

For KCC Use: 2-20-08
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 October 2007

Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: 02/20/2008
 month day year

OPERATOR: License# 5447 ✓
 Name: OXY USA, Inc.
 Address 1: P O Box 2528
 Address 2: _____
 City: Liberal State: KS Zip: 67880 + _____
 Contact Person: Kenny Andrews
 Phone: 620-629-4200
 CONTRACTOR: License# 34000 ✓
 Name: Kenai Mid Continent Inc

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic; _____ # of Holes Other: _____
 Well Class: Infield Pool Ext. Wildcat Other
 Type Equipment: Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____
 Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot Description: _____
 _____ SW - SE - SW Sec. 4 Twp. 34 S. R. 33 E W
 (0000) 330 feet from N / S Line of Section
1,930 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Seward
 Lease Name: Graham B Well #: 4
 Field Name: Evalyn-Condit

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Chester
 Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 2874.14 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: 600
 Depth to bottom of usable water: 600 ✓
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 1650'
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: 6500
 Formation at Total Depth: Chester

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: _____

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PRORATED & SPACED: HUBOTDN

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.
 It is agreed that the following minimum requirements will be met:

FEB 15 2008

CONSERVATION DIVISION
 WICHITA, KS

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 correct to the best of my knowledge and belief.

Date: 02/14/2008 Signature of Operator or Agent: [Signature] Title: Production Lead

For KCC Use ONLY
 API # 15 - 175-22132-0000
 Conductor pipe required None feet
 Minimum surface pipe required 620 feet per ALT. I II
 Approved by: [Signature] 2-15-08
 This authorization expires: 2-15-09
 (This authorization void if drilling not started within 12 months of approval 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 (within 60 days);
- 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 Date: _____
 Signature of Operator or Agent: _____

4
 34
 33
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 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 - 175-22132-0000
Operator: OXY USA, Inc.
Lease: Graham B
Well Number: 4
Field: Evalyn-Condit

Location of Well: County: Seward
330 feet from N / S Line of Section
1,930 feet from E / W Line of Section
Sec. 4 Twp. 34 S. R. 33 E W

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

Is Section: Regular or Irregular

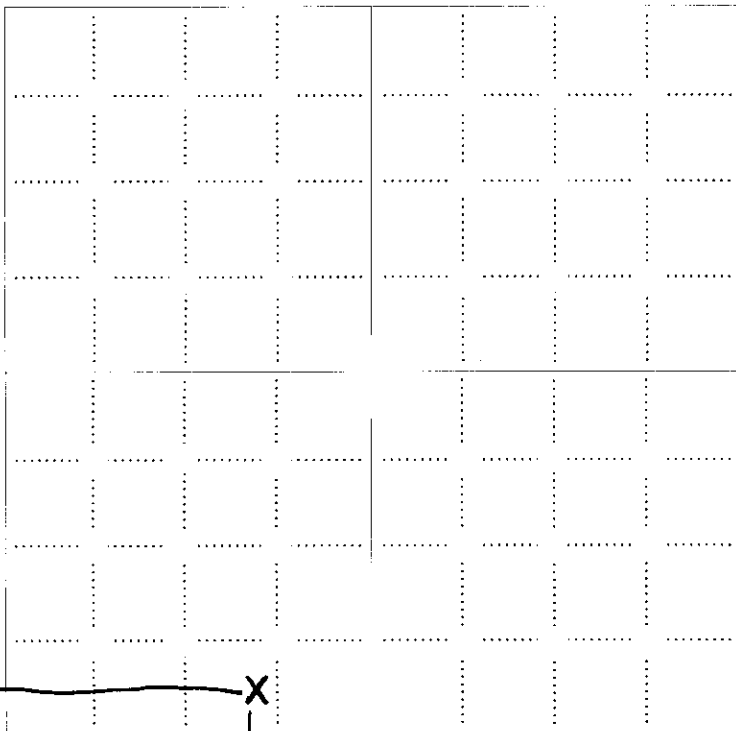
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

PLAT

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

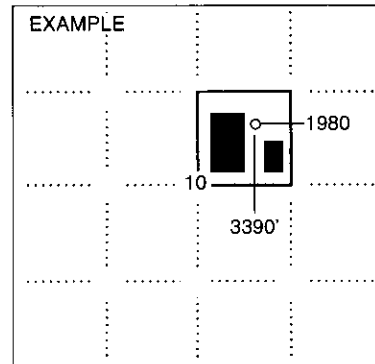
(Show footage to the nearest lease or unit boundary line.)



