

For KCC Use:  
Effective Date: 6-17-07  
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 06/28/07  
month day year

Spot:  East  West  
C - SE - SE Sec. 17 Twp. 32S R. 34

OPERATOR: License # 5447

660.0 feet from  N /  S Line of Section

660.0 feet from  E /  W Line of Section

Name: OXY USA Inc.

Is SECTION X Regular \_\_\_\_\_ Irregular \_\_\_\_\_

Address: P.O. Box 2528

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

City/State/Zip: Liberal, KS 67905

County: Seward

Contact Person: Rafael Bacigalupo

Lease Name: Jerman A Well #: 5

Phone: (620) 629-4229

Field Name: unknown

CONTRACTOR: License # 30606

Is this a Prorated / Spaced Field?  Yes  No

Name: Murfin Drilling Inc.

Target Formation(s): Mississippian

Nearest Lease or unit Boundary: 660' FSL / 660' FEL

Well Drilled For: Well Class: Type Equipment:

Ground Surface Elevation: 2940.9 feet MSL

Oil  Enh Rec  Infield  Mud Rotary

Water well within one-quarter mile  Yes  No

Gas  Storage  Pool Ext  Air Rotary

Public water supply well within one mile:  Yes  No

OWWO  Disposal  Wildcat  Cable

Depth to bottom of fresh water: 540

Seismic: \_\_\_\_\_ # of Holes  Other \_\_\_\_\_

Depth to bottom of usable water: 540

Other \_\_\_\_\_

Surface Pipe by Alternate:  1  2

If OWWO: old well information as follows:

Length of Surface Pipe Planned to be set: 1750

Operator: \_\_\_\_\_

Length of Conductor Pipe Required: \_\_\_\_\_

Well Name: \_\_\_\_\_

Projected Total Depth: 6275

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

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 #: \_\_\_\_\_

**K**(Note: Apply for Permit with DWR )

Will Cores be Taken?  Yes  No

If Yes, Proposed zone: \_\_\_\_\_

**PRORATED & SPACED: HUBBARD**

**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:

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KANSAS CORPORATION COMMISSION

**JUN 11 2007**

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: 06/06/07 Signature of Operator or Agent: \_\_\_\_\_ Title: Capital Project

**For KCC Use ONLY**

API # 15 - 175-22089-0000

Conductor pipe required None feet

Minimum Surface pipe required 560 feet per Alt. 1

Approved by: 6-12-07

This authorization expires: 12-12-07

(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

17-32-34W

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

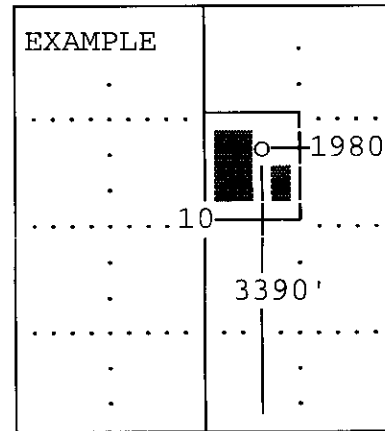
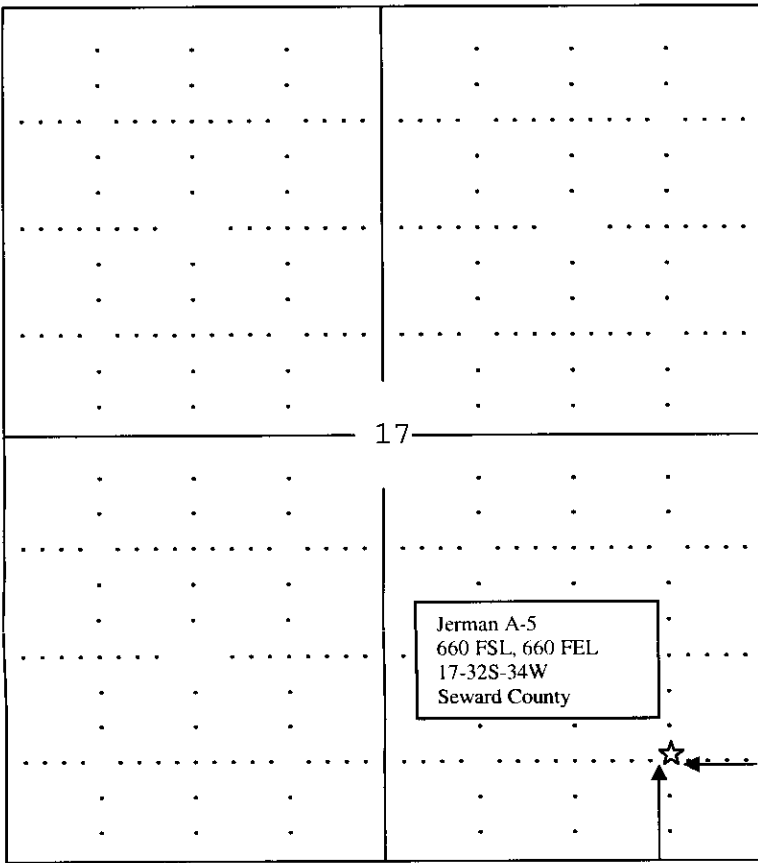
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 175-22089-0000  
 Operator: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 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

Form CDP-1  
April 2004  
Form must be Typed

APPLICATION FOR SURFACE PIT

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</b> - <b>4200</b>	
Lease Name & Well No.: <b>Jerman A-5</b>		Pit Location (QQQQ): <b>C SE SE</b>	
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 <i>(If WP Supply API No. or Year Drilled)</i>		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 <i>(For Emergency Pits and Settling Pits only)</i>	
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): <b>150</b> Length (feet) <b>150</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>4</b> (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 <b>464</b> feet    Depth of water well <b>362</b> feet		Depth to shallowest fresh water <b>228</b> feet. Source of information: <b>①</b> _____ 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: <b>Fresh Water Mud</b> Number of working pits to be utilized: _____ Abandonment procedure: <b>Evaporation and Backfill</b> _____ 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		_____ Signature of Applicant or Agent	
		RECEIVED KANSAS CORPORATION COMMISSION <b>JUN 11 2007</b>	
<b>KCC OFFICE USE ONLY</b>			
CONSERVATION DIVISION WICHITA, KS			
Date Received: <b>6/11/07</b> Permit Number: _____    Permit Date: <b>6/11/07</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-175-22089-0000