

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number: OCCIDENTAL PERMIAN LIMITED PARTNERSHIP - 157984
 Lease Name/Number: LUSK 28 WEST FEDERAL COM #1H
 Pool Name/Number: LUSK; BONE SPRING, SOUTH - 41460
 Surface Location: O, SEC 28, T19S, R32E; 652' FSL & 2425' FEL; LEA COUNTY
 Bottom Hole Location: B, SEC 28, T19S, R32E; 330' FNL & 2284' FEL; LEA COUNTY

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1. Existing Roads

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- a. A copy of a USGS "_GREENWOOD LAKE_, NM" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system. **RECEIVED**
- b. The well was staked by _Terry J Asel_Certificate No. _15079_ on _06-14-2012_, certified 09-07-2012_.
- c. Directions to Location:
 BEGINNING AT THE INTERSECTION OF U.S. HWY. #62/180 AND STATE HWY. #176, GO
 NORTHEAST ON STATE HWY. #176 FOR 3.0 MILES, GO EAST FOR 0.8 MILES, TURN LEFT ON COUNTY
 ROAD #126A AND GO NORTH FOR 3.8 MILES, TURN RIGHT ON CALICHE ROAD AND GO EAST FOR 1.1
 MILES, TURN LEFT AND GO NORTHEAST FOR 0.2 MILES, GO EAST FOR 0.2 MILES, CONTINUE EAST ON
 PROPOSED ROAD FOR 742.0 FEET TO LOCATION.

2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run approximately ____742'____ 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 existing caliche road as required/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 production would be sent to the central tank battery located on the Lusk 28 West Fed Com CTB. The proposed lines will be approximately 1500' of QTY 14" SDR 7 Polyethylene laid on surface from well the CTB and will be operating <125 psig. See proposed Production Facilities Layout diagram.
- b. The proposed route for the electric line has been surveyed and is attached.
- c. All flowlines will adhere to API Standards.

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. ~~NO. 1~~ ~~OCD~~

6. Construction Materials:

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All caliche utilized for the drilling pad and proposed access road will be obtained from an existing ~~BLM~~ ~~VED~~ 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 - CONTROL RECOVERY INC - R9166
 2. Liquids - SUNDANCE LANDFILL - NM-01-003
- 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:
 1. Solids - CONTROL RECOVERY INC - R9166
 2. Liquids - SUNDANCE LANDFILL - NM-01-003

8. Ancillary Facilities: None needed

9. Well Site Layout

See attached for the proposed well site layout with dimensions of the pad layout and equipment location.

V-Door WEST CL Tanks 40' X 75' 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.

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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: _____ G & L Cattle, LLC

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.

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b. There is no permanent or live water in the general proximity of the location.

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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	\$1,463.00	0	\$0.17/ft over 1/4 mile	\$0.00	\$1,463.00
Pipeline - up to 1mile	\$1,350.00	0	\$274 per 1/4 mile	\$0.00	\$1,350.00
Electric Line - up to 1mile	\$676.00	0	\$0.19/ft over 1 mile	\$0.00	\$676.00
Total	<u>\$3,489.00</u>			<u>\$0.00</u>	<u>\$3,489.00</u>

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. _____ NM2797

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

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

Allan Wells
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-350-4810
Cellular: 713-569-8697

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

Juan Pinzon
Drilling Engineering Supervisor
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5058
Cellular: 713-503-3962

Carlos Mercado
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5418
Cellular: 281-455-3481

LUSK 28 WEST FEDERAL COM #1H

Surface Owner: BLM

Tenant: G & L Cattle, LLC

23574 HWY 287

Springfield, CO 81073

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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 11th day of December 2012.

