

For KCC Use:
Effective Date: 10-27-07
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 10/05/07
month day year

Spot: East West
NE - NE - NE Sec. 20 Twp. 27S R. 33

OPERATOR: License # 5447

150.0 feet from N / S Line of Section
150.0 feet from E / W Line of Section

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: Haskell
Lease Name: Kells ATU A Well #: 3
Field Name: Hugoton

CONTRACTOR: License # 33784
Name: Trinidad Drilling Limited Partnership

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Chase
Nearest Lease or unit Boundary: 450' 2490' per operator 10-17-07

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

Ground Surface Elevation: 2947.5 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: 500
Depth to bottom of usable water: 820

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: 350' 840' minimum
Length of Conductor Pipe Required: _____
Projected Total Depth: 3000'
Formation at Total Depth: Chase

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

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: _____

PRORATED & SPACED: HUGOTON - PANOMA

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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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.

OCT 01 2007

CONSERVATION DIVISION
WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
Date: 09/26/07 Signature of Operator or Agent: _____ Title: Capital Project

For KCC Use ONLY

API # 15 - 081-21767-0000
Conductor pipe required None feet
Minimum Surface pipe required 840 feet per Alt. 1
Approved by: fwk10-22-07
This authorization expires: 4-22-08
(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 proaction 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: _____

20-27-33 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.

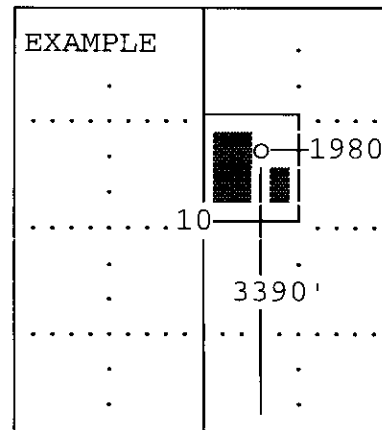
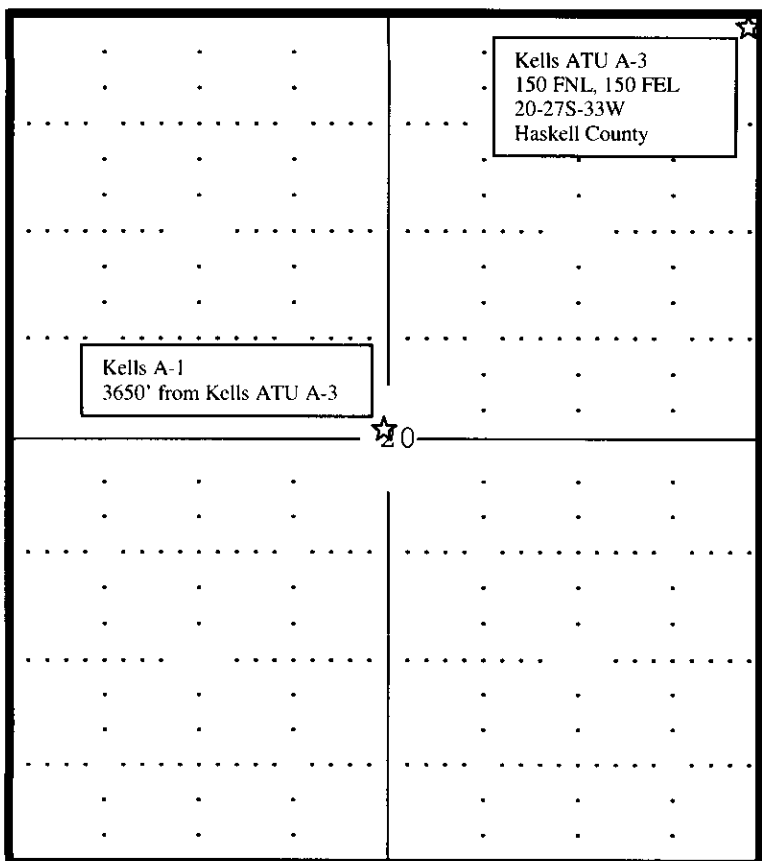
API No. 15 - _____
 Operator: OXY USA Inc
 Lease: Kells ATU A
 Well Number: 3
 Field: Hugoton

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

Location of Well: County Haskell
150 feet from N / S Line of Section
150 feet from E / W Line of Section
 Sec. 20 Twp. 27S R. 33 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).

