

30-025-41237

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	OXY USA Inc.	16696
Lease Name/Number:	R e d T a n k 3 3 F e d e r a l # 1 H	
Pool Name/Number:	Undesignated Red Tank Delaware, West	51689
Surface Location:	330 FSL 330 FEL SESE(P) Sec 33 T225 R32E	Federal Lease No. NMNM077060
Bottom Hole Location:	330 FNL 700 FEL NENE(A) Sec 33 T22S R32E	

1. Existing Roads

- a. A copy of a USGS "Bootleg Ridge, NM" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system.
- b. The well was staked by Terry J. Asel, Certificate No. 15079 on 10/15/12, certified 10/31/12.
- c. Directions to Location: Beginning at the intersection of SH 128 and CR 798, go north on CR 798 for 7.3 miles. Turn right and go northeast on caliche road for 2.7 miles. Continue east/southeast for 2.5 miles. Turn right and go southeast for 1.8 miles. Turn left and continue southeast for 0.3 miles. Turn right and go south for 0.2 miles. Turn right and go west for 0.1 miles, continue northwest/southwest on proposed road for 5695.2' to location.

HOBBS OCD
JUN 24 2013
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2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run approximately 5884' northwest and southwest from an existing road to the location.
- b. The maximum width of the road will be 15'. It will be crowned and made up of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.
- e. Blade, water & repair an existing caliche road as needed.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Production Facilities.

- a. In the event the well is found productive, the Red Tank 34 Federal tank battery would be utilized and the necessary production equipment will be installed at the well site. See proposed Production Facilities Layout diagram.
- b. Electric power lines will be installed and the Right-of-Way has been filed. The surveys are included into this APD.
- c. All flowlines will follow the proposed access route and Right-of-Way will be applied for separately and a survey is included.

5. Location and types of Water Supply.

This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area and will be hauled to location by transport truck using existing and proposed roads.

JUN 26 2013

6. Construction Materials:

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit or from prevailing deposits found under the location. Will use BLM recommended use of extra caliche from other locations close by for roads, if available.

7. Methods of Handling Waste Material:

- a. A closed loop system will be utilized consisting of above ground steel tanks and haul-off bins. Disposal of liquids, drilling fluids and cuttings will be disposed of at an approved facility, see C-144 CLEZ.
 - 1. Solids - CRI
 - 2. Liquids - Laguna
- b. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed, all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up slats remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Disposal of fluids to be transported will be by the following companies:
TFH Ltd. - Laguna SWD Facility

8. Ancillary Facilities: None needed

9. Well Site Layout

The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door - North

CL Tanks- West

Pad - 280' X 410'

10. Plans for Surface Reclamation:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

11. Surface Ownership

The surface is owned by the U.S. Government and is administered by the BLM. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas. The surface is leased to: Slash 46, Inc. P.O. Box 1358, Loving, NM 88256. They will be notified of our intention to drill prior to any activity.

12. Other Information

- a. The vegetation cover is generally sparse consisting of mesquite, yucca, shinnery oak, sandsage and perennial native range grass. The topsoil is sandy in nature. Wildlife in the area is also sparse consisting of deer, coyotes, rabbits, rodents, reptiles, dove and quail.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of the proposed well site.

d. Cultural Resources Examination - this well is located in the Permian Basin MOA.

Pad + 1/4 mile road (5884')	<u>\$1,463.00</u>	4564	\$0.17/ft over 1/4 mile	<u>\$775.88</u>	<u>\$2,238.88</u>
Pipeline - up to 1mile (7700')	<u>\$1,350.00</u>	2420	\$274 per 1/4 mile	<u>\$548.00</u>	<u>\$1,898.00</u>
Electric Line-up to 1mile (5884')	<u>\$676.00</u>	604	\$0.19/ft over 1 mile	<u>\$114.76</u>	<u>\$790.76</u>
Total	<u><u>\$3,489.00</u></u>			<u><u>\$1,438.64</u></u>	<u><u>\$4,927.64</u></u>

13. Bond Coverage:

Bond Coverage is Individual-NMB000862, Nationwide-ESB00226

Operators Representatives:

The OXY Permian representatives responsible for ensuring compliance of the surface use plan are listed below.

Kim Moore
Production Coordinator
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 575-397-8236
Cellular: 575-706-1219

Roger Allen
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-215-7617
Cellular: 281-682-3919

Sebastian Millan
Drilling Engineering Supervisor
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-985-8750
Cellular: 713-528-3268

Charles Wagner
Manager Field Operations
1502 West Commerce Dr.
Carlsbad, NM 88220
Office Phone: 575-628-4151
Cellular: 575-725-8306

Calvin (Dusty) Weaver
Operation Specialist
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5723
Cellular: 806-893-3067

Anar Khalilov
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-985-6959
Cellular: 832-205-6365

OPERATOR CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements. Executed this 25th day of March, 2013.