Name: David Schellstede

Position: Reservoir Management Team Leader

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

Telephone: 713-366-5013

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

Company: Occidental Permian Limited Partnership

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

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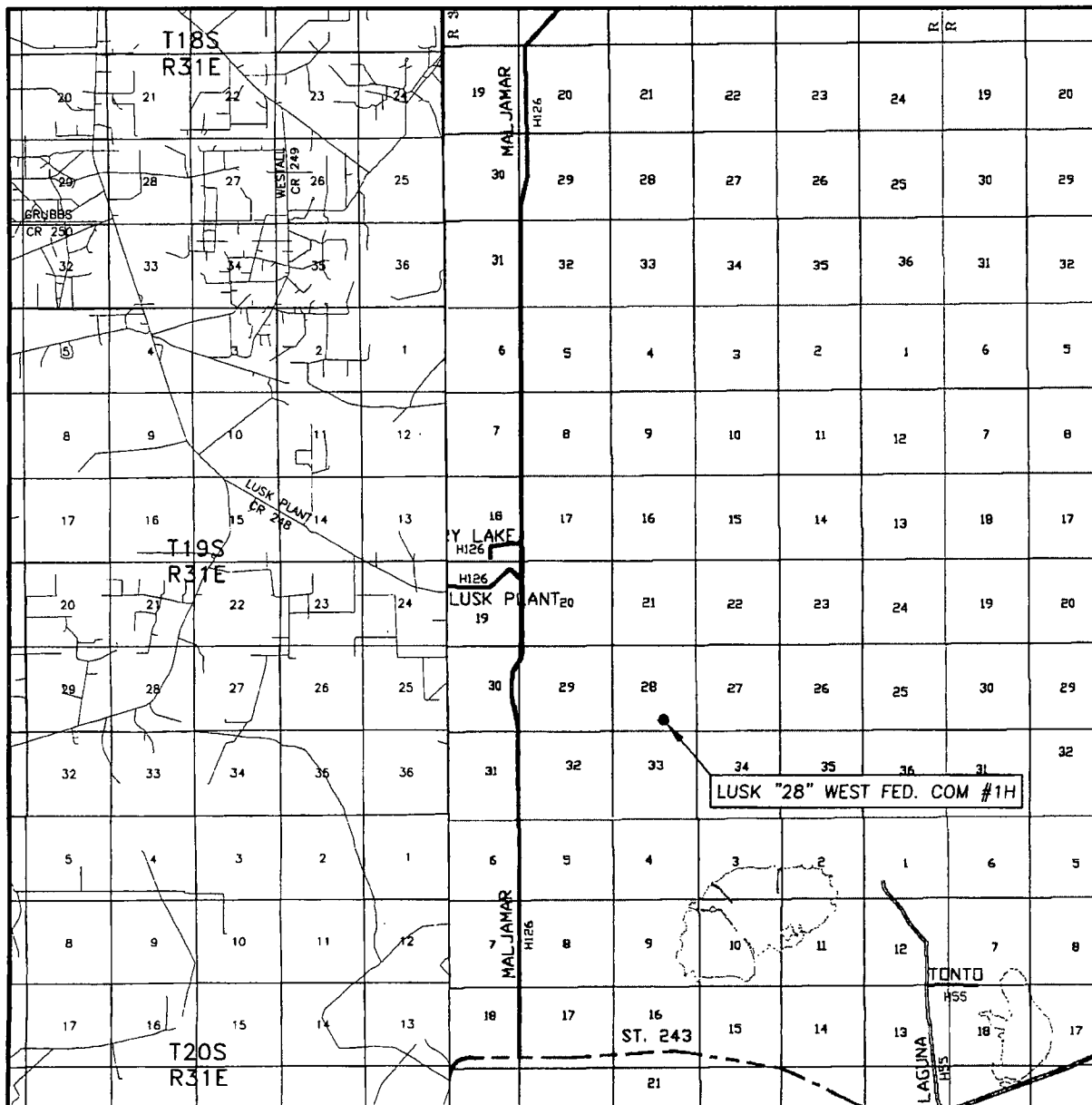
Survey Date: 06/14/12	Sheet 1 of 1 Sheets	
W.O. Number: 120614WL-a	Drawn By: KA	Rev:
Date: 09/07/12	120614WL-a	Scale: 1" = 1000'

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SEC. 28 TWP. 19-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 652' FSL & 2425' FEL

