

For KCC Use:  
 Effective Date: 5-14-08  
 District # 1  
 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: 06/18/2008  
 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: Jarod Powell  
 Phone: 620-629-4227  
 CONTRACTOR: License# 30606  
 Name: Murfin Drilling Co., 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 #: 08-CONS-077-CUNI

Spot Description:  
 (Q/Q/Q) NE NE NE Sec. 4 Twp. 27 S. R. 33  E  W  
150 feet from  N /  S Line of Section  
160 feet from  E /  W Line of Section

Is SECTION:  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Haskell  
 Lease Name: Atkins ATU "J" Well #: 3  
 Field Name: Hugoton  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Council Grove

Nearest Lease or unit boundary line (in footage): 2480  
 Ground Surface Elevation: 2919.56 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: 440  
 Depth to bottom of usable water: 780  
 Surface Pipe by Alternate:  I  II  
 Length of Surface Pipe Planned to be set: 950'  
 Length of Conductor Pipe (if any): \_\_\_\_\_  
 Projected Total Depth: 2950  
 Formation at Total Depth: Council Grove

Water Source for Drilling Operations:  
 Well  Farm Pond  Other: Hauling  
 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 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** 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: 05/06/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

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 MAY 07 2008

CONSERVATION DIVISION  
 WICHITA, KS

**For KCC Use ONLY**  
 API # 15 - 081-21812-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 800 feet per ALT.  I  II  
 Approved by: LMA 5-9-08  
 This authorization expires: 5-9-09  
 (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  
27  
33  
 E  
 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 - 081-21812-000

Operator: OXY USA, Inc.

Lease: Alkins ATU "J"

Well Number: 3

Field: Hugoton

Number of Acres attributable to well: 640

QTR/QTR/QTR/QTR of acreage: NE NE NE

Location of Well: County: Haskell

150 feet from  N /  S Line of Section

160 feet from  E /  W Line of Section

Sec. 4 Twp. 27 S. R. 33  E  W

Is Section:  Regular or  Irregular

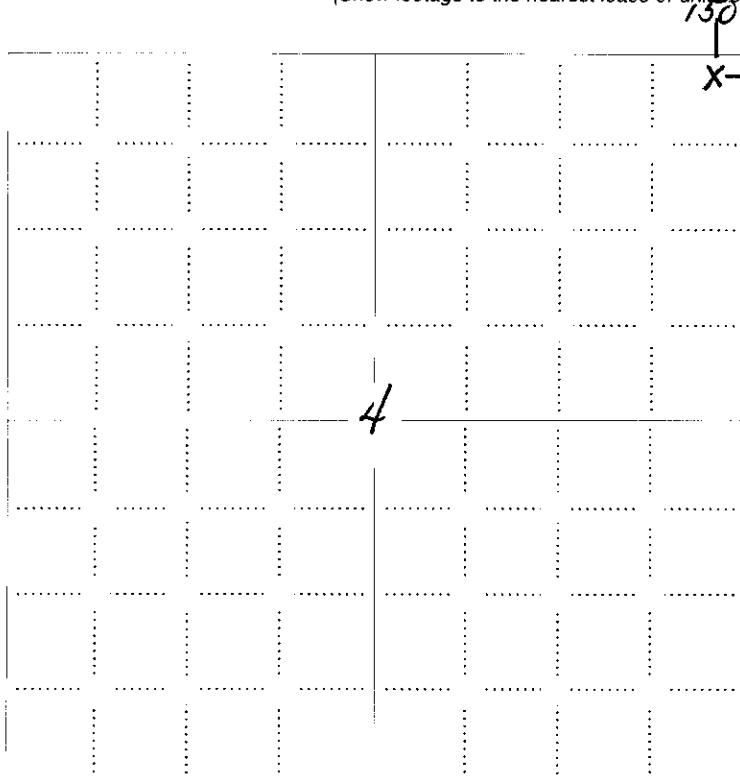
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

