KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division
NOTICE OF INTENT TO DRILL

For KCC Use:

Effective Date: 10-19-05

District #: 1

SGA: Yes No

Expected Start Date: 10-19-05

OPERATOR: License #: 5647

Name: DIX USA Inc.

Address: P.O. Box 152

City/State/Zip: Liberal, KS 67905

Contact Person: Viaj Center

Phone: 800-432-4142

CONTRACTOR: License #: 30006

Name: Martin Drilling Co., Inc.

Well Drilled For: Well Class: Type of Equipment:

Oil Gas Drilled Rotary

Gas Storage Oil Rotary

Oil Well, Deviation: 45 Degrees

Oil Well, Deviation: 90 Degrees

Oil Well, Deviation: 90 Degrees

Surface Type by Alteration: 

Length of Surface Pipe to be used: 

Length of Contractor Pipe Required: 

Projected Total Depth: 

Formation to Total Depth: 

Water Source for Drilling Operations:

Will Cores be Taken? 

Is Proposed zone: 

KCC DKT #: 

* SALLY CHESTER, GFO FILED

The undersigned hereby affirm that the drilling, completion and eventual plugging of the well will comply with K.S.A. 55-101 et. seq. It is agreed that all the following requirements must 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 depth of the oil well shall be as specified by the applicant and in compliance with all unencumbered leaseholds plus a minimum of 20 feet into the underlying formation.
4. The well is approved for a maximum water level of 200 feet and the district inspector shall approve the plugging length and plugging 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 IF COMPLETION, production casing shall be cemented from bottom to within 300 feet of surface water within 30 days of the date of the well shall be plugged. In all cases, final plugging order prior to any cementing.

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

Date: October 6, 2005. Signature of Operator or Agent: 

Title: Capital Project Manager

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

If the intended well is in a prorated or subdivided field, please fully complete this side of this form. If the intended well is in a prorated or subdivided 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 boundary of the prorated area. A unit for gas wells and within 1 mile of the boundary of the proposed acreage. A unit for oil wells.

AP No. 15:

Operator:

Lease:

Well Number:

Field:

Number of acres attributable to well:

GTR / GTR / GTR:

Location of Well:

County:

Township:

Range:

Sec.:

Twp.:

R.

A.:

E.

W.

If Section is Irregular, locate well from nearest corner.

Section corner:

EXAMPLE

SEWARD CO.

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 2 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling line from the sections north / 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 subdivided field a certificate of acreage attribution plat must be attached. (CD-7 for oil wells; CD-8 for gas wells).
October 14, 2005

Vicki Carder
OXY USA Inc.
PO Box 2028
Liberal KS 67905

Re: Drilling Pit Application
Boles A Lease Well No. 1
SW/4 18-34S-33W
Seward County, Kansas

Dear Ms. Carder:

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 as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

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 CDF-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC website: 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,

Jonelle Raines, Supervisor
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

Conservation Division, Financial State Office Building, 130 S. Market, Room 207B, Wichita, KS 67202-3002
Voice 316-237-4200 Fax 316-237-6171 www.kcc.state.ks.us