

For KCC Use: 10-2008
 Effective Date: 10-2008
 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: 10/22/2008
 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

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: _____
 SW SW SW Sec. 3 Twp. 25 S. R. 33 E W
 (0.0/0.0) 408 feet from N / S Line of Section
 71 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Finney
 Lease Name: TAIT ATU 'B' Well #: 4
 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): 2476.37
 Ground Surface Elevation: 2897.95' 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: 800
 Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 1080'
 Length of Conductor Pipe (if any): _____
 Projected Total Depth: 3175
 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: _____

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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 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: 10/09/2008 Signature of Operator or Agent: J. Powell Title: Capital Assets

For KCC Use ONLY
 API # 15 - 055-22029-0000
 Conductor pipe required None feet
 Minimum surface pipe required 900 feet per ALT. I II
 Approved by: 10/15/08
 This authorization expires: 10/15/09
 (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: _____

3
 25
 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 - 055-22029-0000
Operator: OXY USA, Inc.
Lease: TAIT ATU "B"
Well Number: 4
Field: Hugoton-Panoma Commingled

Location of Well: County: Finney
408 feet from N / S Line of Section
71 feet from E / W Line of Section
Sec. 3 Twp. 25 S. R. 33 E W

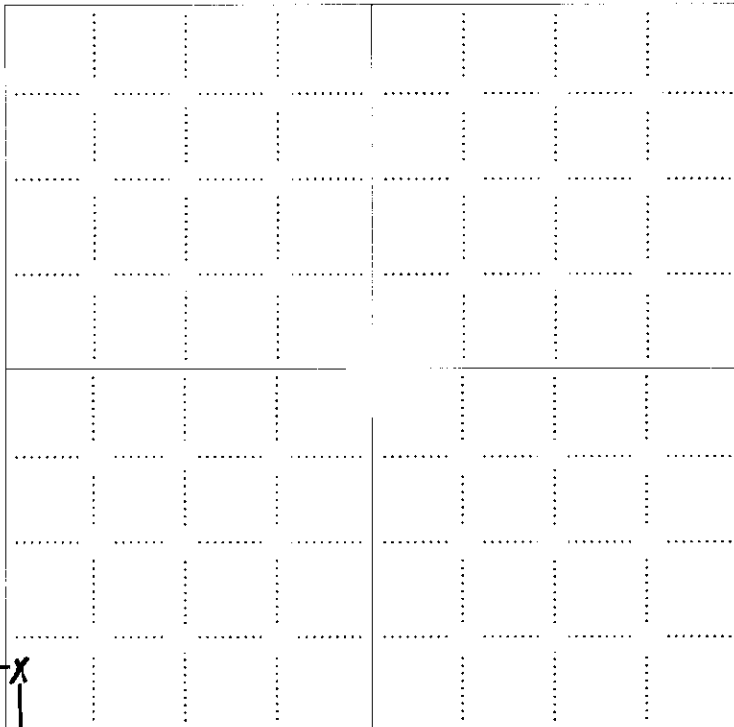
Number of Acres attributable to well: 640
QTR/QTR/QTR/QTR of acreage: SW SW SW

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.)



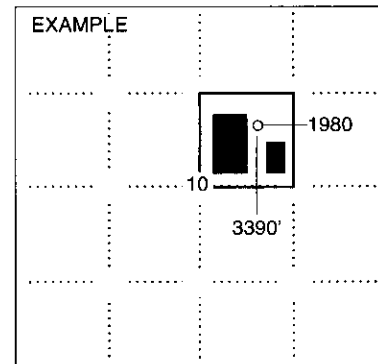
71' X
480'

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).

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OCT 14 2008
CONSERVATION DIVISION
WICHITA, KS



SEWARD CO.

