

K:\Reservoir Services\Ward\Ward\OXY\Austin A-5\Drilling Plan\Approval.doc

15-29-21799-0000



December 11, 2006

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77227-7570  
Bruce Vollertsen

RECEIVED  
KANSAS CORPORATION COMMISSION

DEC 11 2006

CONSERVATION DIVISION  
WICHITA, KS

Subject: OXY USA Inc.  
Austin A-5  
2,230' FNL & 2,160' FEL  
Section 9, T33S-R42W  
Morton County, Kansas

Dear Bruce:

Colorado Interstate Gas Company (CIG) has reviewed OXY's drilling proposal for the Austin A-5 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-5 well.

Please also provide me with well data as requested in a letter to you dated December 11, 2006, when it becomes available. In the event that the Austin A-5 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 R. Trinko  
Sr. Engineer  
Reservoir Services - West

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

# OXY USA INC.

15-12A-21799-0000

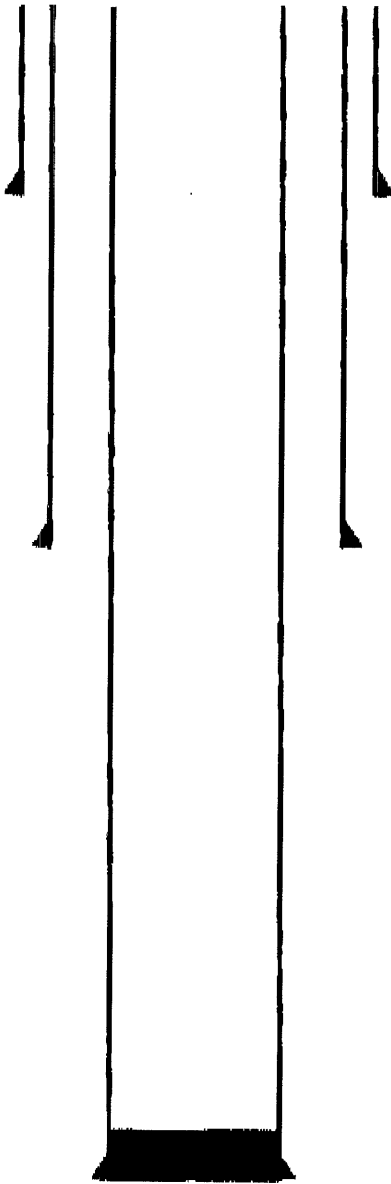
Field Name  
Well Name

ELKHART  
AUSTIN A-B

Prepared By  
Date  
Location

Robert Marciano  
12/06/2006  
SB - 1838 - R42W  
2,290' FNL & 2,160' FEL

Elevation = 3,511'



Hole Size: 17-1/2", drilled into competent bedrock.  
19-3/8" H-40 48.0 # Csg Set - 824' 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 - 1,760' CEMENTED TO SURFACE

INSTALL AND TEST BOP TO 1,000 PSIG BEFORE DRILLING OUT.

Hole Size: 7-7/8", DRILLED TO - 5,200'.

6-1/2" J-55 15.5 # Csg Set @ 5,100'.

CEMENT DESIGNED TO PROTECT + 600' ABOVE  
HIGHEST PRODUCTION AND GAS STORAGE ZONES. ★

TD @ 5,200' WI 7-7/8" \* Br

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DEC 11 2006

APPROVED THIS 11<sup>TH</sup> DAY OF DECEMBER, 2006

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 - LATEROLOG - 30444#48)

