

For KCC Use:
 Effective Date: 06-1-08
 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: 06/02/2008
 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

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: _____
 NE NE NE NE Sec. 9 Twp. 27 S. R. 36 E W
 (Q/Q/Q/Q) 200 feet from N / S Line of Section
 200 feet from E / W Line of Section

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)
 County: Grant
 Lease Name: Hoffman ATU "K" Well #: 4
 Field Name: Hugoton-Panoma Commingled
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Council Grove
 Nearest Lease or unit boundary line (in footage): 2440
 Ground Surface Elevation: 3103.59' 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: 450
 Depth to bottom of usable water: 690
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 650 700
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: 3150
 Formation at Total Depth: Council Grove
 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 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 correct to the best of my knowledge and belief.

Date: 05/21/2008 Signature of Operator or Agent: [Signature] Title: Capital Assets

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 MAY 23 2008
 CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 067-21664-0000
 Conductor pipe required None feet
 Minimum surface pipe required 700 feet per ALT. I II
 Approved by: [Signature]
 This authorization expires: 5-27-09
 (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: _____

9
 27
 36
 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 - 067-21664-0000
Operator: OXY USA, Inc.
Lease: Hoffman ATU "K"
Well Number: 4
Field: Hugoton-Panoma Commingled

Location of Well: County: Grant
200 feet from N / S Line of Section
200 feet from E / W Line of Section
Sec. 9 Twp. 27 S. R. 36 E W

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

Is Section: Regular or Irregular

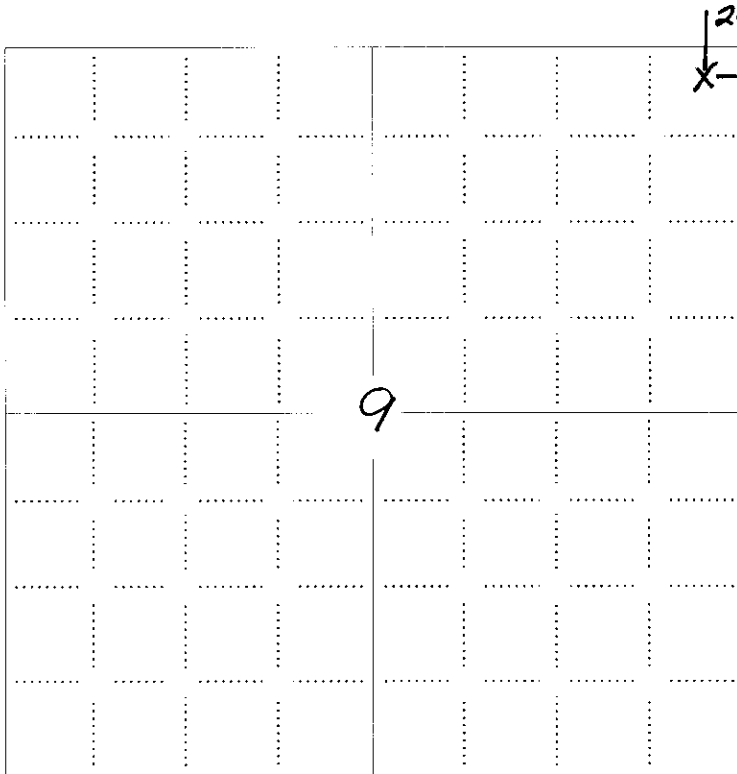
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

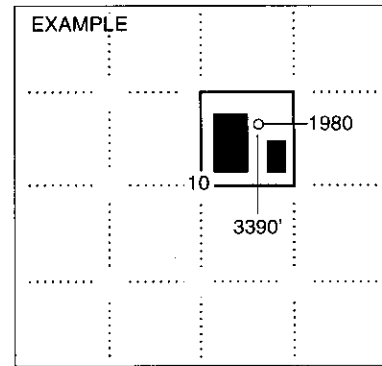
PLAT

(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).

