

For KCC Use: 8-11-08
 Effective Date: _____
 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: 08/20/2008
 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 Seismic; # of Holes _____
 Enh Rec Storage Disposal 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: _____
 SW - SW - NW Sec. 4 Twp. 34 S. R. 33 E W
 (Q/Q/Q) 2,520 feet from N / S Line of Section
330 feet from E / W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Haskell Seward

Lease Name: Graham "B" Well #: 5

Field Name: Salley

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): St Louis

Nearest Lease or unit boundary line (in footage): 330

Ground Surface Elevation: 3854.65 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: 580

Depth to bottom of usable water: 580

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 1690'

Length of Conductor Pipe (if any): _____

Projected Total Depth: 6615

Formation at Total Depth: St Louis

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

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:

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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: 07/30/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

For KCC Use ONLY

API # 15 - 175-22156-0000

Conductor pipe required None feet

Minimum surface pipe required 600 feet per ALT I II

Approved by: Kum 8-6-08

This authorization expires: 8-6-09
 (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
34
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 - 175-22156-0000
 Operator: OXY USA, Inc.
 Lease: Graham "B"
 Well Number: 5
 Field: Salley

Location of Well: County: Haskell Seward
 2,520 feet from N / S Line of Section
 330 feet from E / W Line of Section
 Sec. 4 Twp. 34 S. R. 33 E W

Number of Acres attributable to well: 10
 QTR/QTR/QTR/QTR of acreage: SW SW NW

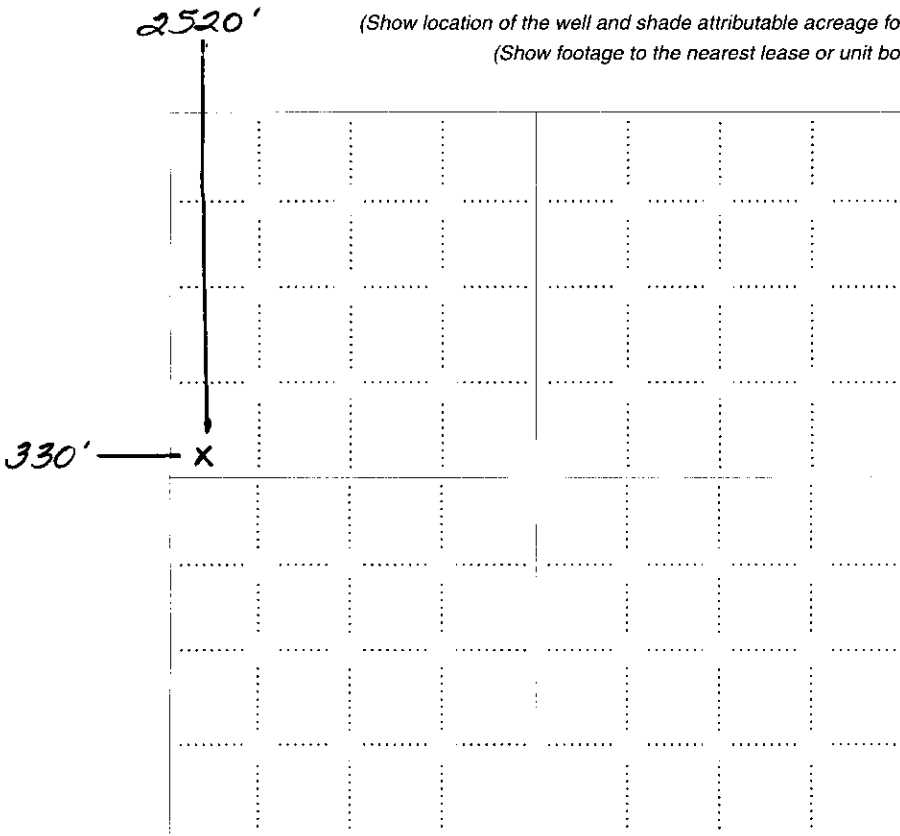
Is Section: Regular or Irregular

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

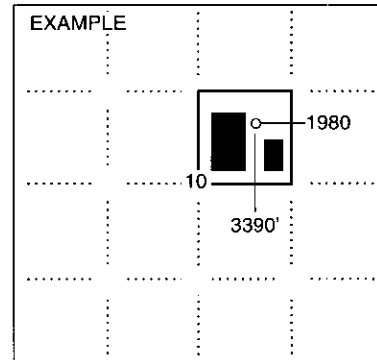
Section corner used: NE NW SE SW

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.)*



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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: (C0-7 for oil wells; CG-8 for gas wells).

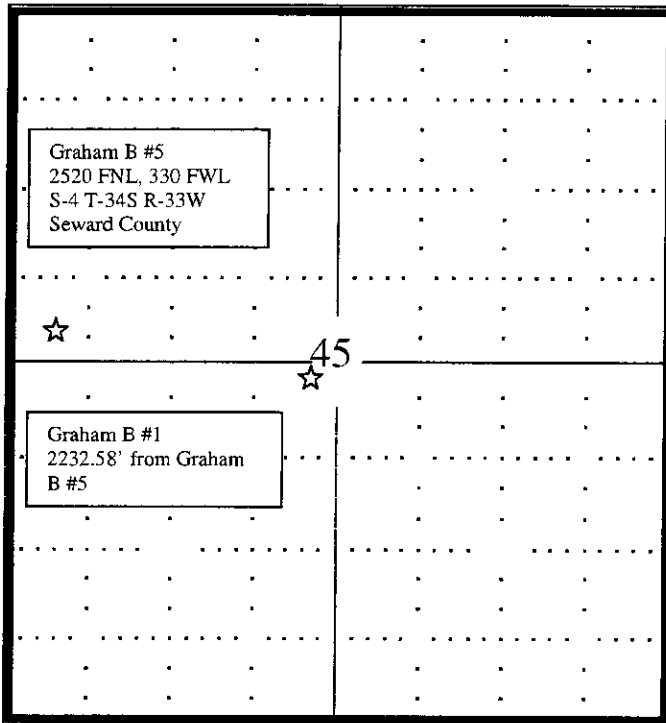
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

API NUMBER 15-175-22156-0000
OPERATOR OXY USA Inc.
LEASE Graham B
WELL NUMBER 5
FIELD Saley
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
QTR/QTR/QTR OF ACREAGE SW SW NW

LOCATION OF WELL: COUNTY Seward
2520 Feet from south / north line of section
330 Feet from east / west line of section
SECTION 4 TWP 34 (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 X SW

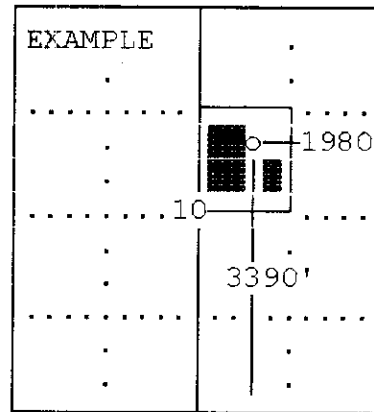
(Show the location of the well and shade attributable acreage for prorated or spaced wells). (Show the footage to the nearest lease or unit boundary line; and show footage to the nearest common source supply well).



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WICHITA KS



The undersigned hereby certifies as OXY USA Inc. Production Lead (title) for

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 [Handwritten Signature]

Subscribed and sworn to before me on this 30 day of July, 2008

[Handwritten Signature]
Notary Public

My Commission expires Oct. 1, 2009

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

FORM CG-8 (12/94)