ELEVATION 3560.8'

OPERATOR Occidental Permian LP

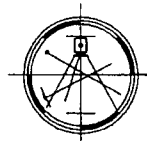
LEASE LUSK "28" WEST FED. COM #1H

DIRECTIONS BEGINNING AT THE INTERSECTION OF U.S. HWY. #62/180 AND STATE HWY. #176, GO NORTHEAST ON STATE HWY. #176 FOR 3.0 MILES, GO EAST FOR 0.8 MILES, TURN LEFT ON COUNTY ROAD #126A AND GO NORTH FOR 3.8 MILES, TURN RIGHT ON CALICHE ROAD AND GO EAST FOR 1.1 MILES, TURN LEFT AND GO NORTHEAST FOR 0.2 MILES, GO EAST FOR 0.2 MILES, CONTINUE EAST ON PROPOSED ROAD FOR 742.0 FEET TO LOCATION.

SCALE: 1" = 2 MILES

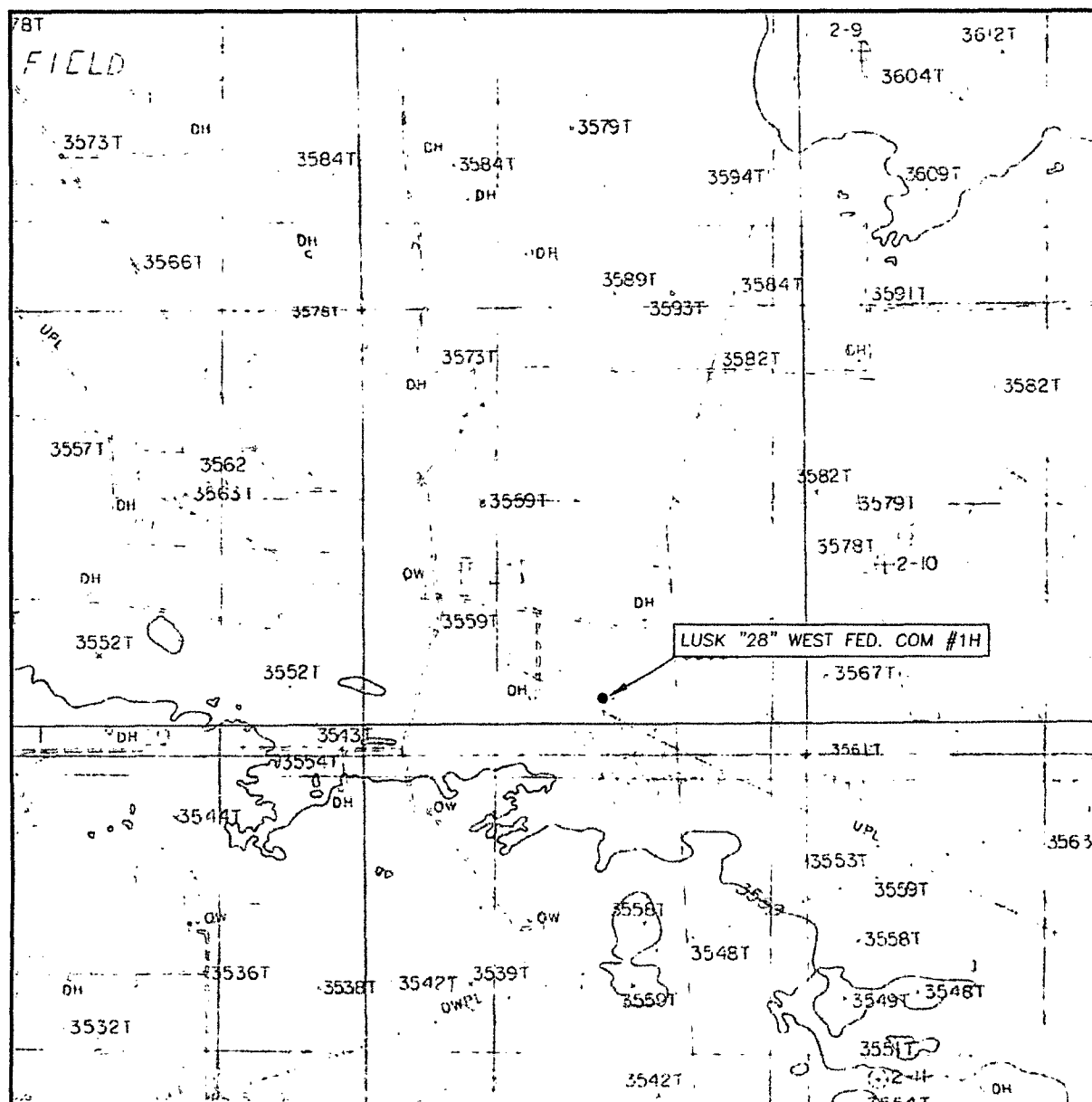