15-129-21799-0000

**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.

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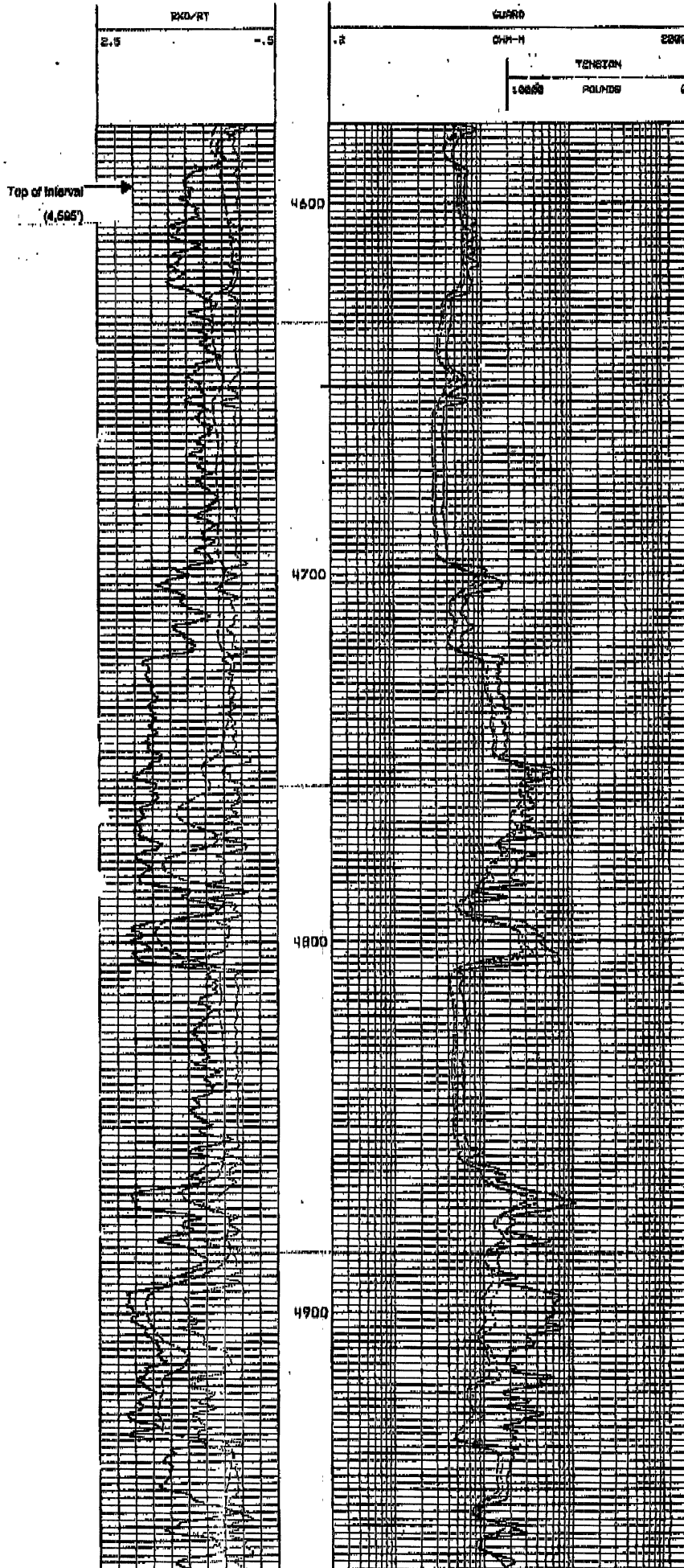
CONSERVATION DIVISION  
WICHITA, KS



# DUAL INDUCTION LATEROLOG

FINAL PRINT

COMPANY COLORADO INTERSTATE WELL BOEHM NO. 4B FIELD BOEHM STORAGE COUNTY MORTON STATE KS	COMPANY COLORADO INTERSTATE GAS COMPANY		
	WELL BOEHM NO. 4B		
	FIELD BOEHM STORAGE		
	COUNTY MORTON STATE KS		
COUNTY MORTON		STATE KS	
API NO 15-129-21128		OTHER SERVICES	
LOCATION 1550 F&L AND 1250 F&L		SDL-DSN	
SECT 14		TWP 33S RGE 42W	
PERMANENT DATUM G.L.		ELEV. 3491	
LOG MEASURED FROM G.L. 0		FT. ABOVE PERM DATUM	
DRILLING MEASURED FROM GROUND LEVEL		ELEV.: K.B. 3502	
		D.F. 3501	
		G.L. 3491	
DATE	08/20/92		
RUN NO.	ONE		
DEPTH-DRILLER	5037		
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 @ 10.8		
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. / MEAS.		
RM @ BHT	1.09 @ 114		
TIME SINCE CIRC.	3.0 HRS.		
TIME ON BOTTOM	03:30		
MAX. REC TEMP.	114 @ T.D.		
EQUIP. & LOCATION	51791: L18		
RECORDED BY	J. DOLAN		
WITNESSED BY	MR. JARRELL	MR. JONES	



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BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