Name: Peter Lawrence 

Position: Reservoir Management Team Leader

Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046

Telephone: 713-215-7644

E-mail: (optional): peter_lawrence@oxy.com

Company: Occidental Permian LP / OXY USA Inc. / OXY USA WTP LP

Field Representative (if not above signatory): Dusty Weaver

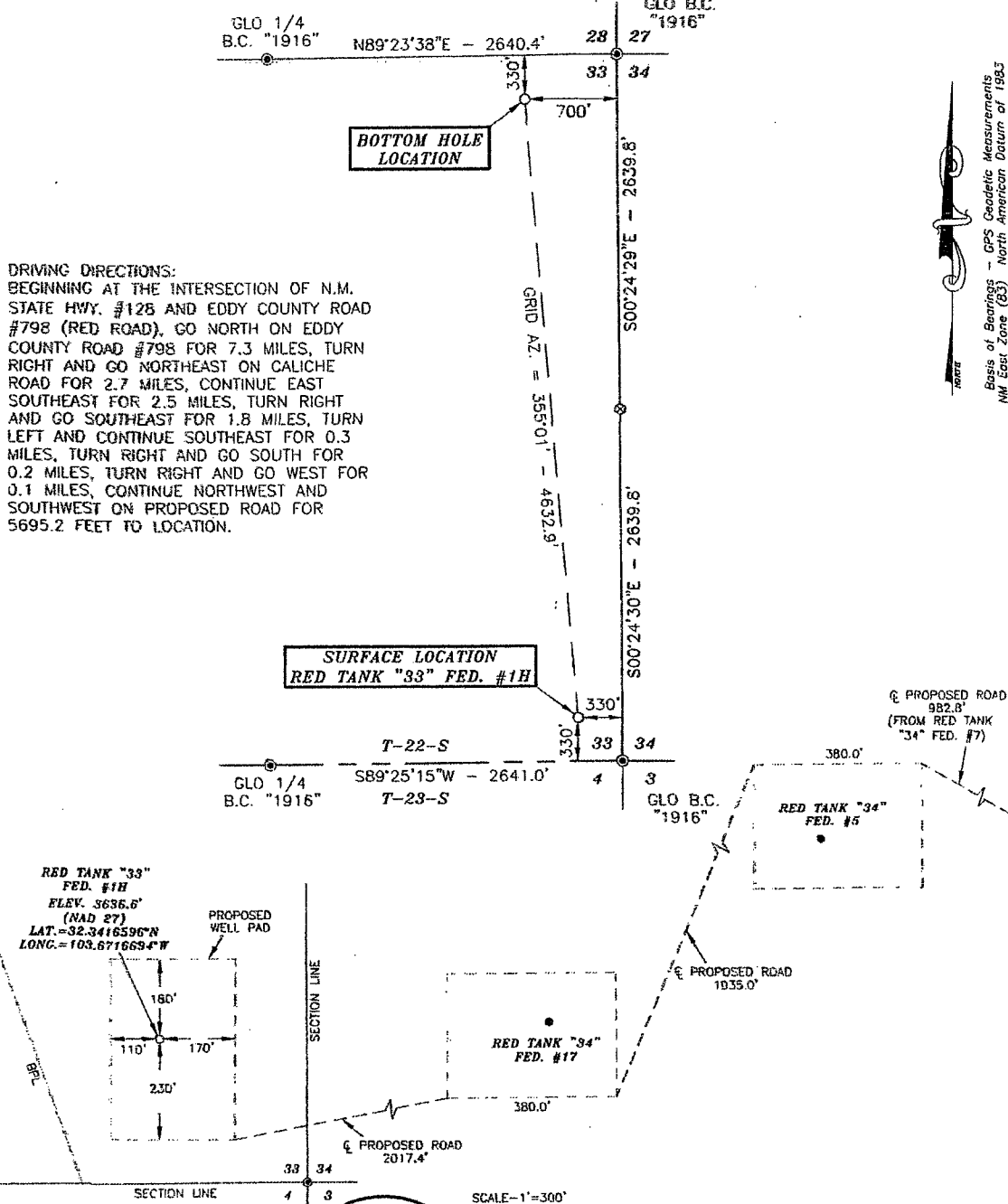
Address (If different from above): P.O. Box 50250 Midland, TX 79710

