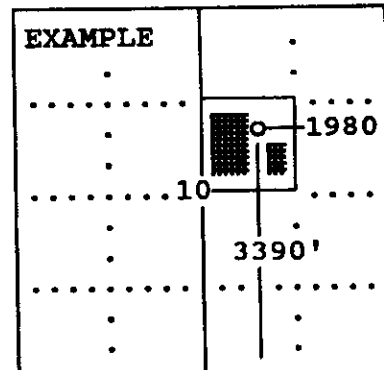
IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY. (check line below)

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 County



SEWARD CO.

The undersigned hereby certifies as Rafael Bacigalupo - Financial Planning Analyst (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 [Signature]

Subscribed and sworn to before me on this 16 day of Feb., 19 2007

Anita Peterson

My Commission expires Oct 1, 2009

Notary Public RECEIVED



FEB 08 2007

CONSERVATION DIVISION
WICHITA, KS

**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.: Stevesson A-8 | | Pit Location (QQQQ): <div style="text-align: center;"> <u> </u> SW <u> </u> SE <u> </u> SW Sec. <u>28</u> Twp. <u>34S</u> R. <u>33</u> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <u>330</u> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <u>1425</u> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <u>Seward</u> County </div> | |
| 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: <u>16000</u> (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) <u> </u> 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>2330</u> feet Depth of water well <u>245</u> feet | | Depth to shallowest fresh water <u>122</u> feet. Source of information: _____ measured _____ well owner <u>(12)</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. <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;"> <u>02/05/07</u> Date </div> <div style="text-align: center;"> Signature of Applicant or Agent </div> <div style="text-align: right;"> RECEIVED KANSAS CORPORATION COMMISSION FEB 08 2007 </div> </div> | | | |

| | | | |
|------------------------------|----------------------|--|---|
| KCC OFFICE USE ONLY | | CONSERVATION DIVISION WICHITA, KS | |
| Date Received: <u>2/8/07</u> | Permit Number: _____ | Permit Date: <u>2/8/07</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