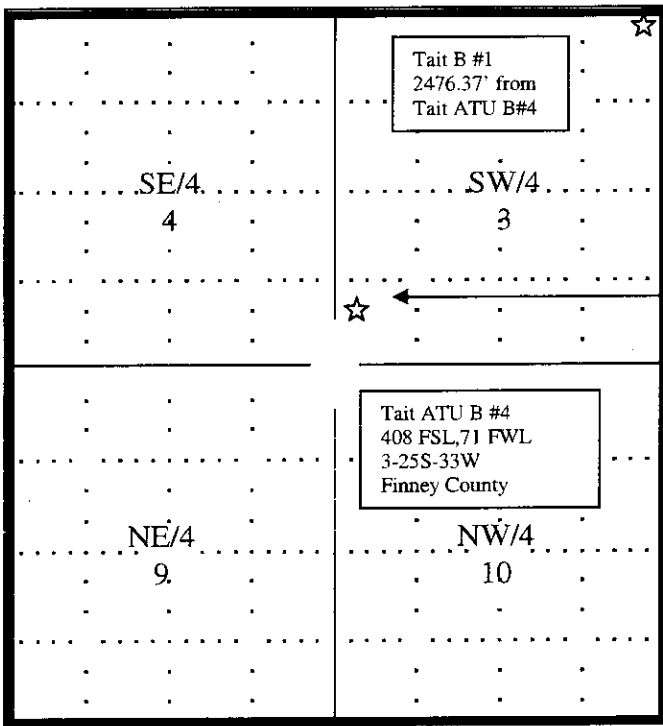
PLAT AND CERTIFICATION OF ACREAGE ATTRIBUTABLE TO A GAS WELL

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

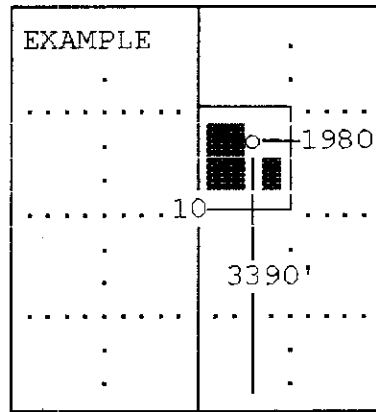
API NUMBER 15-055-22029-0000
 OPERATOR OXY USA Inc.
 LEASE TAIT ATU "B"
 WELL NUMBER 4
 FIELD Hugoton-Panoma
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE SW — SW — SW

LOCATION OF WELL: COUNTY Finney
408 Feet from (south) / north line of section
71 Feet from east / (west) line of section
 SECTION 3 TWP 25 (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 9th day of Oct, 2008
 Signature [Signature]

 Notary Public

My Commission expires Oct 1 2009

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

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 TAIT ATU B-4** shall consist of the following lands:

Township 25 South Range 33 West
SW ¼ Section 3, SE ¼ Section 4, NE ¼ Section 9 & NW ¼ Section 10
Finney 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

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

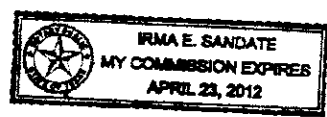
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CONSERVATION DIVISION
WICHITA, KS

On this 7th day of October, 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 an of the date hereinabove stated.

My Commission Expires April 23, 2012
Notary Public *Ana E. [Signature]*



4

OCT 14 2008

3

CONSERVATION DIVISION
WICHITA, KS

OXY USA INC.
MCWILLIAMS D

OXY USA INC.
TAIT B

OXY USA INC.
MCWILLIAMS D

OXY USA INC.
MCWILLIAMS D

OXY USA INC.
TAIT B

OXY USA INC.
TAIT B

OXY USA INC.
Tait ATU B

9

10

OXY USA INC.
MCWILLIAMS C

OXY USA INC.
TAIT A

OXY USA INC.
MCWILLIAMS C

OXY USA INC.
MCWILLIAMS C

OXY USA INC.
TAIT A

OXY USA INC.
TAIT A



71'

1320 0 1320 2640 us ft

ATU Outline - - - - -

Well Status



Council Grove Well



Chase Well



Proposed Commingled Well



	OXY USA INC. Midcontinent Assets	
	Tait ATUB 4 Finney County, Kansas Sec 3 - T25S - R33W	
Author: B Vollertsen		Updated Oct. 7, 2008