Telephone (if different from above): 432-685-5723

E-mail (if different from above): calvin_weaver@oxy.com

600x600

SECTION 33, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



DRIVING DIRECTIONS:
BEGINNING AT THE INTERSECTION OF N.M.
STATE HWY. #128 AND EDDY COUNTY ROAD
#798 (RED ROAD), GO NORTH ON EDDY
COUNTY ROAD #798 FOR 7.3 MILES, TURN
RIGHT AND GO NORTHEAST ON CALICHE
ROAD FOR 2.7 MILES, CONTINUE EAST
SOUTHEAST FOR 2.5 MILES, TURN RIGHT
AND GO SOUTHEAST FOR 1.8 MILES, TURN
LEFT AND CONTINUE SOUTHEAST FOR 0.3
MILES, TURN RIGHT AND GO SOUTH FOR
0.2 MILES, TURN RIGHT AND GO WEST FOR
0.1 MILES, CONTINUE NORTHWEST AND
SOUTHWEST ON PROPOSED ROAD FOR
5695.2 FEET TO LOCATION.

RED TANK "33"
FED. #1H
ELEV. 3636.6'
(NAD 27)
LAT. = 32.3416596°N
LONG. = 103.6716694°W

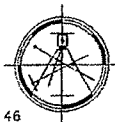
SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR
NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW
MEXICO STATE BOARD OF REGISTRATION FOR
PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 3/15/2013
Terry J. Asel, N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



- LEGEND**
- ⊙ - DENOTES FOUND MONUMENT AS NOTED
 - ⊗ - DENOTES CALCULATED CORNER

1000' 0 1000' 2000' FEET
SCALE: 1"=1000'

OXY USA INC.

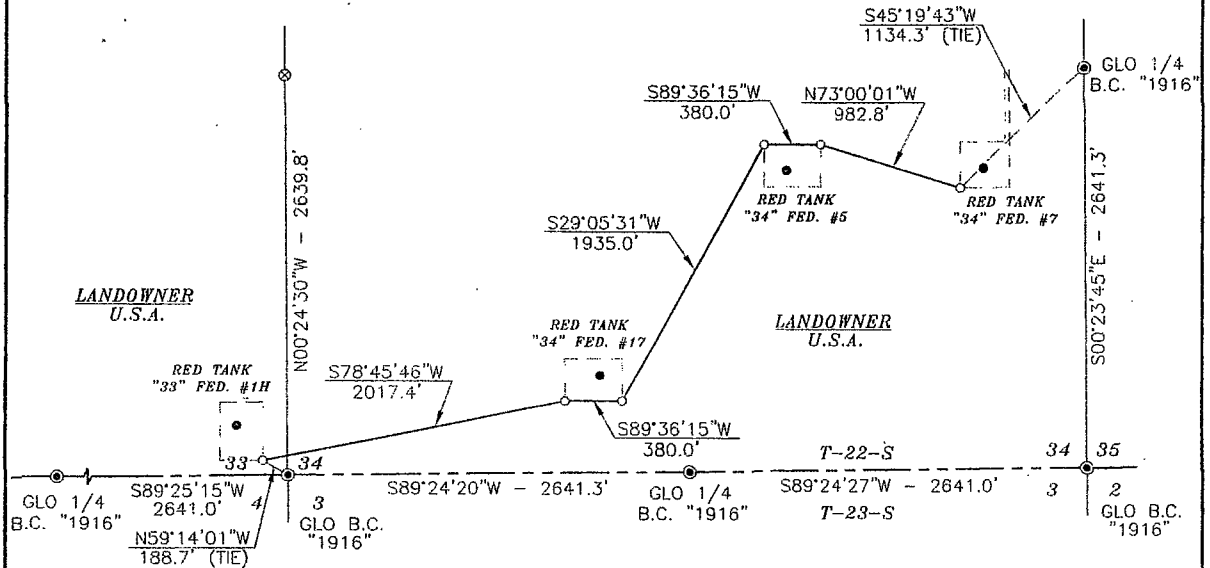
RED TANK "33" FED. #1H LOCATED AT
330' FSL & 330' FEL IN SECTION 33,
TOWNSHIP 22 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/15/12	Sheet 1 of 1 Sheets
W.O. Number: 121015WL-d (Rev. A)	Drawn By: KA Rev: A
Date: 03/15/13	121015WL-d Scale: 1"=1000'

SECTIONS 34 & 33, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY NEW MEXICO

