

For KCC Use:
 Effective Date: 9-22-08
 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: 9/26/2008
 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# 33784
 Name: Trinidad Drilling Limited Partnership

Spot Description:
 SE SE SE SE Sec. 21 Twp. 28 S. R. 35 E W
 (200/200) 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: Fry Brothers ATU "B" Well #: 5

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): 2540

Ground Surface Elevation: 3044.51 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: 520

Depth to bottom of usable water: 700

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 750'

Length of Conductor Pipe (if any):

Projected Total Depth: 3265

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-PANOMA

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** 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: 09/15/2008 Signature of Operator or Agent: Jarod Powell Title: Capital Assets

RECEIVED
 KANSAS CORPORATION COMMISSION

SEP 17 2008

CONSERVATION DIVISION
 WICHITA, KS

For KCC Use ONLY
 API # 15 - 067-21676-0000
 Conductor pipe required None feet
 Minimum surface pipe required 720 feet per ALT. I II
 Approved by: [Signature] 9-17-08
 This authorization expires: 9-17-09
 (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:

21
28
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 - 067-21676-0000
Operator: OXY USA, Inc.
Lease: Fry Brothers ATU "B"
Well Number: 5
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. 21 Twp. 28 S. R. 35 E W

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

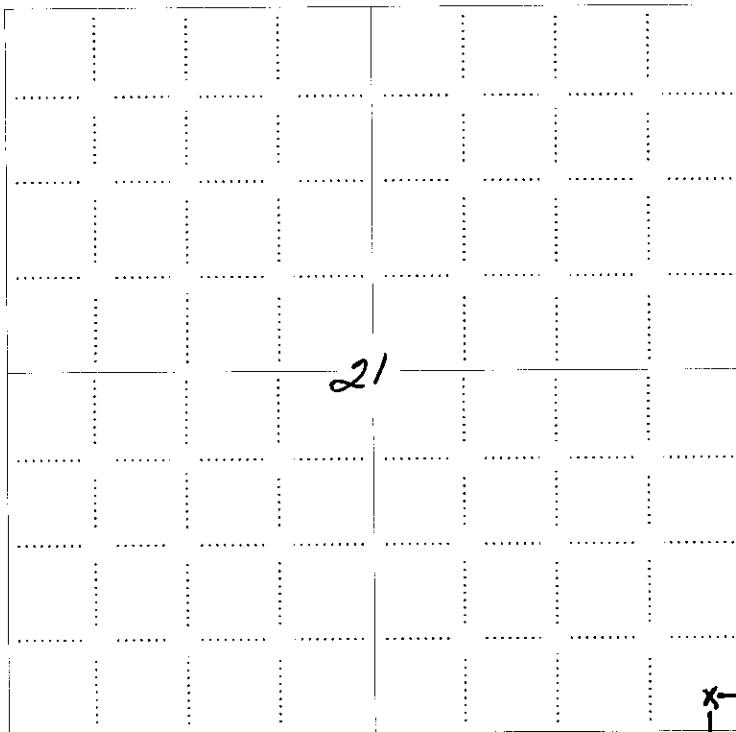
Is Section: Regular or Irregular

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

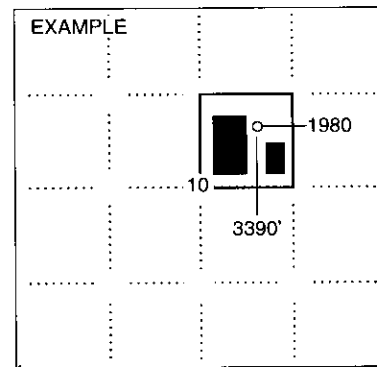
Section corner used: NE NW SE SW

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.)



RECEIVED
KANSAS CORPORATION COMMISSION
SEP 17 2008
CONSERVATION DIVISION
WICHITA, KS



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

200'
200'

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).