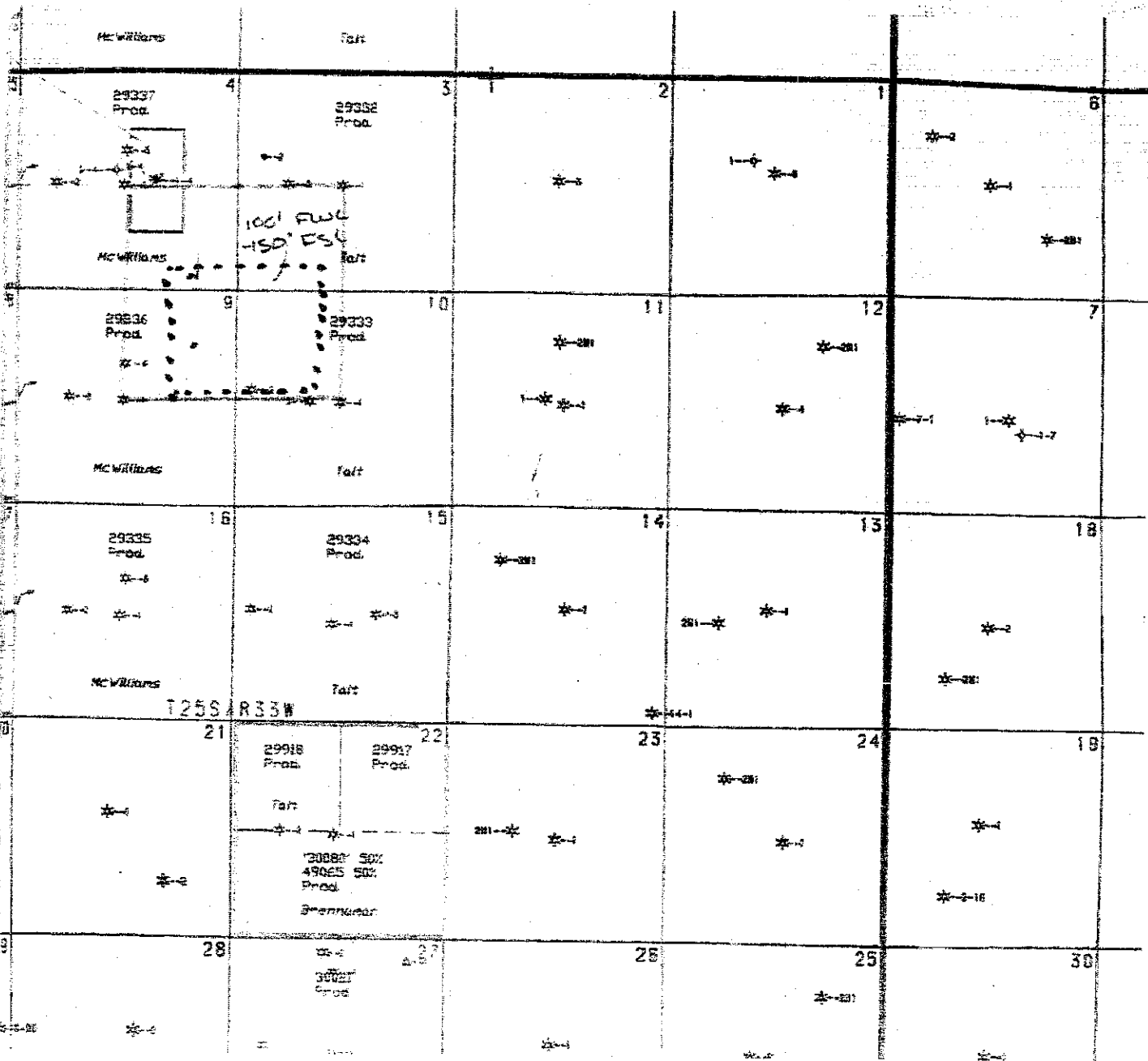
Tait B-4 ATU

Sections 3, 10, 4 & 9, T25S-R33W Finney County, KS

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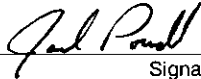
CONSERVATION DIVISION
WICHITA, KS



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: Jimmy Welch		Phone Number: (620) 277 - 2203
Lease Name & Well No.: Tait ATU B-4		Pit Location (QQQQ): SW SW SW Sec. 3 Twp. 25S R. 33 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 408 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 71 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Finney 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 checked="" type="checkbox"/> Yes <input 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 2984 feet Depth of water well 300 feet		Depth to shallowest fresh water 180 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> 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.		RECEIVED KANSAS CORPORATION COMMISSION OCT 14 2008 CONSERVATION DIVISION WICHITA, KS RF 96285
Date: 10/09/08		Signature of Applicant or Agent: 
KCC OFFICE USE ONLY		
Date Received: 10/14/08 Permit Number: _____ Permit Date: 10/15/08 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

15-055-22009-0000



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

October 15, 2008

OXY USA, Inc.
PO Box 2528
Liberal, KS 67905

Re: Drilling Pit Application
Tait ATU B Lease Well No. 4
SW/4 Sec. 03-25S-33W
Finney County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 96 hours of drilling completion.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File