

For KCC Use: **7-1508**
Effective Date:
District # 1
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: 07/15/2008
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: 620-629-4200
CONTRACTOR: License# 30606 ✓
Name: Murfin Drilling Company, 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:
NW NW SE SE Sec. 26 Twp. 30 S. R. 33 ☐ E ☒ W
(Q/Q/Q) 1,250 feet from ☐ N / ☒ S Line of Section
1,250 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: Murphy Well #: 3-26
Field Name: Hugoton

Is this a Prorated / Spaced Field? ☒ Yes ☐ No

Target Formation(s): Chase ✓

Nearest Lease or unit boundary line (in footage): 1250 ✓

Ground Surface Elevation: 2916.66 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: 500

Depth to bottom of usable water: 620

Surface Pipe by Alternate: ☒ I ☐ II

Length of Surface Pipe Planned to be set: 640 minimum

Length of Conductor Pipe (if any):

Projected Total Depth: 2980

Formation at Total Depth: Chase ✓

Water Source for Drilling Operations: ☐ Well ☐ Farm Pond ☒ Other: Haul ✓

DWR Permit #:

(Note: Apply for Permit with DWR ☒)

Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone:

PRORATED & SPACED: HUGOTON

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: 07/08/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

For KCC Use ONLY

API # 15 - 081-21819-0000
Conductor pipe required None feet
Minimum surface pipe required 640 feet per ALT. ☒ I ☐ II
Approved by: Paul 7-10-08
This authorization expires: 7-10-09
(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:

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

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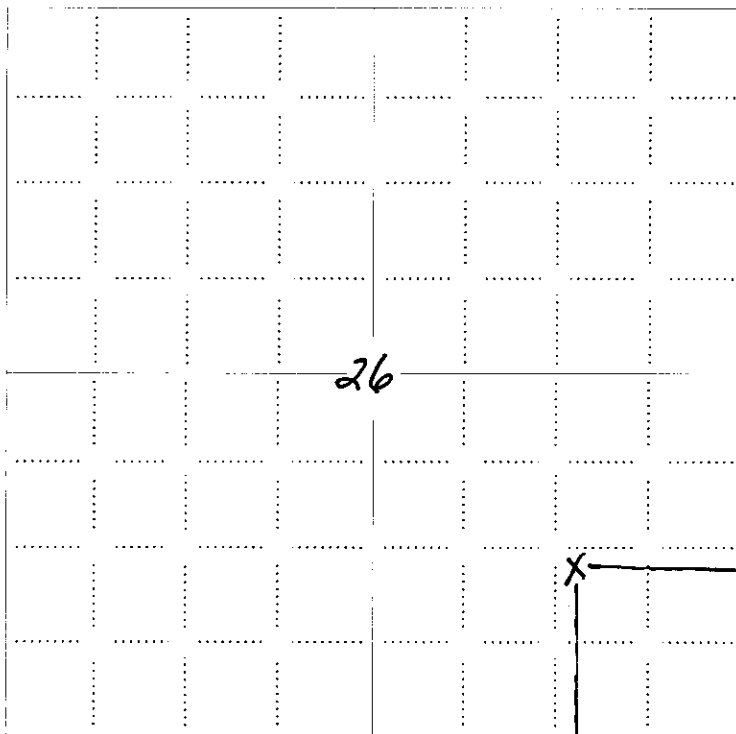
JUL 09 2008

CONSERVATION DIVISION
WICHITA, KS

26
30
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*

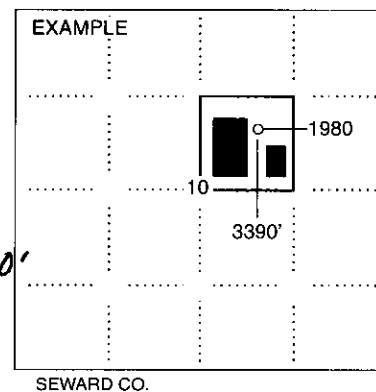
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 - 081-21819-0000Operator: OXY USA, Inc.Lease: MurphyWell Number: 3-26Field: HugotonNumber of Acres attributable to well: 640QTR/QTR/QTR/QTR of acreage: NW - NW - SE - SELocation of Well: County: Haskell1,250 feet from ☐ N / ☒ S Line of Section1,250 feet from ☒ E / ☐ W Line of SectionSec. 26 Twp. 30 S. R. 33 ☐ E ☒ WIs 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 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.**

1250'

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CONSERVATION DIVISION
WICHITA, KS**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: (C0-7 for oil wells; CG-8 for gas wells).