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

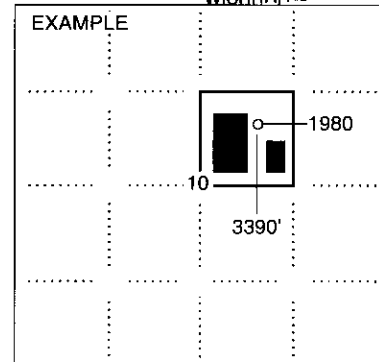
*(Show footage to the nearest lease or unit boundary line.)*



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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 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

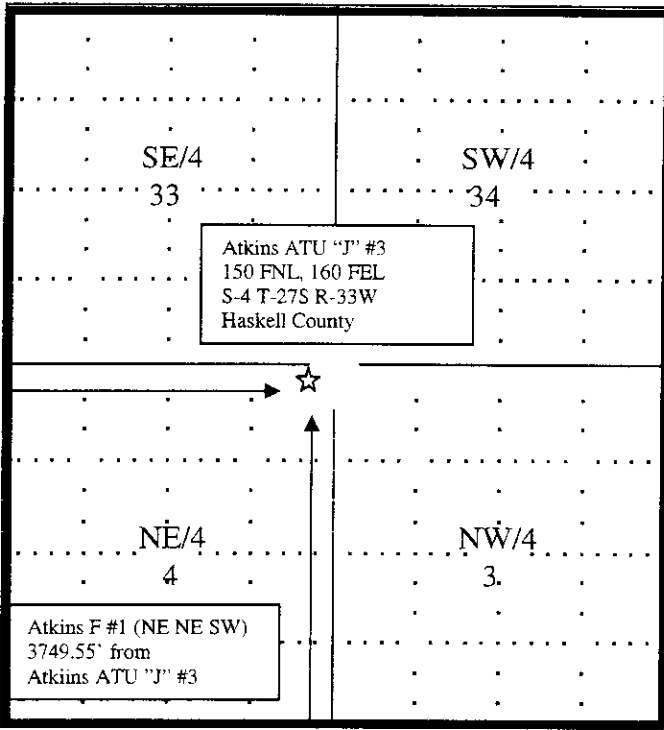
Wichita, Kansas 67202

08-CONS-077-CUNI

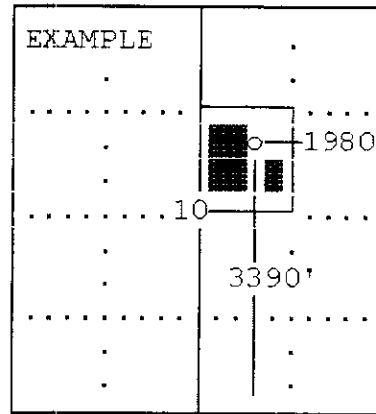
API NUMBER 15-081-21812-0000  
 OPERATOR OXY USA Inc.  
 LEASE Atkins ATU J  
 WELL NUMBER 3  
 FIELD Hugoton  
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640  
 QTR/QTR/QTR OF ACREAGE NE — NE — NE

LOCATION OF WELL: COUNTY Haskell  
150 Feet from south / (north) line of section  
160 Feet from (east) / west line of section  
 SECTION 4 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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 CONSERVATION DIVISION  
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The undersigned hereby certifies as \_\_\_\_\_ Capital Assets \_\_\_\_\_ (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 6<sup>th</sup> day of May, 2008