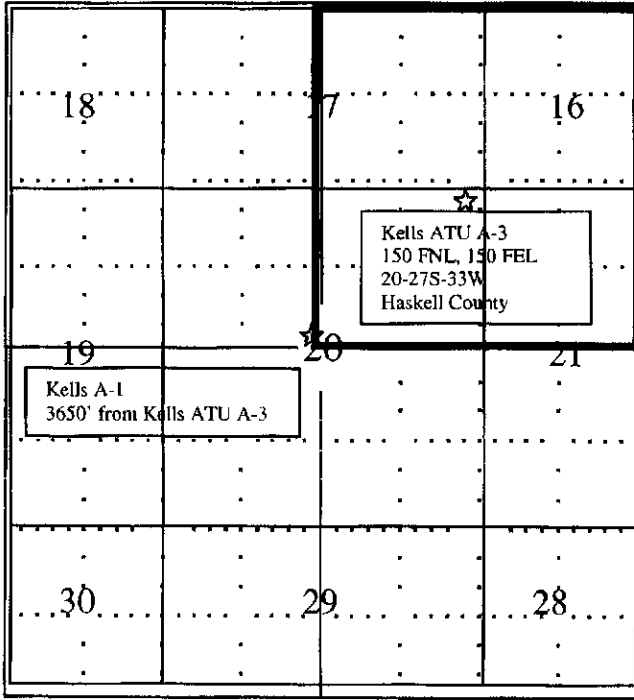
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

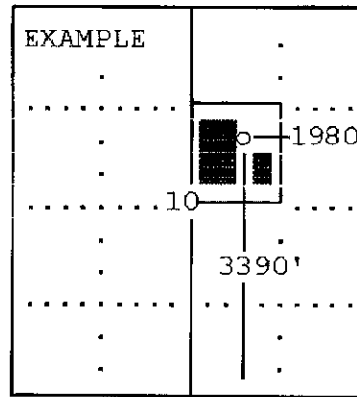
API NUMBER ¹⁵⁻ 081-21767-0000
 OPERATOR OXY USA Inc.
 LEASE Kells ATU A
 WELL NUMBER 3
 FIELD Hugoton
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE NE — NE — SW

LOCATION OF WELL: COUNTY Haskell
2490-150 Feet from ~~south~~ north line of section
2490-150 Feet from east / ~~west~~ line of section
 SECTION 20 TWP 27 (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).



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 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 22nd day of October, 2007

Signature [Signature]
Anita Peterson
 Notary Public

My Commission expires Oct. 1, 2009

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

FORM CG-8 (12/94)

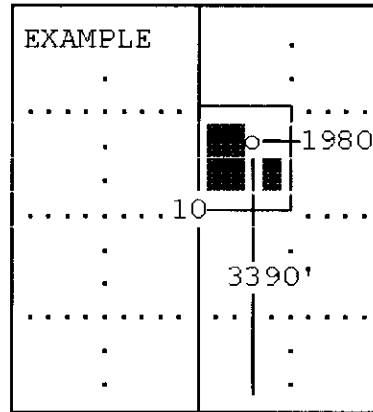
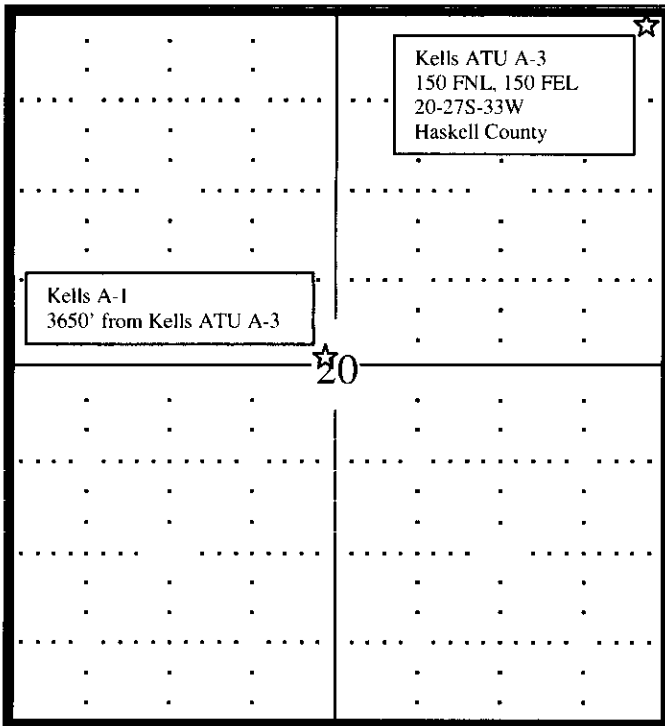
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 Wichita, Kansas 67202

