

For KCC Use: 7-22-08
 Effective Date: 7-22-08
 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: 08/31/2008
 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.

Spot Description:
 NW SE SE Sec. 35 Twp. 30 S. R. 33 E W
 (010/010) 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: Light Well #: 3-35
 Field Name: Hugoton

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Council Grove

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

Ground Surface Elevation: 2913 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: 640 (Log)

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 660 6000 minimum

Length of Conductor Pipe (if any): _____

Projected Total Depth: 3080

Formation at Total Depth: Chase

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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CONSERVATION DIVISION
 WICHITA, KS

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 #: _____

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: 07/15/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

For KCC Use ONLY
 API # 15 - 081-21823-0000
 Conductor pipe required None feet
 Minimum surface pipe required 6.60 feet per ALT. I II
 Approved by: Perm 7-17-08
 This authorization expires: 7-17-09
 (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: _____

35
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 - 081-21823-0000
Operator: OXY USA, Inc.
Lease: Light
Well Number: 3-35
Field: Hugoton
Number of Acres attributable to well: 640
QTR/QTR/QTR/QTR of acreage: _____ - NW - SE - SE

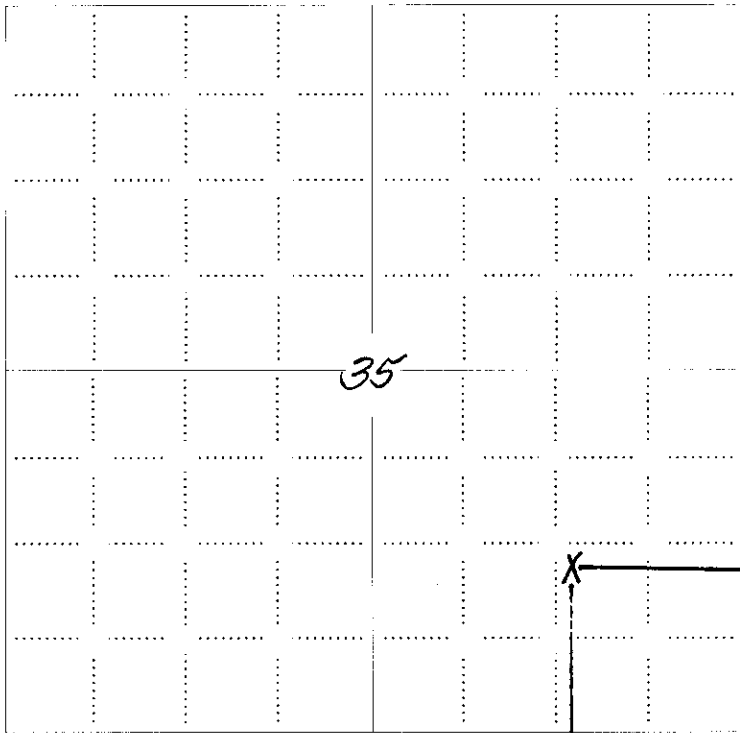
Location of Well: County: Haskell
1,250 feet from N / S Line of Section
1,250 feet from E / W Line of Section
Sec. 35 Twp. 30 S. R. 33 E W

Is Section: Regular or Irregular

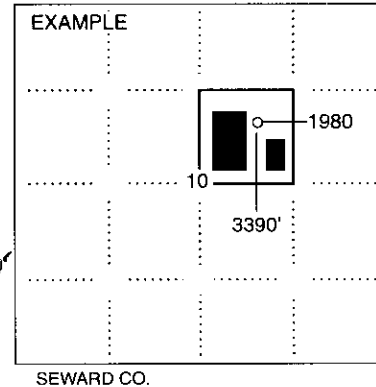
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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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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).

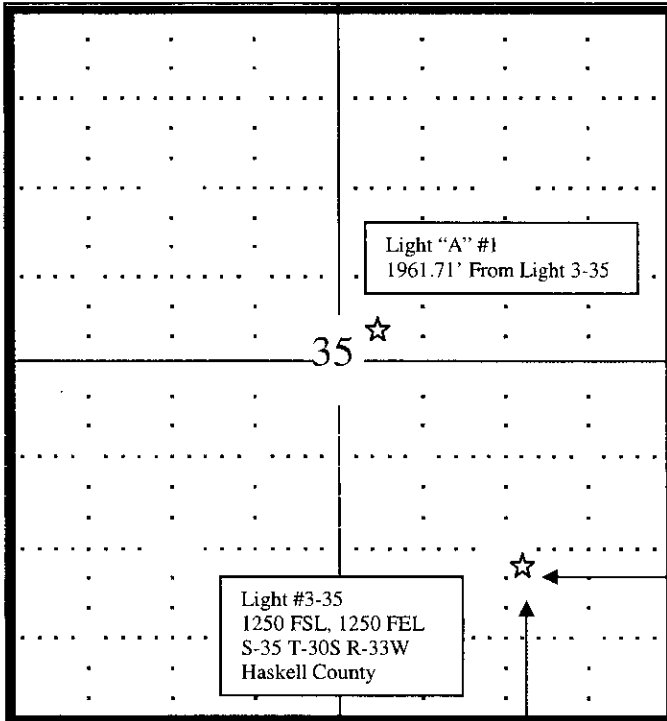
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15-081-21823-0000
 OPERATOR OXY USA Inc.
 LEASE Light
 WELL NUMBER 3-35
 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 35 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

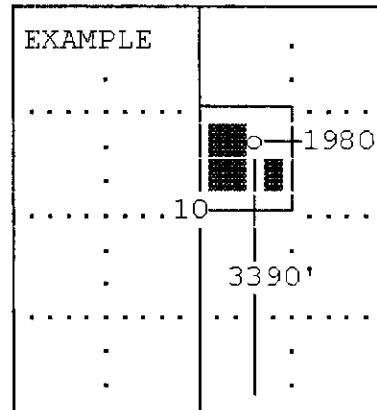
(Show the location of the well and shade attributable acreage for prorated or spaced wells). (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



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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 15th day of July, 2008

Signature [Signature]
Anita Peterson
 Notary Public

My Commission expires Oct. 1, 2009

ANITA PETERSON
 Notary Public - State of Kansas
 My Appt. Expires October 1, 2008

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.: Light #3-35		Pit Location (QQQQ): NE SE SE
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: 8900 (bbls)	Sec. 35 Twp. 30S R. 33 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1250 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1250 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Haskell 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 4070 feet Depth of water well 405 feet		Depth to shallowest fresh water 200 feet. Source of information: _____ measured _____ well owner _____ electric log (2) 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: 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.		
_____ Date 07/15/08		RECEIVED KANSAS CORPORATION COMMISSION JUL 16 2008 Signature of Applicant or Agent
KCC OFFICE USE ONLY		
CONSERVATION DIVISION WICHITA, KS		
Date Received: 7/16/08 Permit Number: _____ Permit Date: 7/16/08 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15081-21823-0000