Signature [Signature]  
Anita Peterson  
 Notary Public

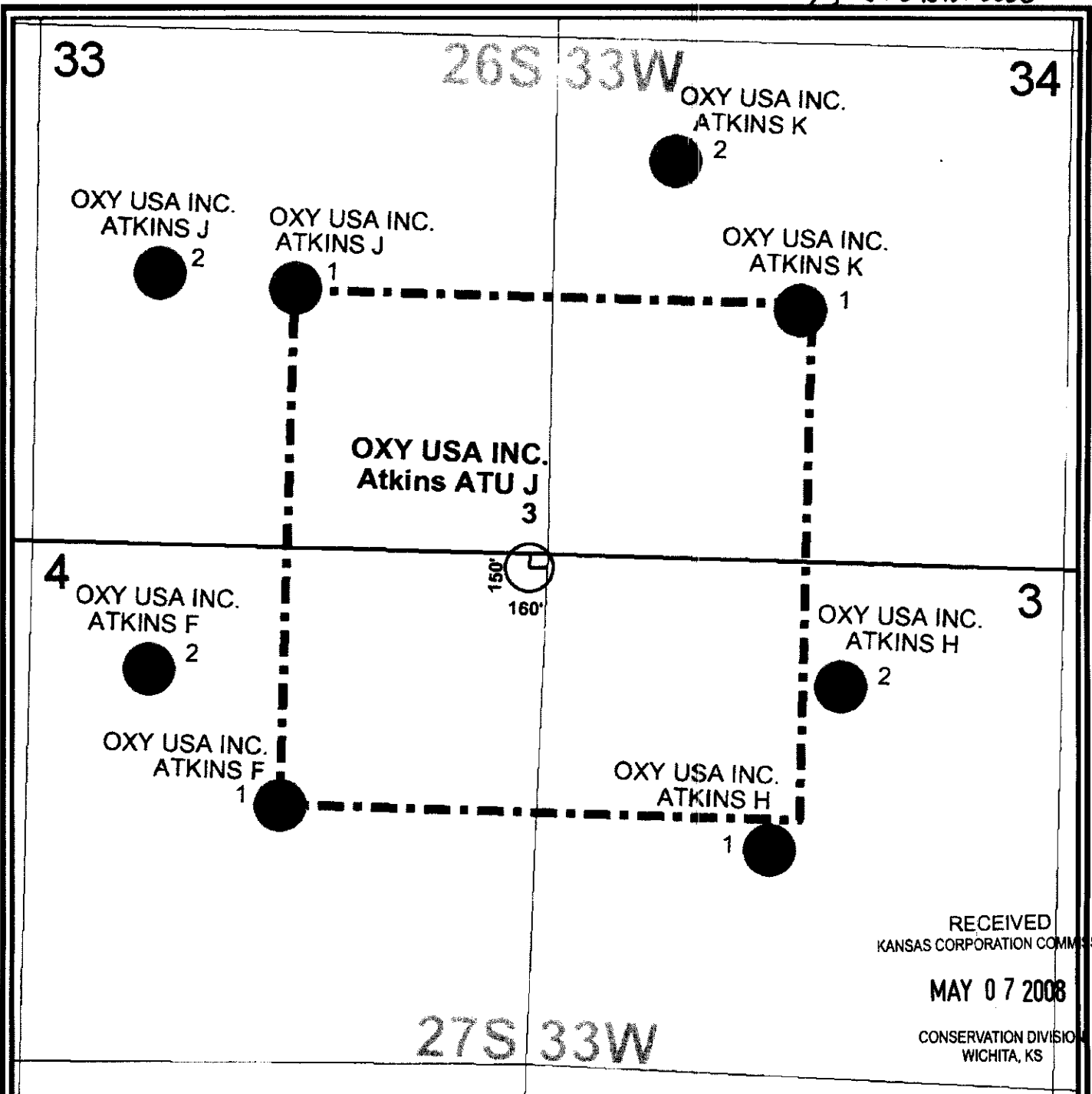
My Commission expires Oct 1, 2009

FORM CG-8 (12/94)

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

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

15-081-21812-0000



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 WICHITA, KS

1320 0 1320 2640 us ft

- ATU Outline - - - - -
- Well Status
- GAS
- Council Grove Well
- Chase Well
- Proposed Chase Well

	<b>OXY USA INC.</b>	
	Mid-Century Assets	
<b>Atkins ATU J 3</b> <b>Haskell County, Kansas</b> <b>Sec 4 - T27S - R33W</b>		
Author: C. David		Date: Mar. 28, 2008
Docket No. 08-CONS-077-CUNI		OXY Exhibit C-1

THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

CERTIFICATE OF ESTABLISHMENT OF UNIT AREA

The State Corporation Commission of the State of Kansas (the "Commission") hereby certifies the following pursuant to K.S.A. 55-1313:

1. On March 25, 2008, the Commission entered its Order Granting Unitization in Docket No. 08-CONS-077-CUNI authorizing the creation of the Atkins J-3 Alternate Tract Unit unitizing the Chase and Council Grove formations underlying the following lands in Finney and Haskell Counties, Kansas:

✓Section 33: Southeast Quarter  
✓Section 34: Southwest Quarter  
All in Township 26 South, Range 33 West, Finney County, Kansas; and

Section 3: Northwest Quarter  
Section 4: Northeast Quarter  
In Township 27 South, Range 33 West, Haskell County, Kansas.