0+00.0 BEGIN SURVEY @
OXY USA INC.
RED TANK "34" FED. #7
LAT. = 32°20'45.23"N
LONG. = 103°39'22.07"W
9+82.8 P.I. 17°23'44" LT.
13+62.8 P.I. 60°30'44" LT.
32+97.8 P.I. 60°30'44" RT.
36+77.8 P.I. 10°50'29" LT.
55+30.8 N-S SECTION LINE
56+95.2 END SURVEY @
OXY USA INC.
RED TANK "33" FED. #1H
LAT. = 32°20'27.69"N
LONG. = 103°40'16.04"W

North
Basis of Bearings - GPS Geodetic Measurements
NAD 83 North American Datum of 1983



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 5695.2 FEET OR 1.079 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTIONS 34 & 33, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



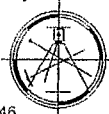
SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 3/21/2013
Terry J. Asel, N.M. R.P.L.S. No. 15079

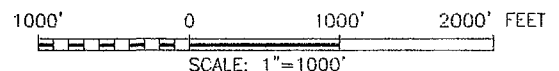
Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



LEGEND

- - DENOTES FOUND MONUMENT AS NOTED
- ⊗ - DENOTES CALCULATED CORNER



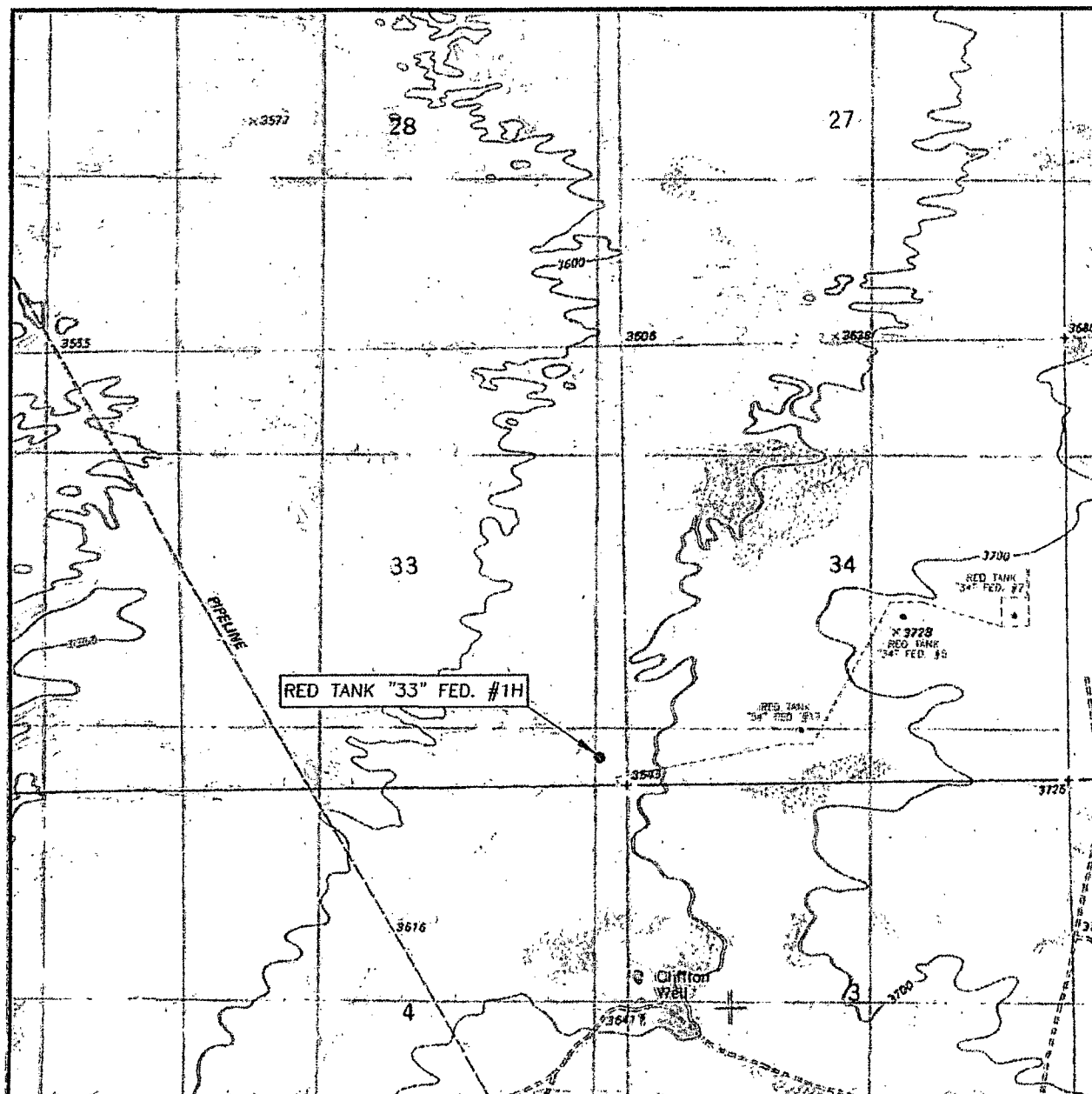
OXY USA INC.