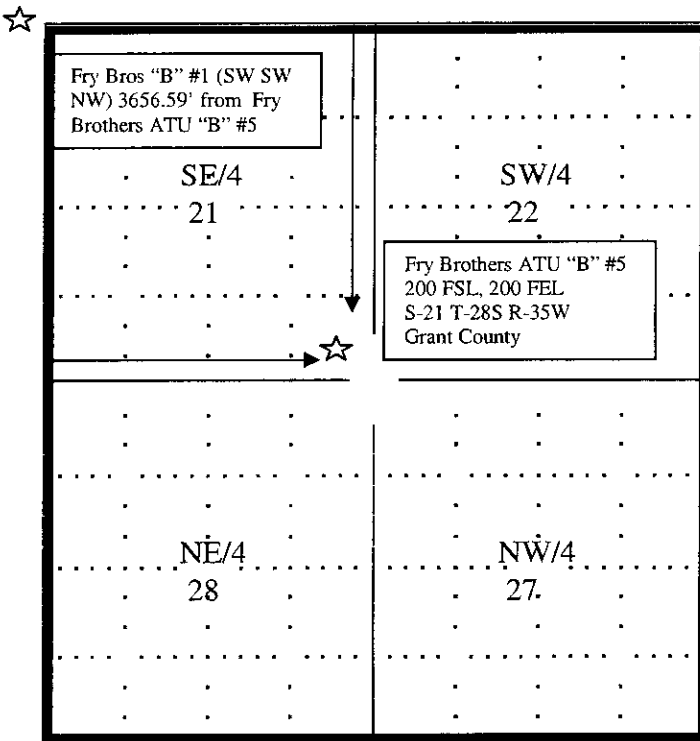
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

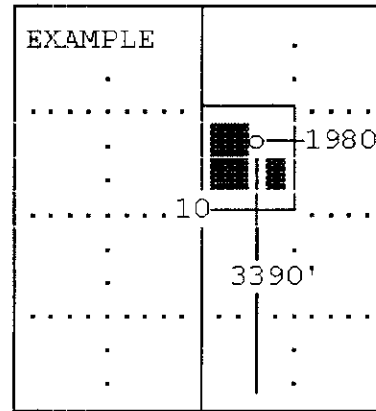
API NUMBER 15-067-21676-0000
 OPERATOR OXY USA Inc.
 LEASE Fry Brothers ATU B
 WELL NUMBER 5
 FIELD Hugoton - Commingled
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE SE — SE — SE

LOCATION OF WELL: COUNTY Grant
200 Feet from south / north line of section
200 Feet from east / west line of section
 SECTION 21 TWP 28 (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).



RECEIVED
 KANSAS CORPORATION COMMISSION
SEP 17 2008
 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 15th day of Sept, 2008

Signature [Signature]
Anita Peterson
 Notary Public

My Commission expires Oct 1, 2009

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

15067-2107000

COUNTY OF HARRIS:)

STATE OF TEXAS:)

AFFIDAVIT

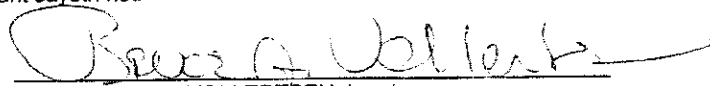
WHEREUPON, on the date set out below, did come the undersigned Affiant, BRUCE A. VOLLERTSEN, before the undersigned Notary Public in and for the County of Harris, State of Texas and then did under oath state, declare, aver and affy that:

- (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, OXY intends to form an alternate tract unit ("ATU") on which to drill a single alternate tract unit well to produce additional gas reserves from the Hugoton and/or Panoma Fields. The OXY Fry Brothers ATU B-5 shall consist of the following lands:

Township 28 South Range 35 West
SE/4 Section 21, SW/4 Section 22, NW/4 Section 27, NE/4 Section 28
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 ATU. 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.

Further Affiant sayeth not.



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

RECEIVED
KANSAS CORPORATION COMMISSION

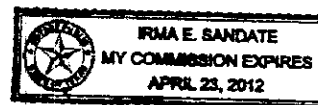
SEP 17 2008

CONSERVATION DIVISION
WICHITA, KS

On this 8th day of September, 2008 before me, the undersigned Notary Public in and for said 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 on of the date hereinabove stated.

My Commission Expires April 23, 2012

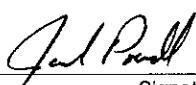
Notary Public Irma E. Sandate



**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.: Fry Brothers ATU "B" #5		Pit Location (QQQQ): SE SE 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: 8,900 (bbls)	Sec. 21 Twp. 28S R. 35 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 200 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 200 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Grant _____ 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. <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION SEP 17 2008 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit _____ feet Depth of water well _____ feet	Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	15-267-21676-0000
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.		
09/15/08 Date	 Signature of Applicant or Agent	

KCC OFFICE USE ONLY			
Date Received: 9/12/08	Permit Number: _____	Permit Date: 9/12/08	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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