

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 9-29-96

State of Kansas

DISTRICT # 2

NOTICE OF INTENTION TO DRILL

SGA? ...Yes...No

Must be approved by the K.C.C. five (5) days prior to commencing well

Spot ION OF

Expected Spud Date ...September...3...1996...
month day year

W/2 - SE - SW Sec ..16. Twp ..31. S, Rg ...9. X West

.....670..... feet from / South line of Section

.....1650..... feet from / West line of Section

IS SECTION X REGULAR _____ IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)

County:Harper.....

Lease Name: .Muir Gas Unit..... Well #: ...2.....

Field Name:Spivey-Grabs.....

Is this a Prorated/Spaced Field? X. yes ... no

Target Formation(s):Mississippi.....

Nearest lease or unit boundary:670'.....

Ground Surface Elevation:1705'..... feet MSL

Water well within one-quarter mile: yes ..X. no

Public water supply well within one mile: yes ..X. no

Depth to bottom of fresh water: 140

Depth to bottom of usable water: 180

Surface Pipe by Alternate: ..X. 1 / ... 2

Length of Surface Pipe Planned to be set:300'.....

Length of Conductor pipe required:

Projected Total Depth:4700'.....

Formation at Total Depth:Simpson.....

Water Source for Drilling Operations:

... well farm pond ..X. other

DWR Permit #:

Will Cores Be Taken?: yes ..X. no

If yes, proposed zone:

OPERATOR: License #5447.....
Name:OXY USA INC.....
Address:110 S. Main #800.....
City/State/Zip: ...Wichita, Kansas..67202.....
Contact Person: ...Tim Voss.....
Phone:(316)..265-2040.....

CONTRACTOR: License #: ADVISE ON ACO-1
Name:(Unknown at this time).....

Well Drilled For:	Well Class:	Type Equipment:
... Oil	... Enh Rec	<u>X</u> . Infield
<u>X</u> . Gas	... Storage	<u>X</u> . Mud Rotary
... Oil	... Disposal	... Pool Ext.
... Seismic;	... # of Holes	... Air Rotary
... Other	... Other	... Wildcat
		... Cable

If OWO: old well information as follows:
Operator:

Directional, Deviated or Horizontal wellbore? yes ..X. no
If yes, true vertical depth:.....
Bottom Hole Location.....

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

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AUG 19 1996

CONSERVATION DIVISION
WICHITA, KS

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. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date:8-16-96..... Signature of Operator or Agent: ..Timothy J. Voss..... Title....Engineer.....

FOR KCC USE:
 API # 15- 077-213130000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200' feet per Alt. (1) X
 Approved by: JK 9-24-96
 This authorization expires: 3-24-97
 (This authorization void if drilling not started within 6 months of effective 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;
- Obtain written approval before disposing or injecting salt water.

Mail to: Conservation Division, Wichita State Office Bldg, 130 S. Market, Rm 2078 Wichita, Kansas 67202-1286.

16
31
9W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

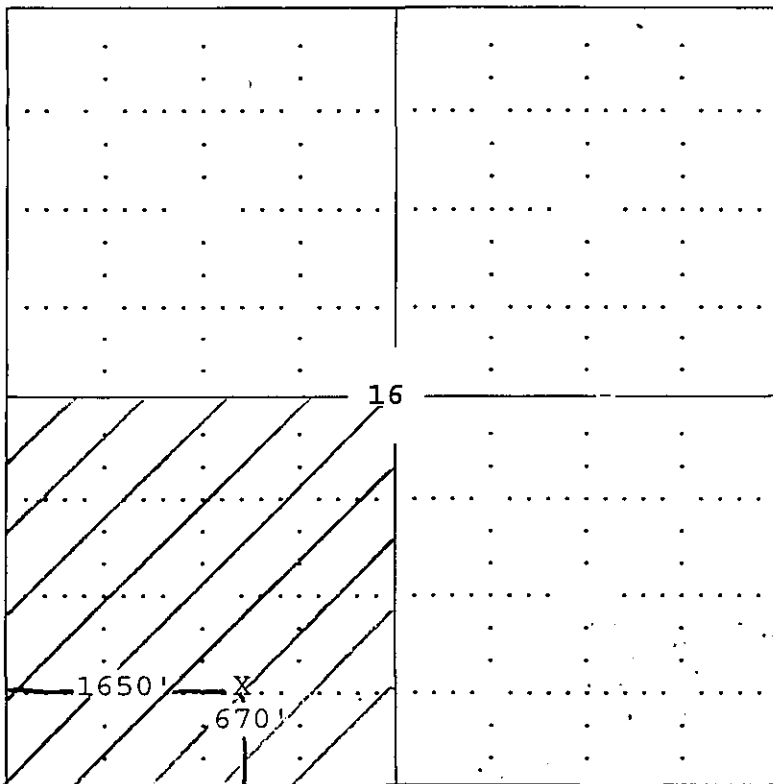
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells 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- _____
 OPERATOR OXY USA INC.
 LOCATION OF WELL: COUNTY Harper
 LEASE Muir Gas Unit 670 feet from South/ _____ line of section
 WELL NUMBER 2 1650 feet from _____ /West line of section
 FIELD Spivey-Grabs SECTION 16 TWP 31S RG 9W

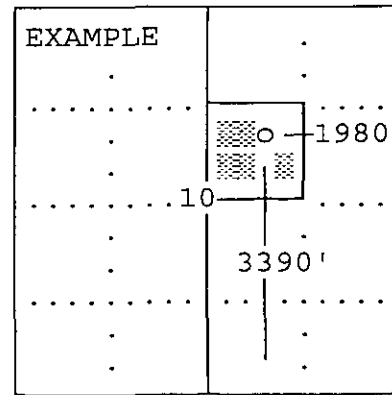
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ - _____ - SW IF SECTION IS IRREGULAR, LOCATE WELL FROM
NEAREST CORNER BOUNDARY.
 Section corner used: _____ NE _____ NW _____ SE _____ SW

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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 WICHITA, KS



SEWARD CO.

Harper County

In plotting the proposed location of the well, you must show:

-) 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.;
-) the distance of the proposed drilling location from the section's south/north and east/west; and
-) the distance to the nearest lease or unit boundary line.