

For KCC Use:
Effective Date: 2-12-08
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 01/18/2008
month day year

Spot: East West
NE - SW - SW Sec. 11 Twp. 24S R. 35

OPERATOR: License # 5447

990 feet from N / S Line of Section
990 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: Kearny

Contact Person: Kenny Andrews

Lease Name: Garden City "O" Well #: 3

Phone: (620) 629-4232

Field Name: Hugoton

CONTRACTOR: License # 30606

Is this a Prorated / Spaced Field? Yes No

Name: Murfin Drilling Co., Inc.

Target Formation(s): Council Grove

Nearest Lease or unit Boundary: 3149

Well Drilled For: Well Class: Type Equipment:

Ground Surface Elevation: 2946.1 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 top of fresh water: 380

Seismic: # of Holes Other

Depth to bottom of usable water: 880

Other

Surface Pipe by Alternate: 1 2

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WICHITA, KS
FEB 06 2008

If OWWO: old well information as follows:

Length of Surface Pipe Planned to be set: 880' 900 min.

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Length of Conductor Pipe Required: _____

Projected Total Depth: 3050'

Formation at Total Depth: Council Grove

Water Source for Drilling Operations:

Directional, Deviated or Horizontal wellbore? Yes No

Well Farm Pond Other _____

IF Yes, true vertical depth _____

DWR Permit # _____

Bottom Hole Location _____

(Note: Apply for Permit with DWR)

KCC DKT #: _____

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:

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: 01/29/2008 Signature of Operator or Agent: Kenny Andrews Title: Kenny Andrews, Production Lead

For KCC Use ONLY
API # 15 - 093-21823-0000
Conductor pipe required None feet
Minimum Surface pipe required 900 feet per Alt. OX
Approved by: Ken 2-7-08
This authorization expires: 2-7-09
(This authorization void if drilling not started within 12 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 proration 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

11-84-35W

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 - 093-21823-0000
 Operator: OXY USA Inc
 Lease: Garden City "O"
 Well Number: 3
 Field: Hugoton

Location of Well: County Kearny
990 feet from N / S Line of Section
990 feet from E / W Line of Section
 Sec. 11 Twp. 24S R. 35 East West

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

Is Section Regular or Irregular

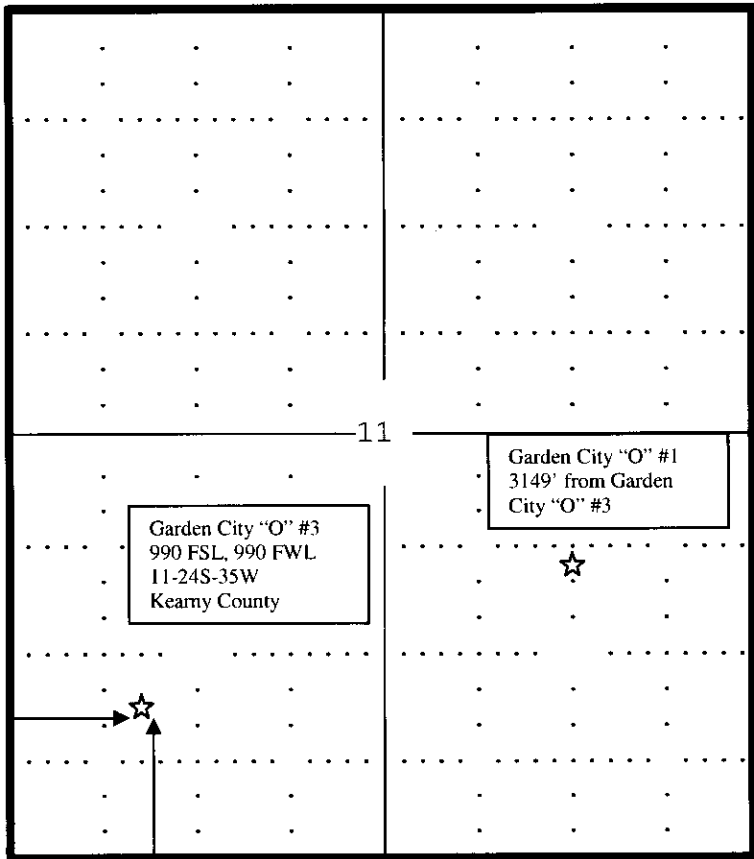
IF Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

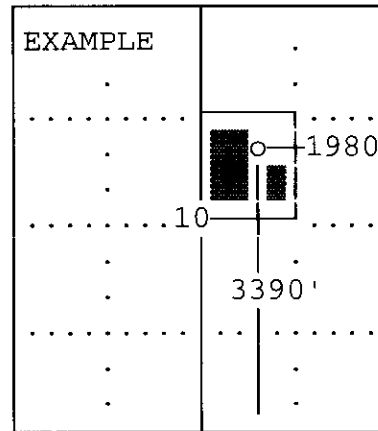
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)



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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).

