

For KCC Use:  
Effective Date: 9-25-07  
District # \_\_\_\_\_  
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 10/01/07  
month day year

Spot: \_\_\_\_\_ East  
NE - SW - SW Sec. 31 Twp. 32S R. 32  West

OPERATOR: License # 5447 ✓

1250.0 feet from  N /  S Line of Section

1250.0 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: Baughman J Well #: 2

Phone: (620) 629-4229

Field Name: Hugoton

CONTRACTOR: License # 33784 ✓

Is this a Prorated / Spaced Field?  Yes  No

Name: Trinidad Drilling Limited Partnership.

Target Formation(s): Chase Fm.

Nearest Lease or unit Boundary: 1250' ✓

Well Drilled For: Well Class: Type Equipment:

Ground Surface Elevation: 2657.9 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: 380

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

Depth to bottom of usable water: 380

Other \_\_\_\_\_

Surface Pipe by Alternate:  1  2

If OWWO: old well information as follows:

Length of Surface Pipe Planned to be set: 800'

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

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

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

Projected Total Depth: 2600'

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

Formation at Total Depth: Chase Fm

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

Will Cores be Taken?  Yes  No

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

(Note: Apply for Permit with DWR )

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KANSAS CORPORATION COMMISSION

**PRORATED & SPACED: HUGOTON**

**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:

SEP 17 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.

CONSERVATION DIVISION  
WICHITA, KANSAS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 09/13/07 Signature of Operator or Agent: \_\_\_\_\_ Title: Capital Project

**For KCC Use ONLY**

API # 15 - 175-22108-0000

Conductor pipe required None feet

Minimum Surface pipe required 400 feet per Alt. 1

Approved by: Rafael 9-20-07

This authorization expires: 3-2008

(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

31-32-32W

**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 - 175-22108-0000  
 Operator: OXY USA Inc  
 Lease: Baughman J  
 Well Number: 2  
 Field: Hugoton

Location of Well: County Seward  
1250 feet from  N /  S Line of Section  
1250 feet from  E /  W Line of Section  
 Sec. 31 Twp. 32S R. 32  East  West

Number of Acres attributable to well: 640  
 QTR / QTR / QTR of acreage: NE - SW - SW

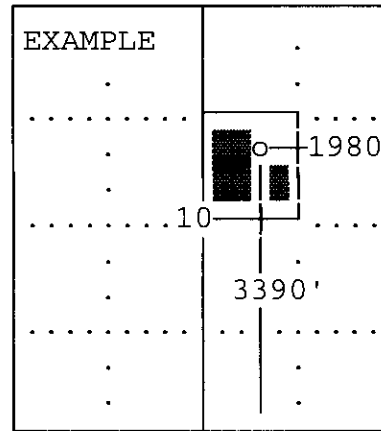
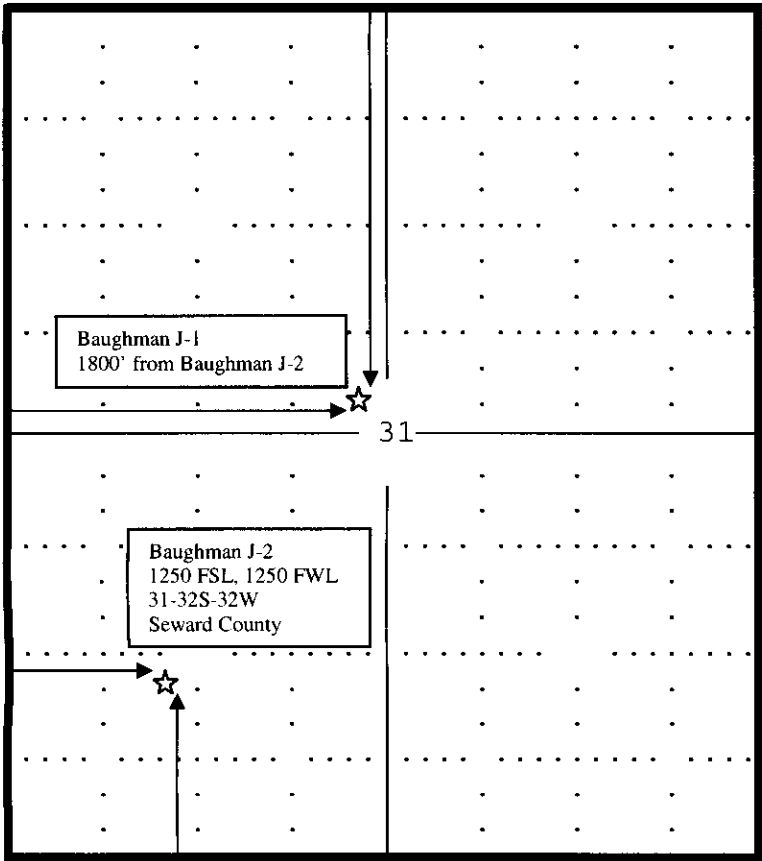
Is Section  Regular or  Irregular

