

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-4
Form must be typed
September 2005

APPLICATION FOR COMMINGLING OF
PRODUCTION (K.A.R. 82-3-123) OR FLUIDS (K.A.R. 82-3-123a)

Commingling ID # CO 070701

Operator Information:

License #: 5447
Name: OXY USA Inc.
Address: P. O. Box 2528
City/State/Zip: Liberal, KS 67901
Contact Person: Rafael Bacigalupo
Phone #: 620-629-4229

Well Information:

API #: 15 - 175-21970 -00-01
Lease Name: Hitch C Well #: 5
Spot: C - SW - SW Sec. 20 Twp. 32 S. R. 34 East West
County: Seward
Feet from North / South Line of Section: 660
Feet from East / West Line of Section: 660

1. Name and upper and lower limit of each production interval to be commingled:

Formation: Toronto (Perfs): 4175-4184; 4166-4170
Formation: Council Grove (Perfs): 2903-2941
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____
Formation: _____ (Perfs): _____

2. Estimated amount of fluid production to be commingled from each interval:

Formation: Toronto BOPD: 0 MCFPD: 67 BWPD: 12
Formation: Council Grove BOPD: 0 MCFPD: 103 BWPD: 48
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____
Formation: _____ BOPD: _____ MCFPD: _____ BWPD: _____

3. Plat map showing the location of the subject well, all other wells on the subject lease, and all wells on offsetting leases within a 1/2 mile radius of the subject well, and for each well the names and addresses of the lessee of record or operator.

4. Signed certificate showing service of the application as required in K.A.R. 82-3-135a(b).

For Commingling of PRODUCTION ONLY, include the following:

- 5. Wireline log of subject well.
- 6. Complete Form ACO-1 (Well Completion form) for the subject well.

For Commingling of FLUIDS ONLY, include the following:

- _____ 5. Well construction diagram of subject well.
- _____ 6. Any available water chemistry data demonstrating the compatibility of the fluids to be commingled.

State of Kansas)
)
County of Seward)

ss:

VERIFICATION: I hereby certify that to the best of my current information, knowledge and personal belief, this request for commingling is true and proper and I have no information or knowledge, which is inconsistent with the information supplied in this application.

Signature: [Signature]
Printed Name: Rafael Bacigalupo
Title: Financial Planning Analyst / Capital Projects
Subscribed & sworn to before me this 17 day of July, 2007
Notary Public: Anita Peterson
My Commission Expires: Oct. 1, 2009