SURVEY FOR A ROAD EASEMENT CROSSING
U.S.A. LAND IN SECTIONS 34 & 33,
TOWNSHIP 22 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10/15/12	Sheet 1 of 1 Sheets
W.O. Number: 130319RD	Drawn By: KA
Date: 03/19/13	130319RD.DWG Scale: 1"=1000'

LUM

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 33 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 330' FSL & 330' FEL

ELEVATION 3636.6'

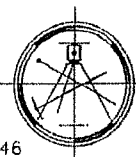
OPERATOR OXY USA INC.

LEASE RED TANK "33" FED. #1H

U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, N.M.

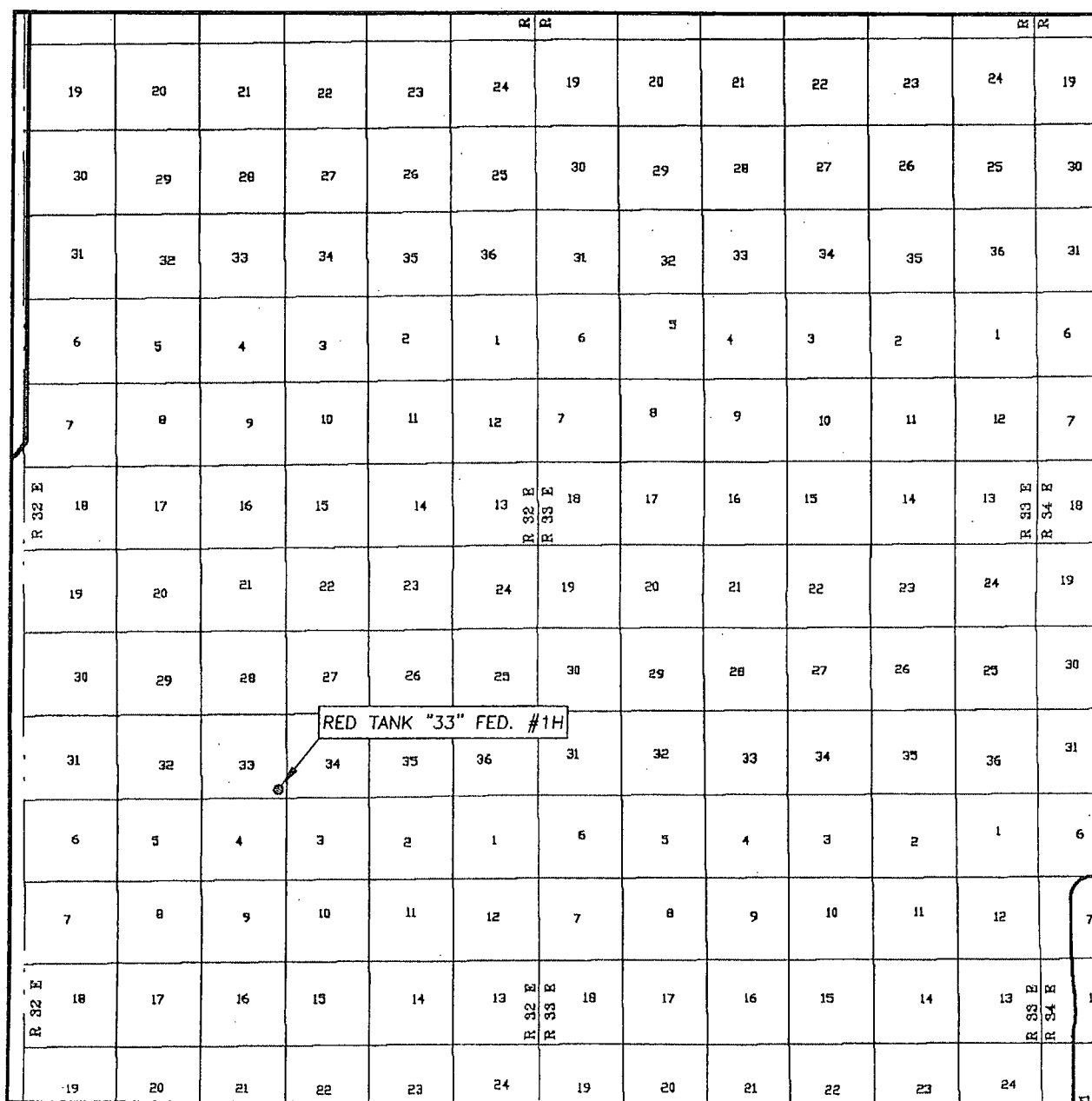
Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



