NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

For KCC Use:
Effective Date: 12-12-04
District #
SGA? Yes No

Expected Spud Date 01/03/05

OPERATOR: License # 5447
Name: OXY USA Inc.
Address: P.O. Box 2628
City/State/Zip: Liberal, KS 67905
Contact Person: Vicki Carder
Phone: (620) 629-4242

CONTRACTOR: License # 3375
Name: Cheyenne Drilling LP

Well Drilled For:

Well Class: Type Equipment:

Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ext Air Rotary
OWWO Disposal Wildcat Cable
Seismic # of Holes Other Replacement Well for Dietl A-2

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: 15-067, 20014

Affidavit

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

Date: November 23, 2004 Signature of Operator or Agent: W. Clay Braden
Title: Capital Project

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACC-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 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:
Date:

For KCC Use ONLY
API # 15 - 067-21592 00-00
Conductor pipe required NONE
Minimum Surface pipe required 700 feet per Alt.
Approved by: RSP 12-7-04
This authorization expires 6-7-05
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

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: OXY USA Inc.
Lease: Diehl A
Well Number: 4
Field: Panama Council Grove

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

Location of Well: County Grant

1250 feet from ☐ N / ☒ S Line of Section
1250 feet from ☐ E / ☒ W Line of Section
Sec. 11 Twp. 29S R. 35
☐ East ☒ West

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.)

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

Grant 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 all wells; CG-8 for gas wells).
NOTICE TO OPERATORS DRILLING IN THE PANOMA-
council grove gas pool spaced area

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

“The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted.”

1. “No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled.”

2. “Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well.”

3. “The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation.”

4. “The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area.”

5. “The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log.”

A copy of this survey and the cement tickets(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells “spud date.”

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division’s Production Department at (316) 337-6200.