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 18 2007

CONSERVATION DIVISION
WICHITA, KS

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

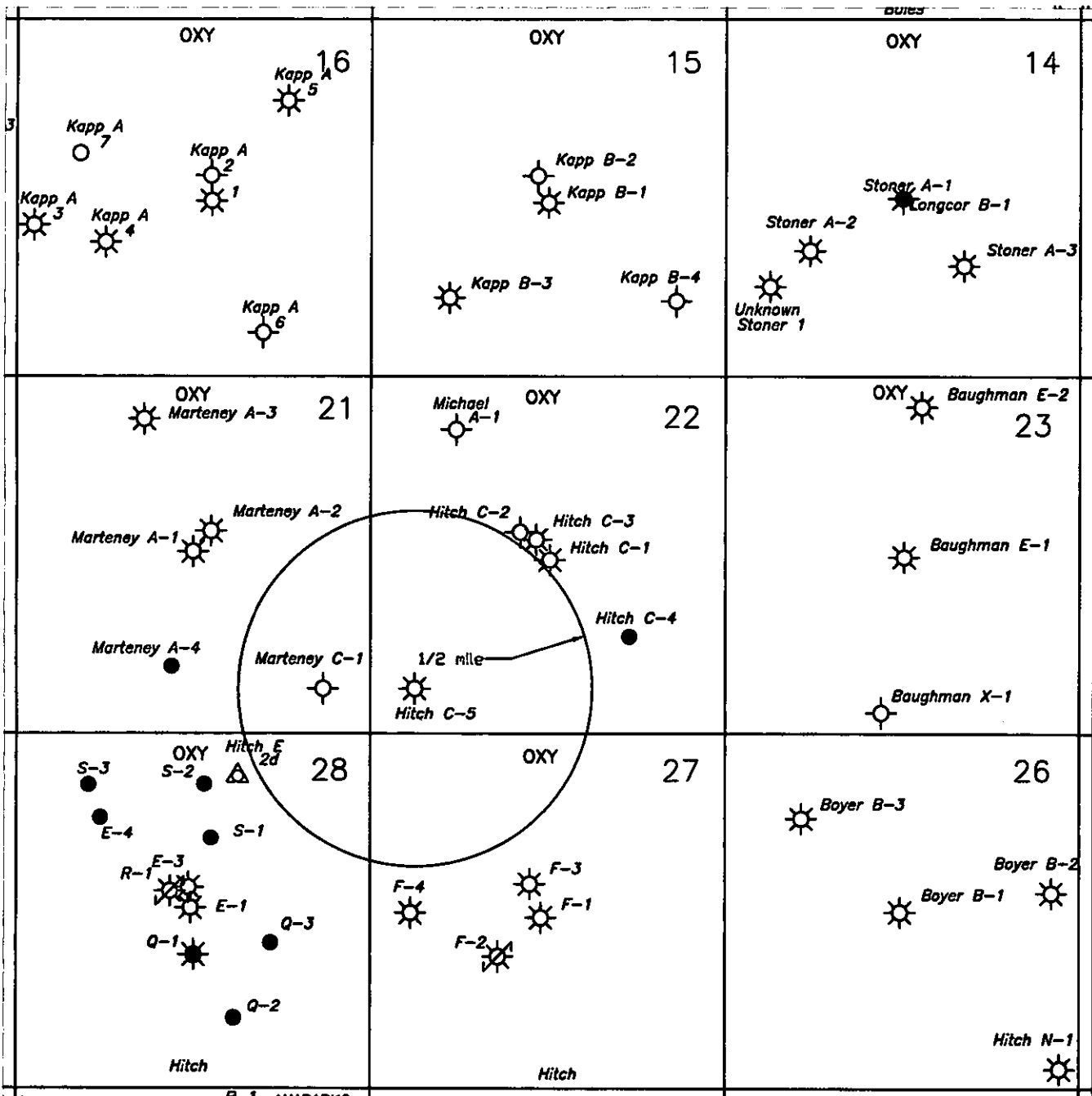
KCC Office Use Only

Denied Approved

KCC Date Received: _____ 15-Day Periods Ends: 8/17/07

Approved By: [Signature] Date: 8/17/07

R 34 W



- ◆ Drilled and Abandoned
- Oil
- ☆ Gas
- ⊗ Dual Completion - Oil & Gas
- ⊕ Dual Completion - Gas & Gas
- ▽ Salt Water Disposal
- Service Well
- △ Proposed Well
- ✓ Plugged and Abandoned

RECEIVED
 KANSAS CORPORATION COMMISSION
 JUL 18 2007
 CONSERVATION DIVISION
 WICHITA, KS

<h2>Hitch C-5</h2> <p>660'FSL & 660'FWL Sec 22-32S-34W Haskell Co., Kansas 15-175-219700</p>	
By: DLC	Date: 07/05/2007
Drawing: Hitch C-5.dwg	



OXY USA Inc.
1701 N. Kansas, Liberal, KS 67901
P.O. Box 2528, Liberal, KS 67905-2528

July 26, 2007

State Corporation Commission
Wichita State Office Bldg.
ATTN: Rick Hesterman
130 South Market, Room 2078
Wichita, KS 67202

Re: Oxy USA Inc.
Hitch C-5
SW/4 20-32S-34W
Seward County

Dear Mr. Hesterman:

Attached please find copies of letters to the Wichita Eagle and Southwest Daily Times newspapers for the notification of the Hitch C-5 commingle application.

The wells surrounding the ½ mile radius are operated by and belong to OXY USA Inc.

If there are any questions or you require further information, please contact me at the above address or by phone at (620)-629-4229. My "E-Mail" address is Rafael_Bacigalupo@oxy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Rafael Bacigalupo", is written over the typed name.

Rafael Bacigalupo
Financial Planning Analyst / Capital Projects
Liberal, KS

Attachment

Cc: Well File

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 30 2007

REGISTRATION DIVISION

AFFIDAVIT

STATE OF KANSAS \
- SS.
County of Sedgwick /

Nicole Mandina, of lawful age, being first duly sworn, deposeth and saith: That she is Record Clerk of The Wichita Eagle, a daily newspaper published in the City of Wichita, County of Sedgwick, State of Kansas, and having a general paid circulation on a daily basis in said County, which said newspaper has been continuously and uninterruptedly published in said County for more than one year prior to the first publication of the notice hereinafter mentioned, and which said newspaper has been entered as second class mail matter at the United States Post Office in Wichita, Kansas, and which said newspaper is not a trade, religious or fraternal publication and that a notice of a true copy is hereto attached was published in the regular and entire Morning issue of said The Wichita Eagle for 1 issues - weeks, that the first publication of said notice was

made as aforesaid on the 2nd of

August A.D. 2007 , with

subsequent publications being made on the following dates:

And affiant further says that she has personal knowledge of the statements above set forth and that they are true.

Nicole Mandina

Subscribed and sworn to before me this

2nd day of August, 2007

Danna M. Ingram

Notary Public Sedgwick County, Kansas



Printers Fee: \$80.00

LEGAL PUBLICATION

Published in the Wichita Eagle on August 2, 2007 (2708747) BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION

RE: OXY USA Inc. Application for order to commingle Toronto and Council Grove sources of supply in Hilch C-5 well, located in Sec. 20 Twp 32S R 34W, Seward County, Kansas. TO: All Oil and Gas Producers, Unleased Minerals Interest Owners, Landowners, and all persons whosever concerned.