UM

VICINITY MAP

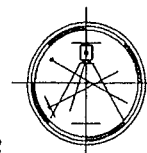


SEC. 33 TWP. 22-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 330' FSL & 330' FEL
 ELEVATION 3636.6'
 OPERATOR OXY USA INC.
 LEASE RED TANK "33" FED. #1H

SCALE: 1" = 2 MILES

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146

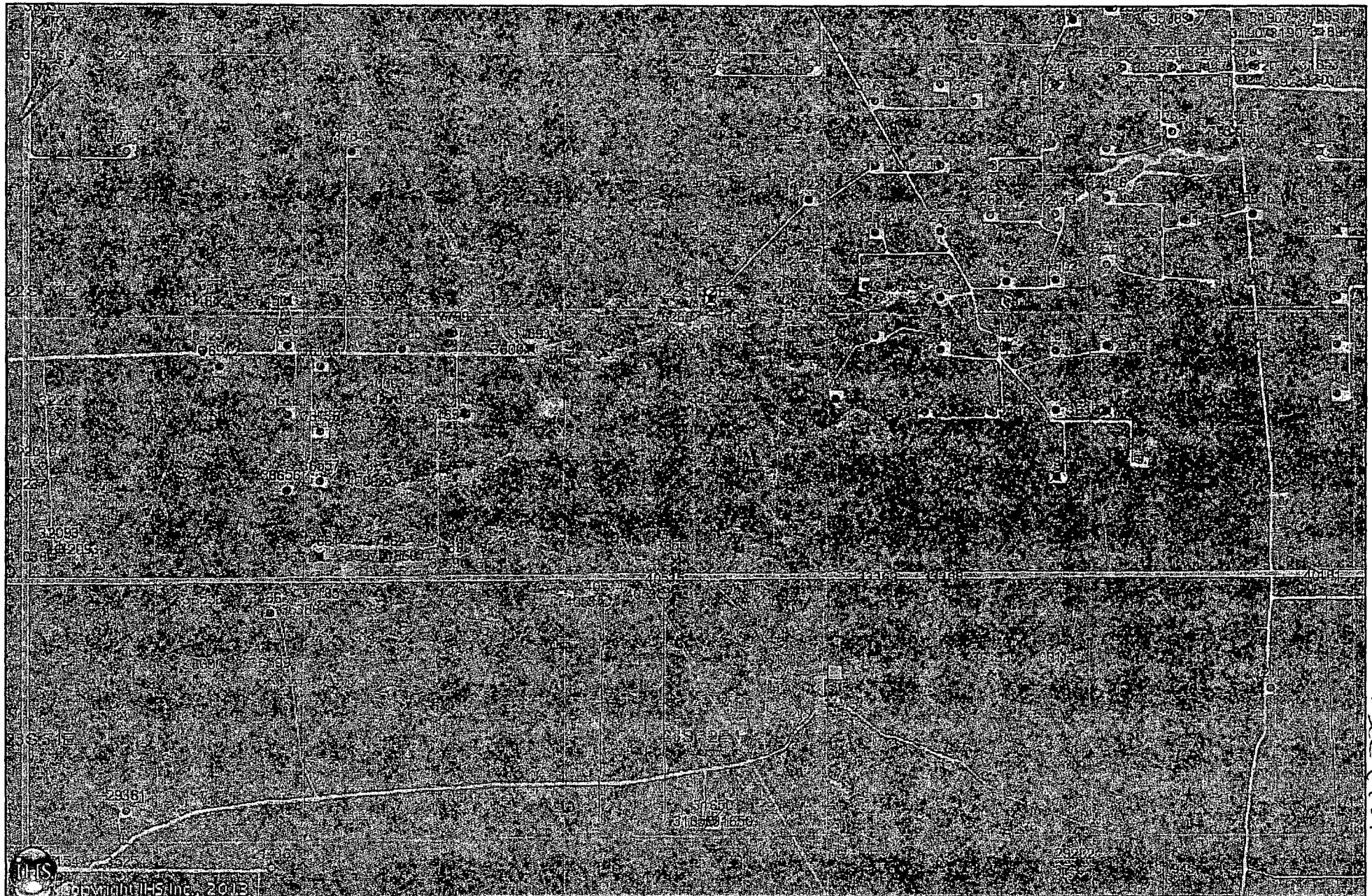


DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTH ON EDDY COUNTY ROAD #798 FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST SOUTHEAST FOR 2.5 MILES, TURN RIGHT AND GO SOUTHEAST FOR 1.8 MILES, TURN LEFT AND CONTINUE SOUTHEAST FOR 0.3 MILES, TURN RIGHT AND GO SOUTH FOR 0.2 MILES, TURN RIGHT AND GO WEST FOR 0.1 MILES, CONTINUE NORTHWEST AND SOUTHWEST ON PROPOSED ROAD FOR 5695.2 FEET TO LOCATION.

