

For KCC Use: **8-18-08**
 Effective Date: **8-18-08**
 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: **10/01/2008**
 month day year
5447 ✓
 OPERATOR: License# _____
 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. **10** Twp. **31** 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: **Seward**
 Lease Name: **Becker "C"** Well #: **3-10**
 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: **2891.9** 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: **460**
 Depth to bottom of usable water: **620**
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: **600' 640 min.**
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: **3080**
 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: _____

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 #: _____

PRORATED & SPACED: HUGOTON

AFFIDAVIT

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AUG 13 2008

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: **08/12/2008** Signature of Operator or Agent: **Jarod Powell** Title: **Capital Assets**

For KCC Use ONLY
 API# 15 - **175-22159-0000**
 Conductor pipe required **None** feet
 Minimum surface pipe required **640** feet per ALT. I II
 Approved by: **RJA 8-13-08**
 This authorization expires: **8-13-09**
 (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 prorations 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: _____

10
 31
 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 - 175-22159-0000
Operator: OXY USA, Inc.
Lease: Becker "C"
Well Number: 3-10
Field: Hugoton

Location of Well: County: Seward
1,250 feet from N / S Line of Section
1,250 feet from E / W Line of Section
Sec. 10 Twp. 31 S. R. 33 E W

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

Is Section: Regular or Irregular

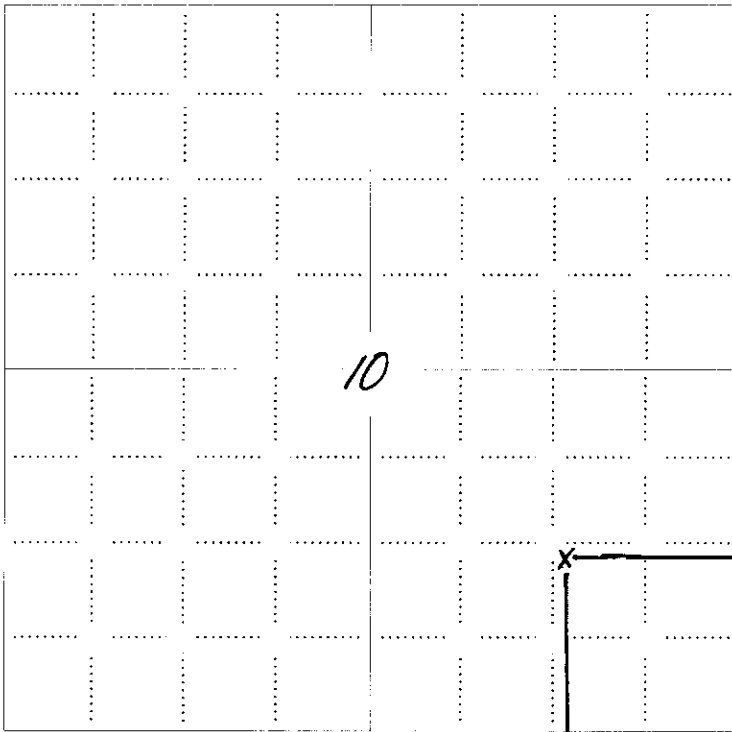
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

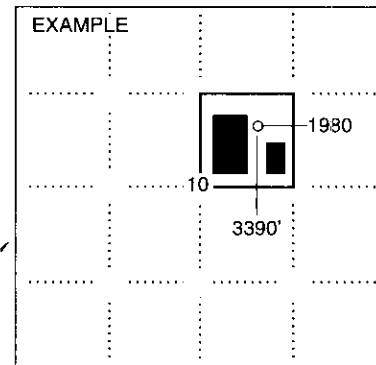
PLAT

(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.

1250'

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).

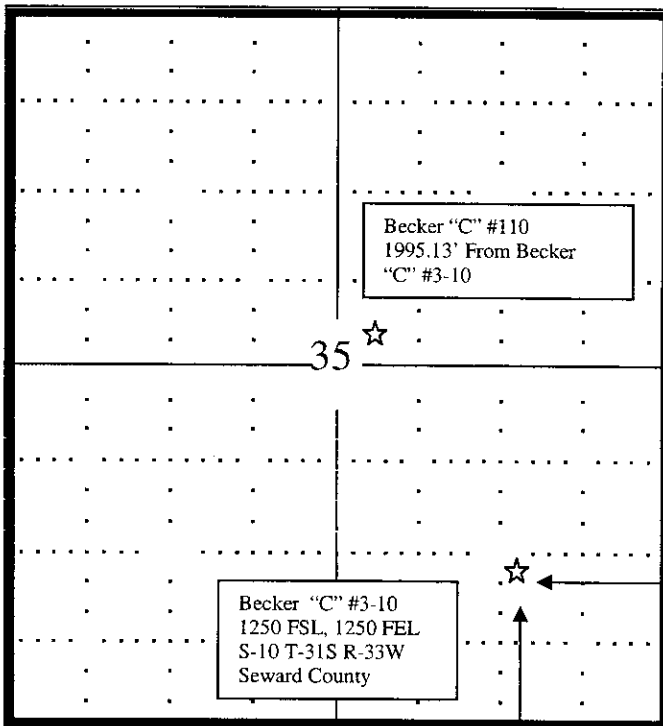
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

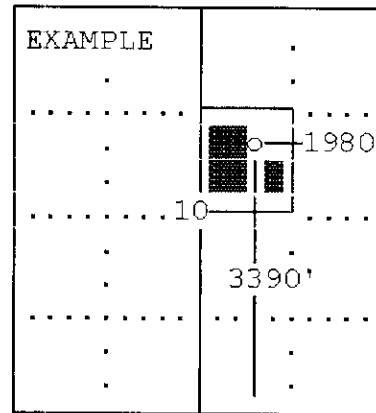
API NUMBER 15-175-22159-0000
 OPERATOR OXY USA Inc.
 LEASE Becker "C"
 WELL NUMBER 3-10
 FIELD Hugoton
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE NW — SE — SE

LOCATION OF WELL: COUNTY Seward
1250 Feet from (south) / north line of section
1250 Feet from (east) / west line of section
 SECTION 10 TWP 31 (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 12 day of Aug, 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, 2009**

**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.: Becker "C" #3-10		Pit Location (QQQQ): _____ NW _____ SE _____ SE Sec. 10 Twp. 31S 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 Seward _____ County
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): 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. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION AUG 13 2008 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit 3851 feet Depth of water well 480 feet	Depth to shallowest fresh water 259 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR	15-175-22159-0000
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.		
08/12/08 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY			
Date Received: 8/13/08	Permit Number: _____	Permit Date: 8/13/08	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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