2. The Order Granting Unitization was issued pursuant to the Application filed by OXY USA Inc. under the Kansas Unitization Act, K.S.A. 55-1301, *et seq.* (the "Act"), on December 27, 2007. Approval of the Unit Agreement and Unit Operating Agreement by the percentages of royalty interest owners and working interest owners required by the Act was obtained prior to filing of the Application. Commencement of unit operations will start on the effective date of the Order.

3. The tracts comprising this unit and the allocation of production from the unit among the owners of each tract is as fully setout in the Unit Agreement and Unit Operating Agreement.

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WICHITA, KS



STATE OF KANSAS  
SS. # 1968  
FINNEY COUNTY  
This instrument was filed for Record on  
the 16<sup>th</sup> day of April A.D. 2008  
at 10<sup>44</sup> o'clock P.M. and duly recorded  
in book 283 Page 340 Fee \$ 12.<sup>00</sup>

✓ DATA ENTRY  
✓ LAND INDEX


*Plute Alsop*  
Register of Deeds  
*Connie Hoggman*  
Deputy

APR 18 2008

283 840

IN WITNESS WHEREOF, this Certificate has been executed by the Kansas Corporation Commission on this 2nd day of APRIL, 2008.

KANSAS CORPORATION COMMISSION

  
Thomas E. Wright, Chairman

  
Michael C. Moffet, Commissioner

  
Joseph F. Harkins, Commissioner

ATTEST:

  
Susan K. Duffy  
Executive Director

SUBSCRIBED AND SWORN to me this 2<sup>ND</sup> day of April, 2008.



  
Notary Public

My Appointment Expires:

2-23-11

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CONSERVATION DIVISION  
WICHITA, KS

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

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3. The tracts comprising this unit and the allocation of production from the unit among the owners of each tract is as fully setout in the Unit Agreement and Unit Operating Agreement.

APR 17 2008

STATE OF KANSAS } ss 12<sup>00</sup>  
HASKELL COUNTY }

This instrument was filed for record

April 16 2008

at 10:00 o'clock A.M. and recorded in Vol. 190

on page 492-793

[Signature]  
Register of Deeds



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CONSERVATION DIVISION  
WICHITA, KS

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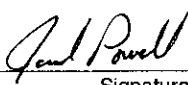
CONSERVATION DIVISION  
WICHITA, KS



**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>Jimmy Welch</b>		Phone Number: ( <b>620</b> ) <b>277 - 2203</b>
Lease Name & Well No.: <b>Atkins ATU J-3</b>		Pit Location (QQQQ): <b>NE NE NE</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>8900</b> (bbls)	Sec. <b>4</b> Twp. <b>27S</b> R. <b>33</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>150</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>160</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Haskell</b> County
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" 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>100</b> Length (feet) <b>100</b> Width (feet)    _____ N/A: <b>Steel Pits</b> Depth from ground level to deepest point: <b>5</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.
		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>MAY 07 2008</b> CONSERVATION DIVISION WICHITA, KS
Distance to nearest water well within one-mile of pit <b>2350</b> feet    Depth of water well <b>303</b> feet	Depth to shallowest fresh water <b>150</b> feet. Source of information: _____ measured    _____ well owner    _____ electric log <b>(2) KDWR</b>	
<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.		
05/06/08 Date	 Signature of Applicant or Agent	
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>5/7/08</b> Permit Number: _____    Permit Date: <b>5/9/08</b> Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>Normal</i>	

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

15-081-21812-0000