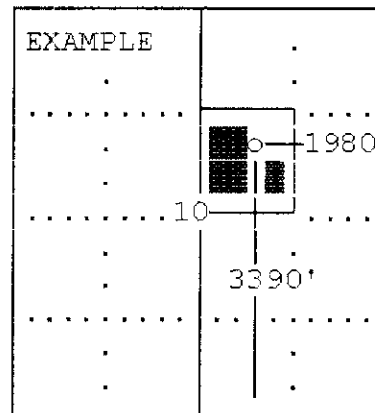
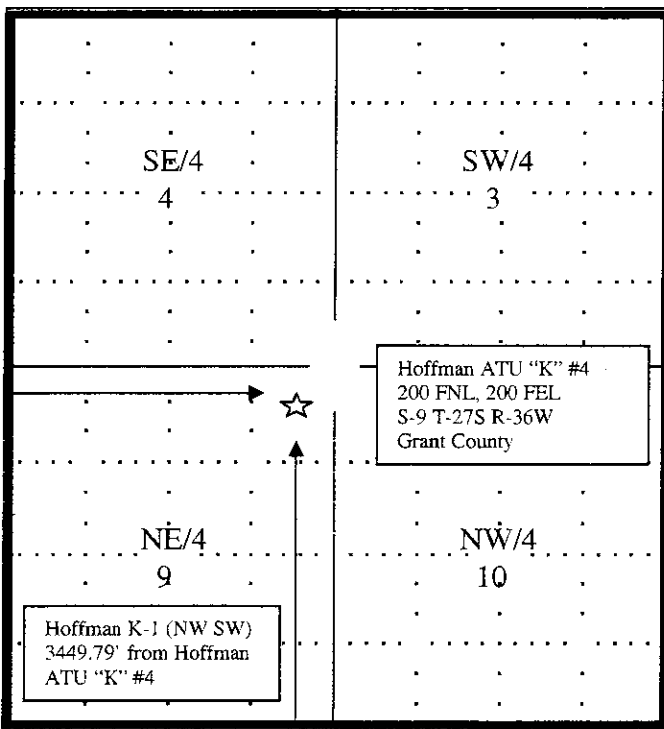
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15067-21664-0000
OPERATOR OXY USA Inc.
LEASE Hoffman ATU "K"
WELL NUMBER 4
FIELD Hugoton-Panoma
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
QTR/QTR/QTR OF ACREAGE NE NE NE

LOCATION OF WELL: COUNTY Grant
200 Feet from south / north line of section
200 Feet from east / west line of section
SECTION 9 TWP 27 (S) RG 36 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 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.

Signature Anita Peterson
Subscribed and sworn to before me on this 21st day of May, 2008
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

15-067-21664-0000

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 Land Negotiator 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 Hoffman ATU K-4 shall consist of the following lands:

Township 27 South, Range 36 West, 6th P.M.
 Section 3: (SW/4)
 Section 4: (SE/4)
 Section 9: (NE/4)
 Section 10: (NW/4)
 Grant 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 and working 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, Land Negotiator
Mid-Continent / Hugoton Asset Team
OXY USA Inc.

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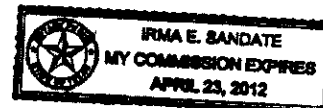
MAY 23 2008