**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).

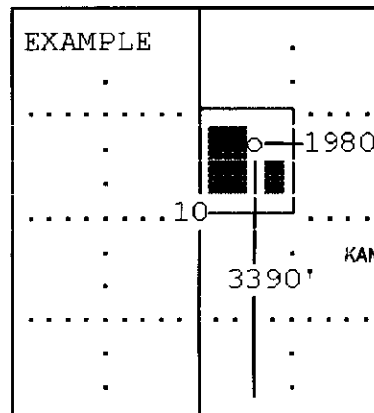
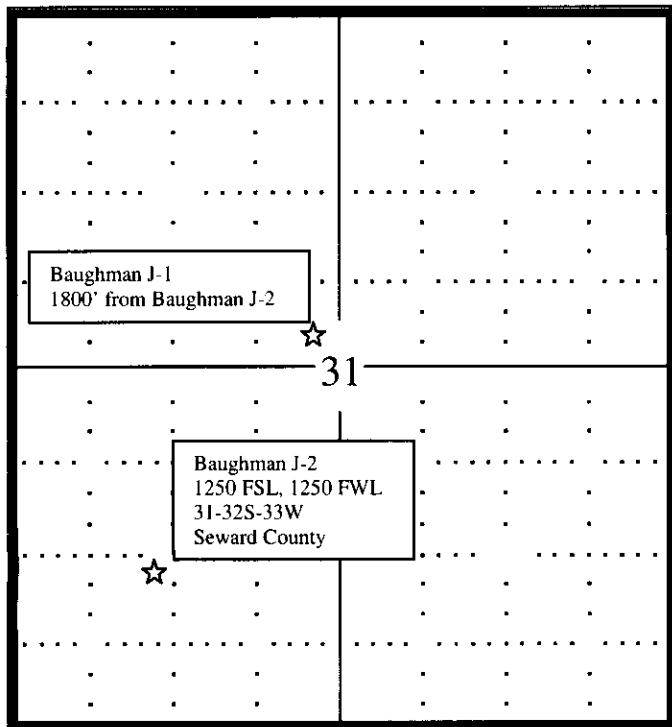
# PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

Kansas Corporation Commission, Conservation Division  
 Finney State Office Building, 130 South Market, Room 2078  
 Wichita, Kansas 67202

API NUMBER 15-175-22108-0000  
 OPERATOR OXY USA Inc.  
 LEASE Baughman J  
 WELL NUMBER 2  
 FIELD Hugoton  
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640  
 QTR/QTR/QTR OF ACREAGE NE — SW — SW

LOCATION OF WELL: COUNTY Seward  
1250 Feet from (south) / north line of section  
1250 Feet from east / (west) line of section  
 SECTION 31 TWP 32 (S) RG 32 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).



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 KANSAS CORPORATION COMMISSION  
**SEP 17 2007**  
 CONSERVATION DIVISION  
 WICHITA, KS

The undersigned hereby certifies as \_\_\_\_\_ Capital Projects \_\_\_\_\_ (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.

Subscribed and sworn to before me on this 13<sup>th</sup> day of Sept., 2007  
 Signature \_\_\_\_\_  
Anita Peterson  
 Notary Public


My Commission expires Oct. 1, 2009 FORM CG-8 (12/94)


**ANITA PETERSON**  
 Notary Public - State of Kansas  
 My Appt. Expires October 1, 2009

**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>Baughman J-2</b>		Pit Location (QQQQ): _____ <b>NE</b> _____ <b>SW</b> _____ <b>SW</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 <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>1000</b> (bbls)	Sec. <b>31</b> Twp. <b>32S</b> R. <b>32</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1250</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1250</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Seward</b> _____ County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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): <b>70</b> Length (feet) <b>20</b> Width (feet)    _____ N/A: <b>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>1609</b> feet    Depth of water well <b>260</b> feet		Depth to shallowest fresh water <b>45</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <b>(2)</b> 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.		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION
_____ 09/13/07 Date	 Signature of Applicant or Agent	<b>SEP 17 2007</b>
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>9/17/07</b> Permit Number: _____ Permit Date: <b>9/20/07</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS <b>RFAC</b> <b>call PH</b> <b>dy</b>	

15775-22108-0000

September 20, 2007

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

RE: Drilling Pit Application  
Baughman J Lease Well No. 2  
SW/4 Sec. 31-32S-32W  
Seward County, Kansas

Dear Mr. Bacigalupo:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased. **Please call the district office at (620) 225-8888 after the pits have been dug.**

**If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:  
[www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

  
Kathy Haynes

Environmental Protection and Remediation Department

cc: File