Asel Surveying

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



LOCATION VERIFICATION MAP

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SCALE: 1" = 2000'

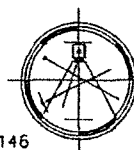
CONTOUR INTERVAL: 10'

SEC. 28 TWP. 19-S RGE. 32-ESURVEY N.M.P.M.COUNTY LEADESCRIPTION 652' FSL & 2425' FELELEVATION 3560.8'OPERATOR Occidental Permian LPLEASE LUSK "28" WEST FED. COM #1H

U.S.G.S. TOPOGRAPHIC MAP
 GREENWOOD LAKE, N.M.

Asel Surveying

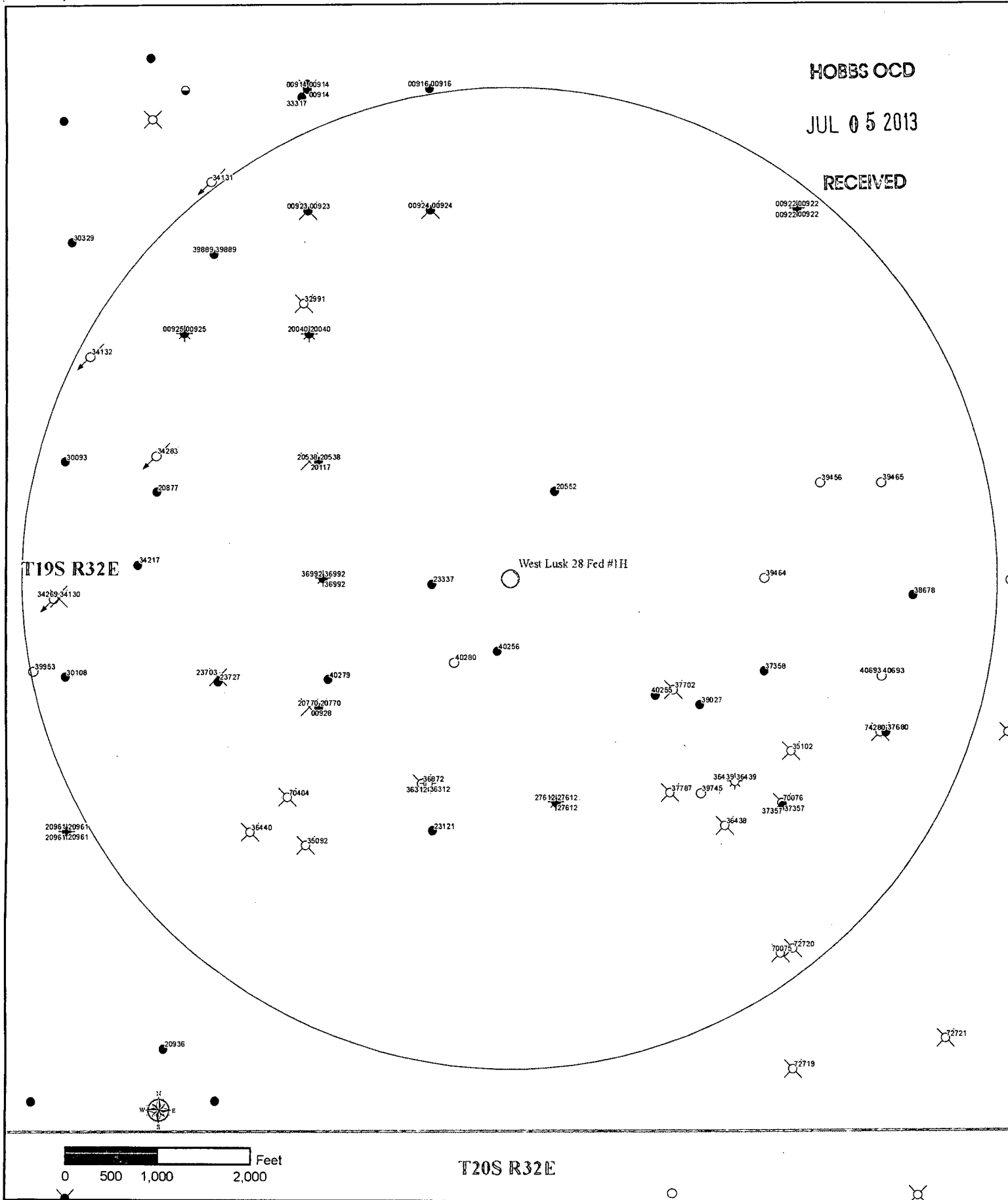
P.O. BOX 393 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146