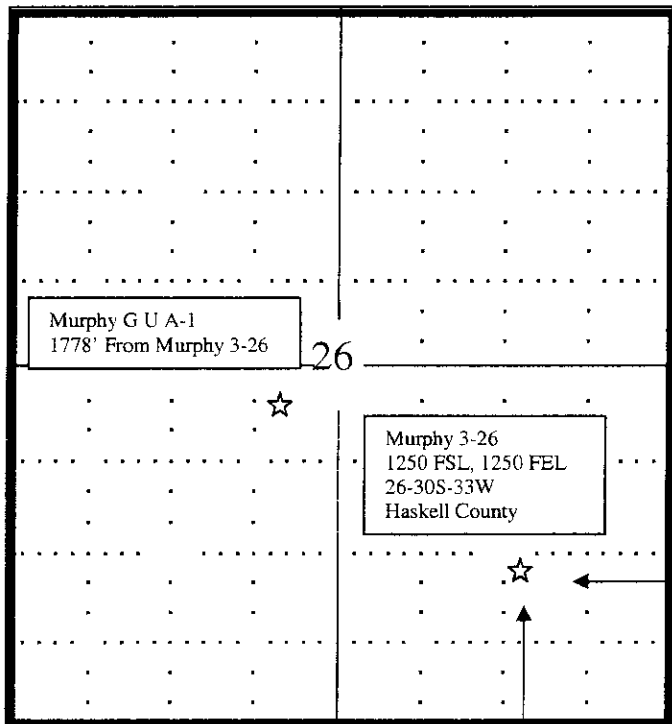
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

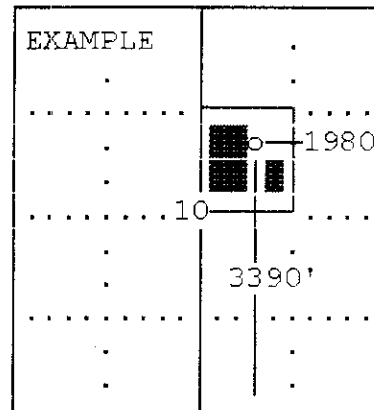
API NUMBER 15-081-21819-0000
OPERATOR OXY USA Inc.
LEASE Murphy
WELL NUMBER 3-26
FIELD Hugoton
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
QTR/QTR/QTR OF ACREAGE NW — SE — SE

LOCATION OF WELL: COUNTY Haskell
1250 Feet from south / north line of section
1250 Feet from east / west line of section
SECTION 26 TWP 30 (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
WICHITA, KS



The undersigned hereby certifies as _____ Capital Assets _____ (title) for

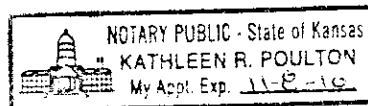
OXY USA Inc. (Co.), a duly authorized agent, that all information shown hereon is true and correct to the best of my knowledge and belief, that all acreage claimed attributable to the well named herein is held by production from that well and hereby make application for an allowable to be assigned to the well upon the filing of this form and the State test, whichever is later.

Subscribed and sworn to before me on this 8th day of July, 2008

Signature [Signature]
[Signature]
Notary Public

My Commission expires November 8, 2010

FORM CG-8 (12/94)



**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: Mike Fink		Phone Number: (620) 624 - 3569
Lease Name & Well No.: Murphy #3-26		Pit Location (QQQQ): NW - NW - SE - SE Sec. 26 Twp. 30S R. 33 ☐ East ☒ West 1250 Feet from ☐ North / ☒ South Line of Section 1250 Feet from ☒ East / ☐ West Line of Section Haskell County
Type of Pit: ☐ Emergency Pit ☐ Burn Pit ☐ Settling Pit ☒ Drilling Pit ☐ Workover Pit ☐ Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: ☒ Proposed ☐ Existing If Existing, date constructed: _____ Pit capacity: 16,000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☒ No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? ☒ Yes ☐ No	Artificial Liner? ☐ Yes ☒ No	How is the pit lined if a plastic liner is not used? Bentonite & Cuttings
Pit dimensions (all but working pits): 150 Length (feet) 150 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.
Distance to nearest water well within one-mile of pit 4399 feet Depth of water well 402 feet		Depth to shallowest fresh water 256 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? ☐ Yes ☐ 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: 1 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.		RECEIVED KANSAS CORPORATION COMMISSION
07/08/08 Date	 Signature of Applicant or Agent	JUL 09 2008 CONSERVATION DIVISION WICHITA, KS

KCC OFFICE USE ONLY

Date Received: **7/9/08** Permit Number: _____ Permit Date: **7/9/08** Lease Inspection: ☐ Yes ☒ No

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

15-081-21819-0000