

For KCC Use: 6-4-08
 Effective Date: 6-4-08
 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: 06/02/2008
 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 Enh Rec Gas 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 #: _____

*Prorated & Spaced: Hugoton-Panoma
 ATU affidavit*

Spot Description:
 NW - NW - NW Sec. 18 Twp. 29 S. R. 35 E W
 (a/a/a/a) 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: Alderman ATU "A" 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: 3032.49' 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: 480'
 Depth to bottom of usable water: 680'

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 700'

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 3100
 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: _____

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: 05/29/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

For KCC Use ONLY
 API # 15 - 067-21665-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 700 feet per ALT. I II
 Approved by: SB 5-30-08
 This authorization expires: 5-30-09
 (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: _____

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 CONSERVATION DIVISION
 WICHITA, KS

18
 29
 35
 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 - DL7-21665-00-00
Operator: OXY USA, Inc.
Lease: Alderman ATU "A"
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. 18 Twp. 29 S. R. 35 E W

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

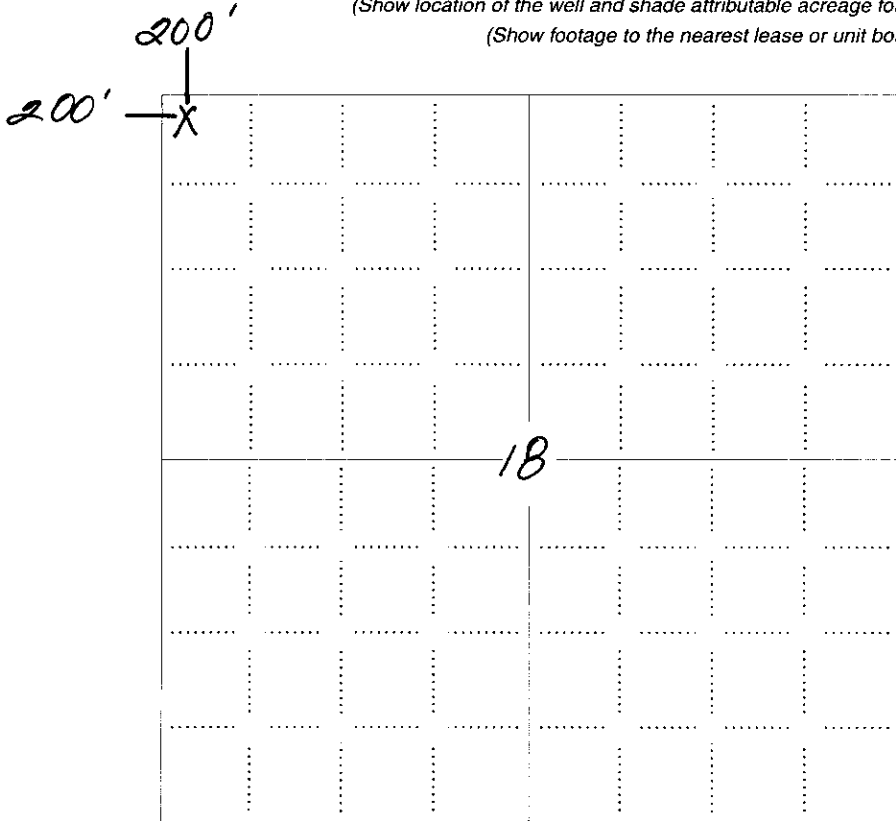
Is Section: Regular or Irregular

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.)*

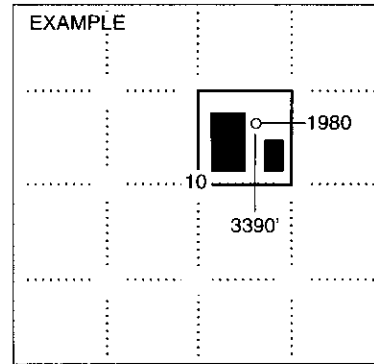


NOTE: In all cases locate the spot of the proposed drilling locaton.

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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).