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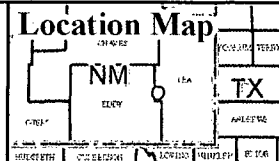
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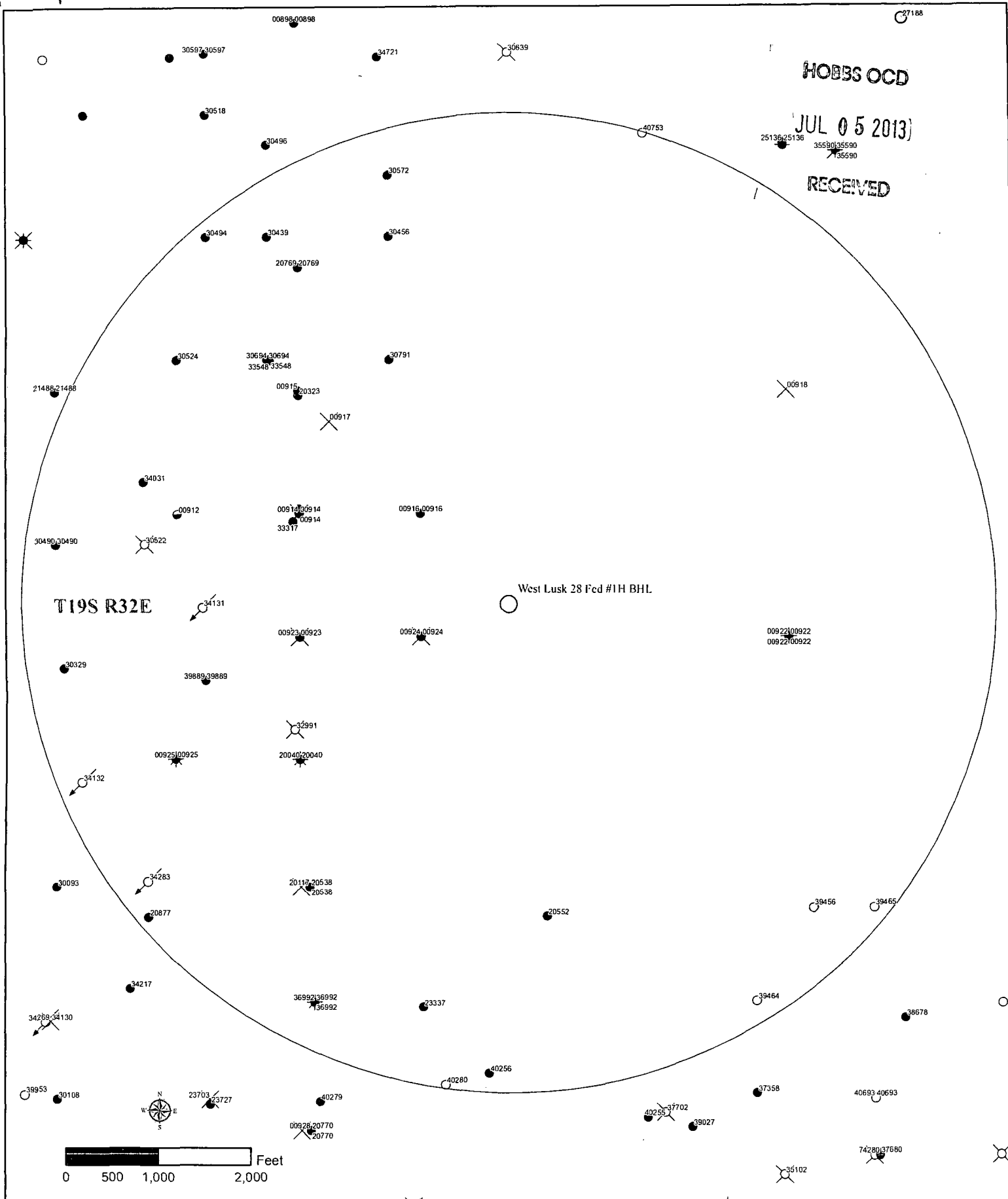