Red Tank 33 Federal #1H - 1 Mile AOR

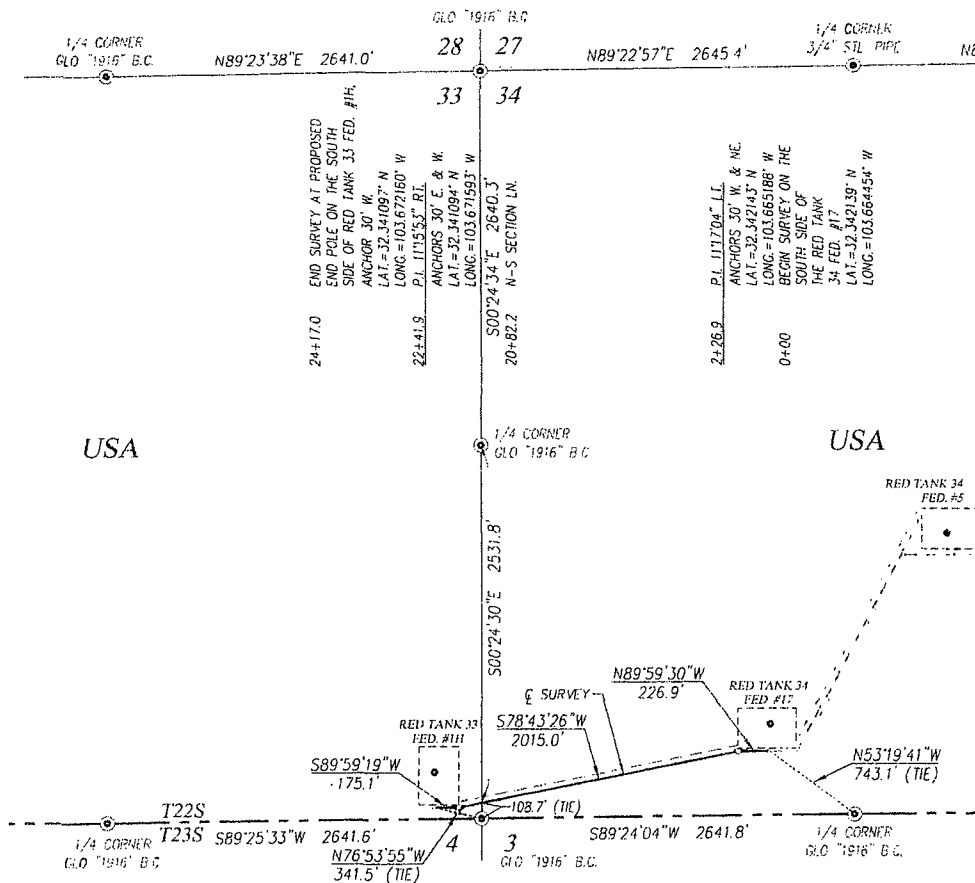


Red Tank 33 Federal #1H - 9 Sec Plat



9 sec Plat

SECTIONS 33 & 34, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



DESCRIPTION

SURVEY OF A STRIP OF LAND 50.0 FEET WIDE AND 2417.0 FEET OR 0.458 MILES IN LENGTH CROSSING USA LAND IN SECTIONS 33 & 34, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

- 1) BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
- 2) LATITUDE AND LONGITUDE VALUES SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN DATUM 1983 (NAD83).

