For KCC Use ONLY

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Conductor pipe required EXTRAN. Foot
Minimum Surface pipe required EXTRAN. Feet per Acre

Approved by DPL 2/17/06

This authorization expires 9/17/06

(This authorization void if drilling not approved within 6 months of effective date)

Spud date Agent

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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plot 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 IPP wells and within 1 mile of the boundaries of the proposed acreage attribute unit for gas wells and within 3/8 mile of the boundaries of the proposed acreage attribute unit for oil wells.

API No.: 15
Operator: ____________________________
Location of Well: ____________________
County: ____________________________
Section: ________
Township: ________
Range: ________
Field: ____________________________

Well Number: ________________________
GTR / GTR / GTR of acreage: ________

Number of Acres attributable to well: ________

If Section is irregular, locate well from nearest corner boundary:
Section corner (NW): ________

Regular or ________

(Show location of the well and show attributable acreage for prorated or spaced wells.)

(Show foils to the nearest lease or unit boundary line.)

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

Seward County

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

1. The corner in which you are using the depicted 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 north, south, east, and 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 attribute plat must be attached. (CG-7 for oil wells, CG-8 for gas wells.)
March 17, 2006

Ms. Vicki Carder
OXY USA, Inc.
PO Box 2528
Liberal, KS 67905

RE: Drilling Pit Application
Graham B Lease Well No. 3
SE/4 Sec. 04-34S-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 stores, 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 from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8898 when the fluids have been removed. Please file form CDP-3 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: 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,

[Signature]

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant

File

Conservation Division, Francis State Office Building, 30 S. Market, Room 2038, Wichita, KS 67202-3002
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us