May 25, 2005

Vicki Carder  
OXY USA Inc.  
PO BOX 2528  
Liberal, KS 67905

RE: OXY AUSTIN "A" #4, 1800' FSL & 33'FWL, SEC. 9, T. 33, R. 42W MORTON COUNTY,  
KANSAS

Dear Ms. Carder,

This letter confirms the OXY USA, Inc (OXY) drilling proposal submitted to the Kansas Corporation Commission (KCC) for the above described well. This well is located within the boundaries of the Boehm gas storage field operated by Colorado Interstate Gas Company (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 500' and run a string of 13 3/8" conductor pipe that will be installed a minimum of 20' into competent bedrock. A 13 5/8" X 3M annular 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 Glorieta Sand to a depth of 1750' and 8 5/8" surface pipe will be run. An 11 X 3M annular Preventor, also 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 5100'. 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

  
Robert Petersen  
Production Department

cc: Dave Williams Production *ok*  
Dan Fredlund Gas Storage *ok*  
Tony Triako - CIG  
M:\PROD\Production\_Shared\Prod\_2005\IG-1 2005\GASSTORAGELETTERS\OXY AUSTIN A#4BOP.doc

Conservation Division, Flanney Store Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802  
Voice 316.337.6200 fax 316.337.6211 www.kcc.state.ks.us

**FAX COVER SHEET****RECEIVED**  
KANSAS CORPORATION COMMISSION**DEC 11 2006**CONSERVATION DIVISION  
WICHITA, KS**Date:** Monday, December 11, 2006**To:** Rick Hestermann  
**Company:** Kansas Corporation Commission  
**Fax Number:** 316-337-6211  
**Phone Number:** 316-337-6193**From:** Tony Trinko  
**Fax Number:** 719-667-7739  
**Phone Number:** 719-520-4557**Re:** Drilling Plan Approval Letter -- OXY Austin A-5**Number of pages (including this cover page):** 7**Comments:****Rick:**

Attached is a copy of the drilling plan approval letter that I am faxing and mailing to OXY for their Austin A-5 well.

**Tony**

**CONFIDENTIALITY NOTICE:** This message is intended only for the use of the individual or entity designated above, is confidential, and may contain information that is legally privileged or exempt from disclosure under applicable law. You are hereby notified that any dissemination, distribution, copying, or use of or reliance upon the information contained in and transmitted with this facsimile transmission by or to anyone other than the recipient designated above by the sender is *not authorized and strictly prohibited*. If you have received this communication in error, please immediately notify the sender by telephone and return it to the sender by US Mail, or destroy it if authorization is granted by the sender. Thank you.

**Colorado Interstate Gas Company**  
A SUBSIDIARY OF THE EL PASO CORPORATION  
PO Box 1087, COLORADO SPRINGS, CO 80944 - 719-473-2300

12/11/2006 11:38 RESERVOIR SERVICES → 917132157545

NO. 896 000

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December 11, 2006

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77227-7570  
Attn: Bruce Vollertsen

Subject: Letter Agreement Dated November 3, 1972  
Boehm Gas Storage Field  
Morton County, KS

Dear Bruce:

Thanks for informing Colorado Interstate Gas Company (CIG) about OXY's intention to drill the following well within the protection acreage of CIG's Boehm Storage Field:

Austin A-5  
Section 9-T33S-R42W (2,230' FNL & 2,160' FEL)

In order to ensure that the proposed well does not compromise the storage operations within the Morrow sand intervals in the Boehm Storage Field, please provide me with the following information/data as it becomes available:

- Geologic Well Prognosis including Cementing/Casing Plans
- Notice of Intention to Drill w/Location Plat - KCC Form C-1
- Daily Drilling Reports (Fax to 719-667-7739) once drilling operations commence.
- Core Analysis Results
- Open Hole Logs - Hard Copy and LAS files
- Geological Report
- Mud Logs
- Drill Stem Test Results
- Cement Bond Logs/Temperature Logs
- Perforation Schedule
- Well Completion Form - KCC ACO-1
- Dual Completion Report - KCC ACO-5 (if applicable)

In the event the Morrow is productive of gas, CIG will need to make arrangements with OXY to collect gas samples for analysis.

If you have any questions or require additional information, please call me at 719-520-4557.

Sincerely,

Anthony P. Trinko  
Sr. Engineer  
Reservoir Services - West  
Anthony.Trinko@ElPaso.com

Cc: David I. Veatch - Fort Morgan

El Paso Natural Gas  
Two North Nevada Colorado Springs, CO 80904  
PO Box 1057 Colorado Springs, CO 80903  
tel 719.473.2300

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