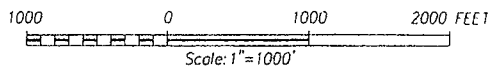
LEGEND

⊙ DENOTES FOUND CORNER AS NOTED

I, GARY G. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 12641, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

GARY G. EIDSON
DATE: 3/28/13

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz



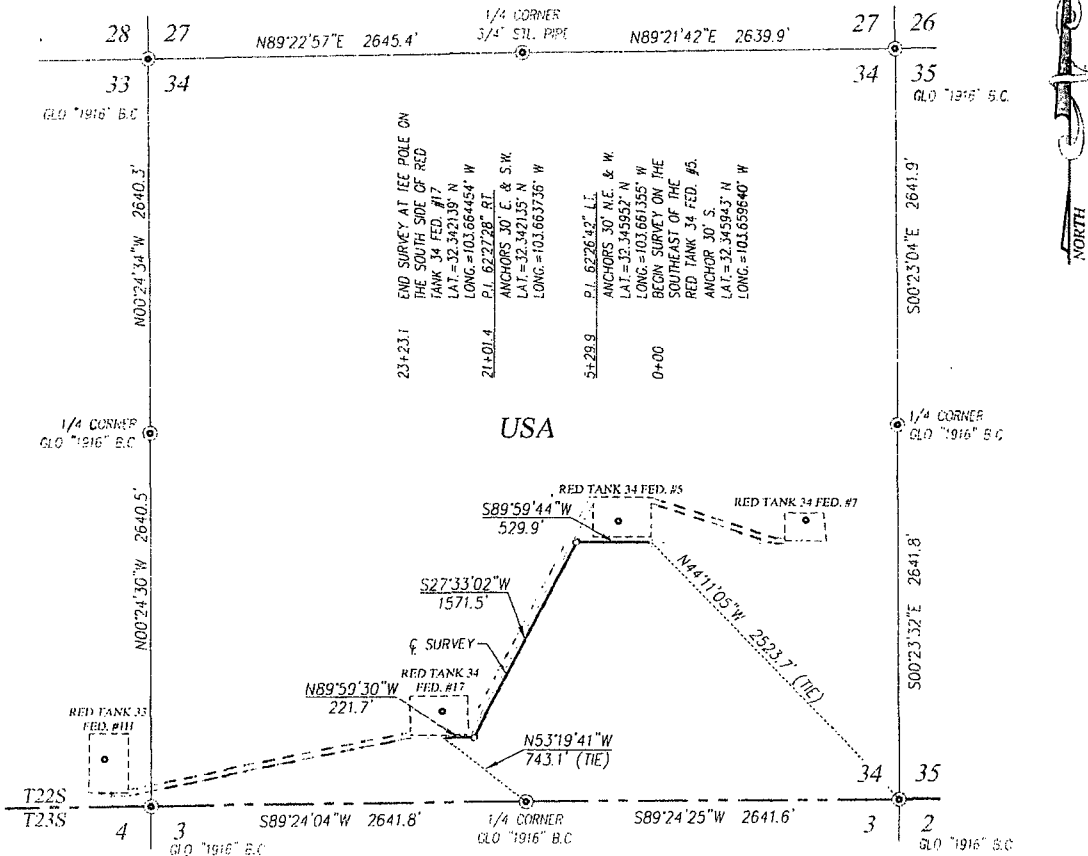
OXY U.S.A. INC.

SURVEY OF AN ELECTRIC LINE
TO THE RED TANK 33 FEDERAL #1H
SECTIONS 33 & 34, TOWNSHIP 22 SOUTH,
RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

Survey Date: 3/8/13	CAD Date: 3/20/13	Drawn By: ACR
W.O. No.: 13110248	Rev. :	Rel. W.O.:

Sheet 1 of 1

SECTION 34, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY
NEW MEXICO



DESCRIPTION

SURVEY OF A STRIP OF LAND 50.0 FEET WIDE AND 2323.1 FEET OR 0.440 MILES IN LENGTH CROSSING
USA LAND IN SECTION 34, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO,
AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

- 1) BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
- 2) LATITUDE AND LONGITUDE VALUES SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN DATUM 1983 (NAD83).

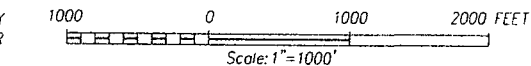
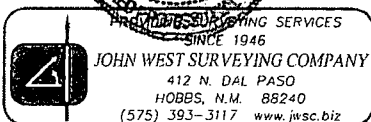
LEGEND

⊙ DENOTES FOUND CORNER AS NOTED

I, GARY G. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 12641, DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH THIS PLAT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION. I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

GARY G. EIDSON

DATE: 3/20/13



OXY U.S.A. INC.

SURVEY OF AN ELECTRIC LINE
TO THE RED TANK 34 FEDERAL #17
IN SECTION 34, TOWNSHIP 22 SOUTH,
RANGE 32 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

Survey Date: 3/11/13	CAD Date: 3/20/13	Drawn By: ACR.
W.O. No.: 13110250	Rev. :	Rel. W.O.:

Sheet 1 of 1



NOTE

- LEGEND

1000 0 1000 2000 FEET

Scale: 1" = 1000'



OXY U.S.A. INC.

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