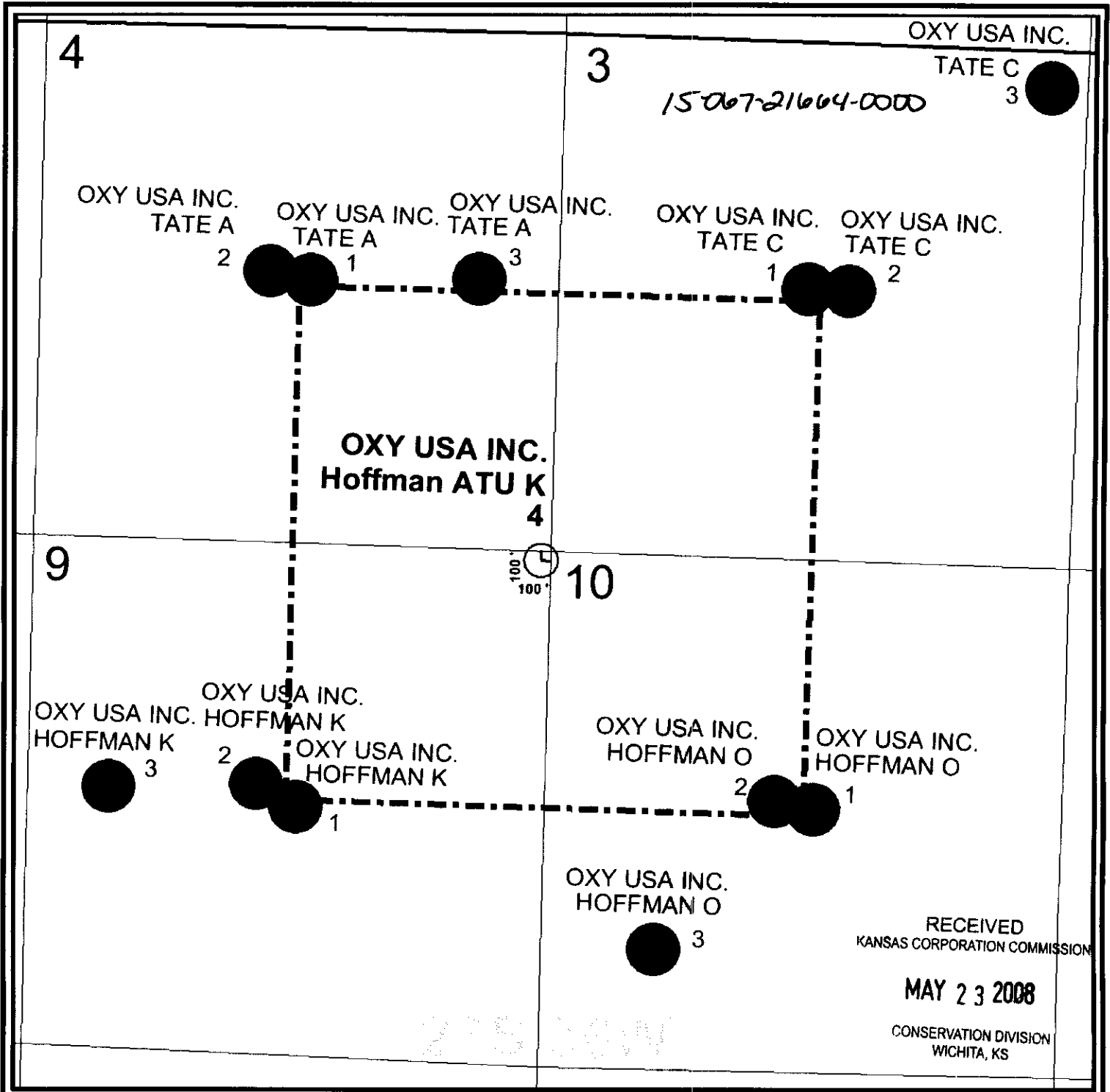
CONSERVATION DIVISION
WICHITA, KS

On this 12th day of May, 2008 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 on of the date hereinabove stated.

My Commission Expires April 23, 2012

Notary Public Irma E. Sandate





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



OXY USA INC.
Mid-Continent Assets

Hoffman ATU K 4
Grant County, Kansas
Sec 9 - T27S - R36W

Author: B Vollertsen

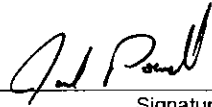
Date: Mar. 5, 2008

Exhibit B-1

**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: Harold Jones		Phone Number: (620) 356 - 3032
Lease Name & Well No.: Hoffman ATU K-4		Pit Location (QQQQ): NE NE NE NE
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: 8,900 (bbls)	Sec. 9 Twp. 27S R. 36 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 200 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 200 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Grant _____ County
Is the pit located in a Sensitive Ground Water Area? <input 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? Bentonite & Cuttings
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (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 2148 feet Depth of water well 430 feet		Depth to shallowest fresh water 162 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.		
Date: 05/21/08		Signature of Applicant or Agent: 

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MAY 23 2008**

**CONSERVATION DIVISION
WICHITA, KS**

15-067-21664-0000

KCC OFFICE USE ONLY			
Date Received: 5/23/08	Permit Number: _____	Permit Date: 5/23/08	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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