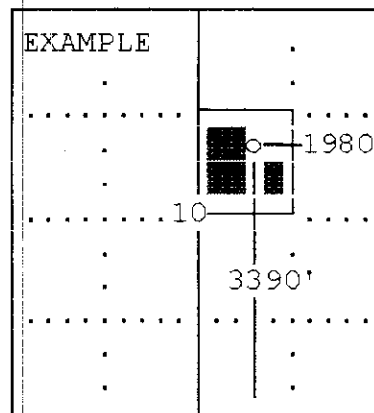
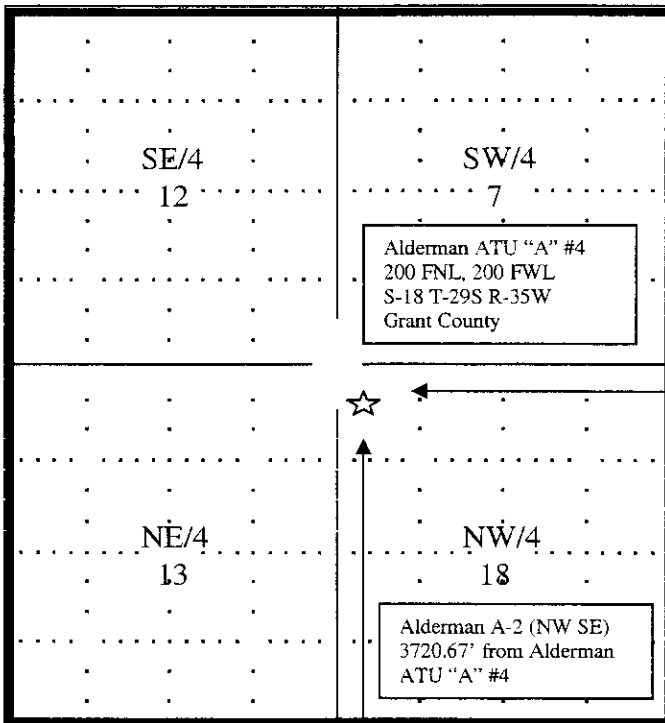
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15-067-21665-00-00
 OPERATOR OXY USA Inc.
 LEASE Alderman ATU "A"
 WELL NUMBER 4
 FIELD Hugoton-Panoma
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE NW — NW — NW

LOCATION OF WELL: COUNTY Grant
200 Feet from south / (north) line of section
200 Feet from east / (west) line of section
 SECTION 18 TWP 29 (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 _____ 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 *Paul Powell*

Subscribed and sworn to before me on this 29 day of May, 2008

Anita Peterson
 Notary Public

My Commission expires Oct. 1, 2009

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

12

7

OXY USA INC.
CANTRELL A



OXY USA INC.
CANTRELL A

2

OXY USA INC.
CANTRELL A

1



OXY USA INC.
M.M. SWENSON

1

OXY USA INC.
SWENSON A

2



OXY USA INC.
SWENSON A

3



OXY USA INC.
Alderman ATU A

4



18

13

OXY USA INC.
DEYOE A

1



OXY USA INC.
DEYOE A

2



OXY USA INC.
DEYOE A

3



OXY USA INC.
DEYOE A

4



OXY USA INC.
ALDERMAN A

2



OXY USA INC.
ALDERMAN

1



OXY USA INC.
ALDERMAN A

3



1320 0 1320 2640 us ft

ATU Outline - - - - -

Well Status



GAS



GAS P&A

Council Grove Well



Chase Well



Proposed Commingled Well



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WICHITA, KS



OXY USA INC.
Mid-Continent Assets

Alderman ATU A 4
Grant County, Kansas
Sec 18 - T29S - R35W

Author: B Vollertsen

Date: May 29, 2008

15-027-21665-00-00

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, and the Kansas Unitization Act, K.S.A. Title 55, Section 1301, *et seq.*, OXY intends to form an alternate tract unit ("ATU"), the Alderman A-4 ATU, on which to drill a single alternate tract unit well, the Alderman ATU A-4 well, to produce additional gas reserves from the Hugoton and/or Panoma Fields. Said ATU shall consist of the following lands:

Township 29 South, Range 35 West and Township 29 South, Range 36 West
 SW/4 Section 7 & NW/4 Section 18 SE/4 Section 12, NE/4 Section 13
 All in 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 Alderman ATU A-4. 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.

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Further Affiant sayeth not.

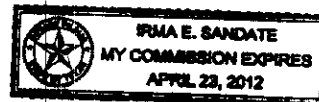


BRUCE A. VOLLERTSEN, Landman
Mid-Continent / Hugoton Asset Team
OXY USA Inc.

On this 29th day of May, 2008, before me, the undersigned Notary Public in and for said captioned 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.

Notary Public Irma E. Sandate
Irma E. Sandate

My Commission Expires April 23, 2012



15-077-21615-00-00

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.: Alderman ATU A-4		Pit Location (QQQQ): NW - NW - NW - NW	
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)	
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): <u>100</u> Length (feet) <u>100</u> Width (feet) <u>N/A</u> Steel Pits Depth from ground level to deepest point: <u>5</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>1194</u> feet Depth of water well <u>463</u> feet		Depth to shallowest fresh water <u>250</u> 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: <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.		RECEIVED KANSAS CORPORATION COMMISSION MAY 30 2008 CONSERVATION DIVISION WICHITA, KS	
_____ Date		_____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>5/30/08</u> Permit Number: _____		Permit Date: <u>5/30/08</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

15-027-21665-00-00