API NUMBER ¹⁵⁻ 081-21767-0000
 OPERATOR OXY USA Inc.
 LEASE Kells ATU A
 WELL NUMBER 3
 FIELD Hugoton
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE NE — NE — NE

LOCATION OF WELL: COUNTY Haskell
150 Feet from south / north line of section
150 Feet from east / west line of section
 SECTION 20 TWP 27 (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).



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 26th day of Sept, 2007

Signature _____
Anita Peterson
 Notary Public

My Commission expires Oct. 1, 2009


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

RECEIVED
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 FORM CG-8 (12/94)
 OCT 01 2007

**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.: Kells ATU A-3		Pit Location (QQQQ): _____ NE _____ NE _____ NE Sec. 20 Twp. 27S R. 33 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 150 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 150 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Seward Haskell 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: 1000 (bbls)	
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? Bentonite & Cuttings
Pit dimensions (all but working pits): 70 Length (feet) 20 Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 4 (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 261 feet Depth of water well 603 feet		Depth to shallowest fresh water 267 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> 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: Fresh Water Mud Number of working pits to be utilized: _____ Abandonment procedure: Evaporation and Backfill _____ 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.		
09/26/07 Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION OCT 01 2007
KCC OFFICE USE ONLY		
Date Received: 10/1/07	Permit Number: _____	Permit Date: 10/2/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-ORP-81767-0002

CONSERVATION DIVISION
Normal

15-081-21767000

COUNTY OF HARRIS:)

STATE OF TEXAS:)

AFFIDAVIT

WHEREUPON, on the date set out below, did come the undersigned Affiant, BRUCE A. VOLLERTSEN, before the undersigned Notary Public in and for the County of Harris, State of Texas and then did under oath state, declare, aver and affy that:

- (1) He is employed by OXY USA Inc. ("OXY"), 5 E. Greenway Plaza, Suite 110, Houston, Texas, 77046, as a Landman on its Mid-Continent / Hugoton Asset Team.
- (2) Further, pursuant to Subparagraph I(2) of the Basic Integrated Proration Order for the Hugoton Gas Field and the Panoma Council Grove Gas Field, OXY intends to form an alternate tract unit ("ATU") on which to drill a single alternate tract unit well to produce additional gas reserves from the Hugoton and/or Panoma Fields. The OXY Kells ATU A-3 shall consist of the following lands:

Township 27 South Range 33 West
SW/4 Section 16, SE/4 Section 17, NE/4 Section 20, NW/4 Section 21
Haskell County, Kansas

- (3) Further, in compliance with said Order, OXY has obtained the agreement of all known working interests (of which OXY is 100% owner) and all known royalty interests in the unitized sections that are to contribute acreage to said ATU. Agreement of all such known royalty interest owners is evidenced by individual written consents that legally describe the location of the ATU and participating unitized sections, states that the interest holder will be entitled to a certain percentage of proceeds of production expected from the ATU proportionate to the respective interest held in the existing unitized sections, and requests that said interest holder sign said form before a notary public and return same to OXY to consent formation of said ATU for the drilling of a single ATU well thereon. Copies of such written consents are on file at the captioned address, and will be forwarded to the Commission upon its request.

Further Affiant sayeth not.

Bruce A. Vollertsen
BRUCE A. VOLLERTSEN, Landman
Mid-Continent / Hugoton Asset Team
OXY USA Inc.

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OCT 12 2007

CONSERVATION DIVISION
WICHITA, KS

On this 12th day of October, 2007 before me, the undersigned Notary Public in and for said county and state, personally appeared known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged that the same was executed and delivered as their free and voluntary act for the purposes therein set forth. In witness whereof I hereunto set my hand and official seal an of the date hereinabove stated.

My Commission Expires Sept 16, 2010
Notary Public Mary J. Korchinsky

