

OGX Operating, LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 • Fax (432) 685-1320 • Fax (432) 686-7109

August 11, 2016

Occidental Permian LP
5 Greenway Plaza, Ste. 110
Houston, Texas 77046

Certified Mail #7011 3500 0000 2040 8955

Attn: Mr. Chris Gertson

Re: **Red Bluff Lake Prospect**
Well Proposal
Littlefield 33 Fed Com #2H
T-26-S, R-29-E, N.M.P.M.
W/2 Section 33 and W/2 Section 28
Eddy County, New Mexico

Gentlemen:

OGX Operating, LLC ("OGX") hereby proposes to drill the above referenced horizontal well with a surface hole location of 330' FSL & 2,210' FEL of Section 33 and a bottom hole location of 330' FNL & 2,411' FEL of Section 28, all located in T-26-S, R-29-E, N.M.P.M., Eddy County, New Mexico. This well will utilize the same drilling pad as the Littlefield 33 Fed Com #1H which will necessitate drilling approximately 500 feet Southwest which will be 30 feet FSL and 2,710 feet FEL of said Section 33, then drilling North to the kick-off point at approximately 9,522' being approximately 330' FSL and 2,710 feet FEL of said Section 33, turning horizontal with an azimuth of 359.24 degrees for a total horizontal distance of approximately 7,085' to test the Wolfcamp formation. The total measured depth is estimated to be 17,173'. The proration unit for this well will be the W/2 of Section 28 and the W/2 of Section 33, T-26-S, R-29-E, N.M.P.M., Eddy County, New Mexico, containing 463.13 acres of land, more or less.

According to the records of Eddy County, New Mexico, Occidental Permian LP ("OXY") owns a 100.00% leasehold interest in W/2 of said Section 28 lying outside the boundaries of the Red Bluff Reservoir, estimated to be 236.66 acres of land, more or less, being a portion of the lands contained in that certain USA lease NM-038636 dated February 1, 1980. Your interest in this well would be 236.66/463.13 or 51.10%.

Enclosed for your review is an AFE (in duplicate) showing the estimated drilling and completion costs for the subject well, as well as a plat showing the proposed location and production unit.

OGX invites the participation of OXY in this well. If OXY wishes to participate in the drilling of this well, please execute both copies of the AFE, after which return one copy to the

EXHIBIT 2

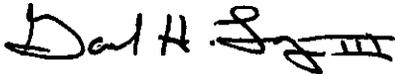
Mailed 8/11/16

undersigned. Upon receipt of the AFE, OGX will mail you an Operating Agreement for your execution, which will name OGX as the Operator.

In the event OXY does not wish to participate, OGX hereby offers OXY \$2,500.00 per acre for a two (2) year term assignment covering the 236.66 acre tract, with OXY delivering a 75% net revenue. The total consideration for the term assignment would equal \$591,650.00. If you have any questions, please contact the undersigned.

Sincerely,

OGX Operating, LLC



Garland H. Lang III
Land Manager

Enclosures

UNITED STATES POSTAL SERVICE

TX 773

18 AUG '16



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

OGX Operating, LLC

Attn: Katie

P.O. Box 2064

Midland, Texas 79702

RECEIVED
AUG 17 2016

DISTRICT I
1635 N. French Dr., Hobbs, NM 88240
Phone (575) 283-6161 Fax (575) 283-6720

DISTRICT II
611 S. First St., Artesia, NM 88210
Phone (575) 745-1255 Fax (575) 745-6720

DISTRICT III
1000 Elz Branco Ed., Artec, NM 87410
Phone (505) 284-4178 Fax (505) 284-4170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LITTLEFIELD 33 FEDERAL COM	Well Number 2H
OGRID No.	Operator Name OGX OPERATING, LLC	Elevation 2872

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South Line	FEET from the	East/West LINE	County
LOT 11	33	26 S	29 E		330	SOUTH	2210	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South Line	FEET from the	East/West LINE	County
C	28	26 S	29 E		230	NORTH	2409	WEST	EDDY

Dedicated Acres 463.13	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°01'12.87"
Long - W 103°58'24.47"
NMSPCE- N 371271.9
E 847702.8
(NAD-83)

PENETRATION POINT
Lat - N 32°00'03.76"
Long - W 103°59'17.84"
NMSPCE- N 364288.6
E 847795.5
(NAD-83)

SURFACE LOCATION
Lat - N 32°00'03.76"
Long - W 103°59'17.84"
NMSPCE- N 364289.6
E 848296.0
(NAD-83)

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

Email Address _____

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed _____
Signature of Professional Surveyor _____
Professional Surveyor 7977

Certification No. 7977

Scale: 1" = 2000'
WO Num.: 32372