Permian Primary
New Mexico
Eddy & Lea Counties
Oxy 2012 Wells with
1 Mile Radius
DL - 11/08/2012

○ OXY WELL	☀ GAS SHOWS	☀ SUS	✕ ABANDONED LOC	○ OTHER
● IHS Well	● OIL SHOWS	☀ AGW	✕ ABANDONED-NO SHOWS	○ 1 MILE RADIUS
☀ GAS	☀ O&G SHOWS	☀ AOW	✕ INI-NO SHOWS	
● OIL	○ LOC	☀ AO&GW		
☀ O&G				

Coordinate System Information
Geographic Coordinate System North American 1983
Datum: North American 1983
114D 1927 State Plane New Mexico East FIPS 3001
Footprint: Transverse Mercator
False Easting: 500000.000000
False Northing: 0.000000
Central Meridian: -104.333333
Scale Factor: 0.999909
Latitude Of Origin: 31.000000
Linear Unit: Feet US





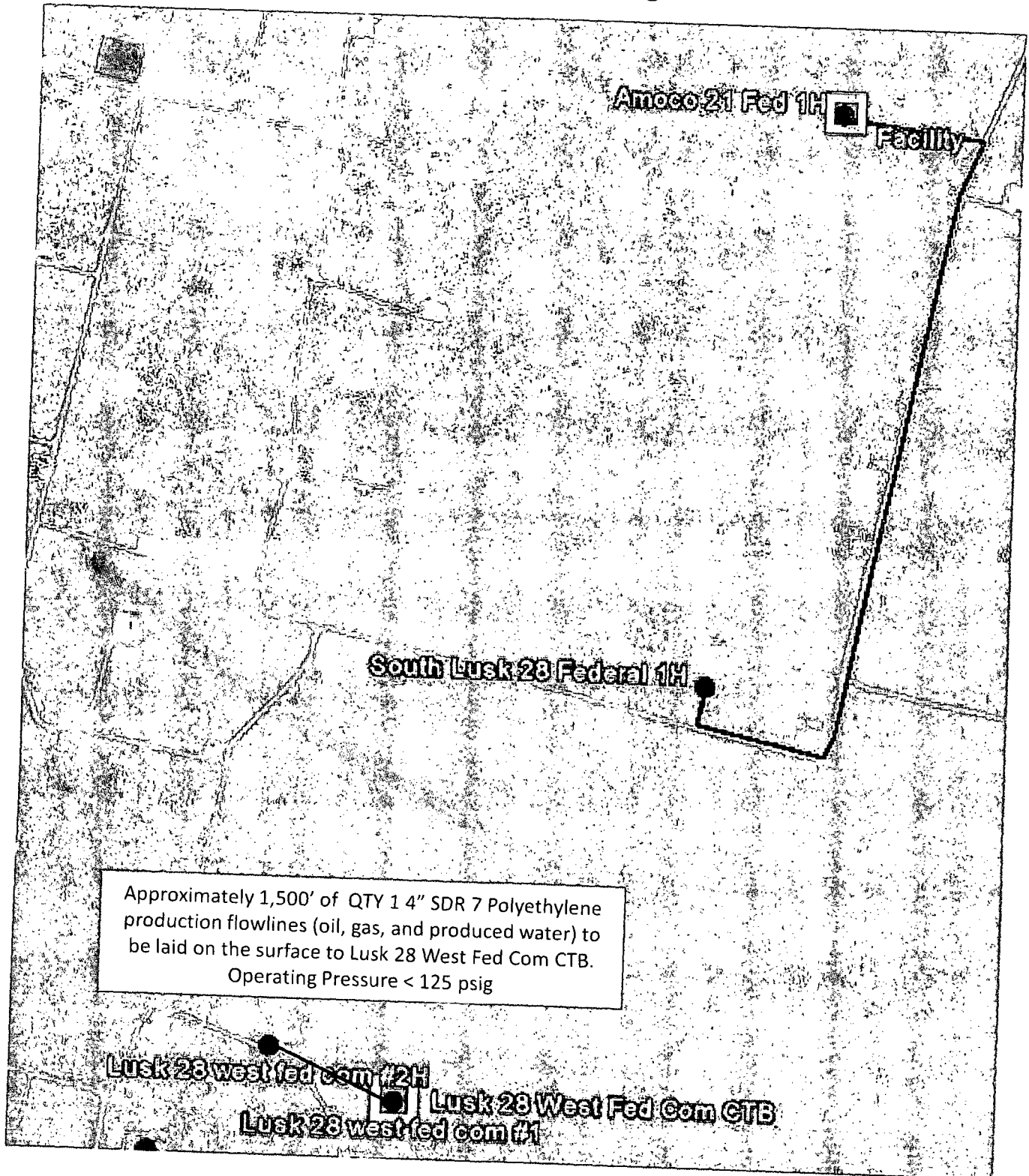
<p>Permian Primary</p> <p>New Mexico Eddy & Lea Counties Oxy 2012 Wells with 1 Mile Radius</p> <p>DL - 11/08/2012</p>	<p>Legend</p> <p>○ OXY WELL Bottom Hole</p> <p>⊙ IHS Well</p> <p>☀ GAS</p> <p>● OIL</p> <p>☀ O&G</p> <p>○ LOC</p> <p>☀ GAS SHOWS</p> <p>● OIL SHOWS</p> <p>☀ O&G SHOWS</p> <p>⊙ SUS</p> <p>⊙ AGW</p> <p>⊙ AOW</p> <p>⊙ AO&GW</p> <p>⊙ ABANDONED LOC</p> <p>⊙ ABANDONED-NO SHOWS</p> <p>⊙ INJ-NO SHOWS</p> <p>○ OTHER</p> <p>○ 1 MILE RADIUS</p>	<p>Coordinate System Information</p> <p>Geographic Coordinate System North American 1927</p> <p>Datum: North American 1927</p> <p>NAD 1927 State Plane New Mexico East FIPS 3001</p> <p>Projection: Transverse Mercator</p> <p>False Easting: 500000.000000</p> <p>False Northing: 0.000000</p> <p>Central Meridian: -104.333333</p> <p>Scale Factor: 0.999909</p> <p>Latitude Of Origin: 31.000000</p> <p>Linear Unit: Foot US</p>	<p>Location Map</p> <p>Map showing the location of the study area within New Mexico (NM) and Texas (TX).</p>
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Lusk 28 West Fed Com #2H & #1H Flow line routing

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Lusk 28 West Fed Com #2H & #1H Gas line routing