You, and each of you, are hereby notified that OXY USA Inc. has filed an application to commingle the production from the Toronto and Council Grove sources of supply in the Hilch C-5 well, located in the SW/4 SW/4 of Sec 20 Twp 32S R 34W in Seward County, Kansas. Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Rafael Bacigatupo
OXY USA Inc.
P.O. Box 2528
Liberal, KS 67905
(620)-629-4200

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 16 2007

CONSERVATION DIVISION
WICHITA, KS

PROOF OF PUBLICATION

STATE OF KANSAS, SEWARD COUNTY, ss:

Mary A Pittman, being first duly sworn, deposes and says: That she is the principal clerk of

THE SOUTHWEST DAILY TIMES

a daily newspaper printed in the State of Kansas, and published in and of general circulation in Seward County, Kansas, with a general paid circulation on a weekly basis in Seward County, Kansas, and that said newspaper is not a trade, religious or fraternal publication.

Said newspaper is a daily, published at least weekly 50 times a year; has been so published continuously and uninterruptedly in said county and state for a period of more than five years prior to the first publication of said notice; and has been admitted at the post office of Liberal in said County as second class matter.

That the attached notice is a true copy thereof and was published in the regular and entire issue of said newspaper for one time, the publication thereof being

made as aforesaid on the 31st day of July, 2007.

SUBSCRIBED AND SWORN to before me this 6th day of

August, 2007

Shelli Garrison, Notary Public.

My Commission Expires, 2007

Printer's Fee \$2350

SHELLI GARRISON Notary Public - State of Kansas My Appt. Expires 9/05/2010

(Published in the Southwest Daily Times, Liberal, Kansas, on July 31, 2007) 11

BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS NOTICE OF FILING APPLICATION

RE: OXY USA Inc. Application for order to commingle Toronto and Council Grove sources of supply in Hitch C-5 well, located in Sec. 20 Twp 32S R 34W, Seward County, Kansas.

TO: All Oil and Gas Producers, Released Minerals Interest Owners, Landowners, and all persons whosever concerned.

You, and each of you, are hereby notified that OXY USA Inc. has filed an application to commingle the production from the Toronto and Council Grove sources of supply in the Hitch C-5 well, located in the SW/4 SW/4 of Sec 20 Twp 32S R 34W in Seward County, Kansas

Any persons who object to or protest this application shall be required to file their objections or protests with the Conservation Division of the State Corporation Commission of the State of Kansas within fifteen (15) days from the date of this publication. These protests shall be filed pursuant to Commission regulations and must state specific reasons why the grant of the application may cause waste, violate correlative rights or pollute the natural resources of the State of Kansas. If no protests are received, this application may be granted through a summary proceeding. If valid protests are received, this matter will be set for hearing.

All persons interested or concerned shall take notice of the foregoing and shall govern themselves accordingly.

Rafael Bacigalupo OXY USA Inc. P.O. Box 2528 Liberal, KS 67905 (620)-629-4200

RECEIVED NOTISSIIMMION COMMISSION KANSAS

2007 9 1 9 10

KS NOTICIA NOTISSIIMION COMMISSION



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

August 17, 2007

Rafael Bacigalupo
OXY USA, Inc.
P.O. Box 2528
Liberal, KS 67901

**RE: Approved Commingling CO070701
Hitch C #5, Sec. 20-T32S-R34W, Seward County, Kansas
API No. 15-175-21970-0001**

Dear Mr. Bacigalupo:

Your "Application for Commingling" (ACO-4) for the above described well has been technically reviewed and approved by the Kansas Corporation Commission (KCC) per K.A.R. 82-3-123a. Notice was examined and found to be proper per K.A.R. 82-3-135a. No protest had been filed within the 15-day protest period. This application, which was received by the KCC on **July 18, 2007** concerns approval to simultaneously produce from the following **two** sources of supply through the same tubing string in the same wellbore: the **Toronto and Council Grove** formations.

According to your application, the estimated current production from the **Toronto** source of supply is **0 BOPD, 67 Mcfpd and 12 BWPD**. The estimated current production from the **Council Grove** source of supply is **0 BOPD, 103 Mcfpd and 48 BWPD**. The total estimated current production from all sources of supply in the subject well is **0 BOPD, 115 Mcfpd and 60 BWPD**.

Based upon the depth of the **Toronto** formation perforations, total oil production shall not exceed **200 BOPD** and total gas production shall not exceed **50%** of the absolute open flow (AOF).

Docket Number **CO070701** has been assigned to this approved application. Please use this number for well completion reports (ACO-1) and other correspondence that may concern this approved commingling.

Sincerely,

Rick Hestermann
Production Department