NOTE: In all cases locate the spot of the proposed drilling location.

330

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SEWARD CO.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

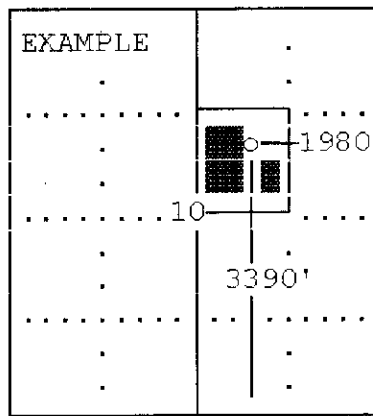
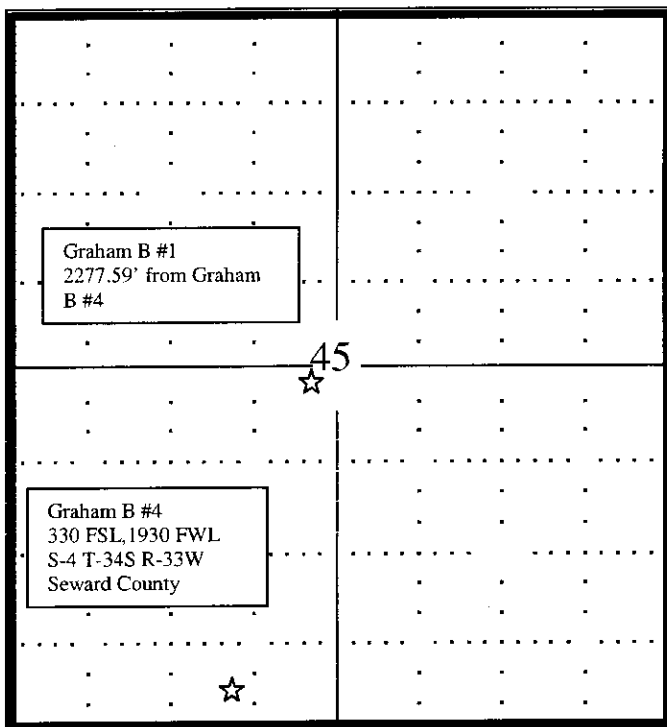
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15-175-22132-0000
 OPERATOR OXY USA Inc.
 LEASE Graham B
 WELL NUMBER 4
 FIELD Adamson
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE SW — SE — SW

LOCATION OF WELL: COUNTY Seward
330 Feet from (south) / north line of section
1930 Feet from east / (west) line of section
 SECTION 4 TWP 34 (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 X 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 [Signature]

Subscribed and sworn to before me on this 14th day of Feb, 2008

[Signature]
 Notary Public

My Commission expires Oct 1, 2009

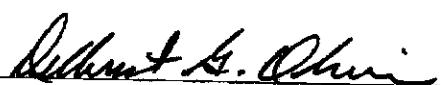
ANITA PETERSON
 Notary Public - State of Kansas
 My Appt. Expires October 1, 2009

FORM CG-8 (12/94)

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form GDP-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: Mike Fink		Phone Number: (620) 624 - 3569
Lease Name & Well No.: Graham B-4		Pit Location (QQQQ): SE SE SE SW
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: 16000 (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): <u>20</u> Length (feet) <u>70</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>4</u> (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 <u>1559</u> feet Depth of water well <u>400</u> feet		Depth to shallowest fresh water <u>243</u> feet. Source of Information: _____ measured _____ well owner _____ electric log _____ 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: <u>Fresh Water Mud</u> Number of working pits to be utilized: _____ Abandonment procedure: <u>Evaporation and Backfill</u> 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.		
<u>02/14/08</u> Date		 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
Date Received: <u>2/15/08</u> Permit Number: _____		Permit Date: <u>2/15/08</u> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

15-175-22132-0000

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202

February 15, 2008

Mr. Mike Fink
OXY USA, Inc.
PO Box 2528
Liberal, KS 67901

RE: Drilling Pit Application
Graham Lease Well No. B-4
SW/4 Sec. 04-34S-33W
Seward County, Kansas

Dear Mr. Fink:

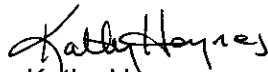
District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling 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