KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

For KCC Use:
Effective Date: 4-6-04
District # 1
SGA? Yes No

Expected Spud Date: 04/16/04

OPERATOR: License #: 5447
Name: OXY USA Inc.
Address: P.O. Box 2528
City/State/Zip: Liberal, KS 67905
Contact Person: Vicki Carder
Phone: (620) 629-4242
CONTRACTOR: License #: 30605
Name: Martin Drilling Co., Inc.

Well Drilled For:
Oil [ ] Enh Rec [X] infield [X] Mud Rotary
Gas [ ] Storage [ ] Pool Ext [ ] Air Rotary
OWWO [ ] Disposal [ ] Wildcat [ ] Cable
Seismic: # of Holes [ ] Other [ ]
Other Replacement Well for Kapp A-4, P&A 04/10/00, API 15-175-21296

Well Class: [ ] Type Equipment:

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 #: [X] Prorated & Spaced Hugoton

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:
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 unsaturated 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 #133,391-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 to the best of my knowledge and belief.

Date: March 30, 2004
Signature of Operator or Agent: [Signature]
Title: [Title]

For KCC Use ONLY
API # 15 - 175-21929-00-00
Conductor pipe required [ ] None [ ] feet
Minimum Surface pipe required [ ] feet per Alt. 1 [ ] feet
Approved by: RSP 4-1-04
This authorization expires: 10-2-04

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 proportion 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 of 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
Signature of Operator or Agent: [Signature]
Date: [ ]

Mail to: KCC – Conservation Division, 130 S. Market – Room 2078, Wichita, Kansas 67202
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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15: ____________________________
Operator: ____________________________________________
Lease: ____________________________________________
Well Number: _______________________________________
Field: ____________________________________________
Location of Well: County ____________________________
feet from □ N / □ S Line of Section
feet from □ E / □ W Line of Section
Sec. ______ Twp. _______ R. ________
□ East □ West
Is Section: □ Regular or □ Irregular

Number of Acres attributable to well: _______________________
QTR / QTR / QTR of acreage: __________________________

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.)

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

Seward County

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 sections south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
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).