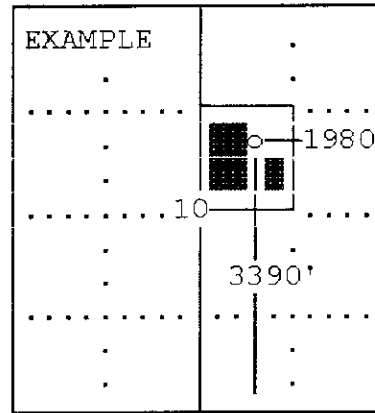
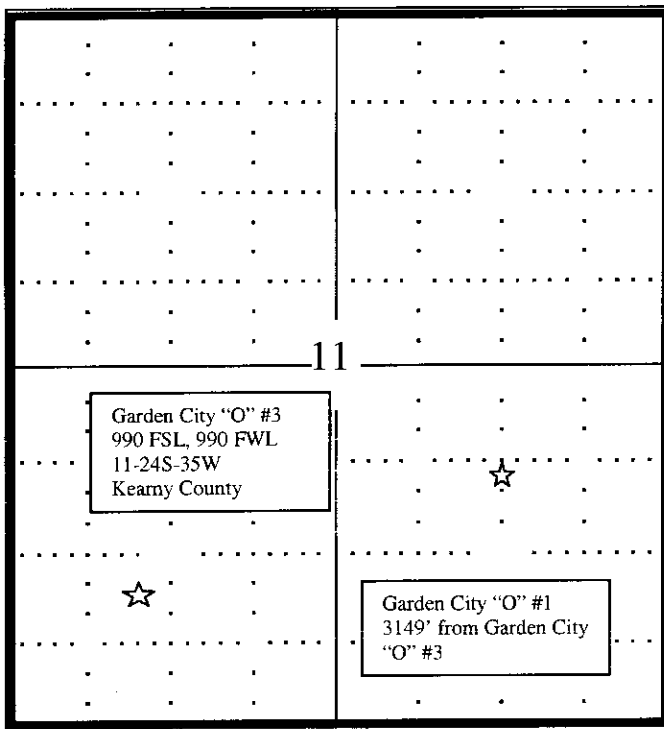
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15-093-21823-0000
OPERATOR OXY USA Inc.
LEASE Garden City O
WELL NUMBER 3
FIELD Hugoton
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
QTR/QTR/QTR OF ACREAGE NE SW SW

LOCATION OF WELL: COUNTY Kearny
990 Feet from south / north line of section
990 Feet from east / west line of section
SECTION 11 TWP 24 (S) RG 35 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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The undersigned hereby certifies as Production Lead (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 [Handwritten Signature]
Subscribed and sworn to before me on this 21st day of Feb 2008
Anita Peterson
Notary Public

My Commission expires Oct. 1, 2009

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: OXY USA Inc.		License Number: 5447
Operator Address: P. O. Box 2528, Liberal, KS 67901		
Contact Person: Jimmy Welch		Phone Number: (620) 277 - 2203
Lease Name & Well No.: Garden City O-3		Pit Location (QQQQ): _____ NE _____ SW _____ SW Sec. 11 Twp. 24S R. 35 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 990 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 990 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Kearny _____ 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 <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: 1000 _____ (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? 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. <div style="text-align: right;"> RECEIVED KANSAS CORPORATION COMMISSION FEB 06 2008 CONSERVATION DIVISION WICHITA, KS </div>
Distance to nearest water well within one-mile of pit 661 feet Depth of water well 40 feet	Depth to shallowest fresh water 9 feet. WICHITA, KS Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	15-093-21823-0000
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. <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"> _____ 02/04/08 Date </div> <div style="text-align: center;"> _____ Signature of Applicant or Agent </div> </div>		
KCC OFFICE USE ONLY		
RPAAC		
Date Received: 2/6/08 Permit Number: _____ Permit Date: 2/7/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

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

* Public water well Sec. 11 - 24-35W



*Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner*

February 7, 2008

Mr. Kenny Andrews
OXY USA, Inc.
PO Box 2528
Liberal, KS 67905

RE: Drilling Pit Application
Garden City O Lease Well No. 3
SW/4 Sec. 11-24S-35W
Kearny County, Kansas

Dear Mr. Andrews:

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.

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.

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