30-015-39220

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:OXY USA Inc.16696Lease Name/Number:Goodnight 27 Federal #3H305116Pool Name/Number:Laguna Salado, Bone Spring South96857Surface Location:962 FSL 364 FWL SWSW(M) Sec 27 T23S R29EBottom Hole Location:400 FNL 740 FWL NWNW(D) Sec 27 T23S R29EFederal Lease Number:NMNM105557

1. Existing Roads

- a. A copy of a USGS "Remuda Basin, 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 9/3/09, certified 11/9/109.
- c. Directions to Location: From the intersection of Hwy 128 and Hwy 31, go east on Hwy 128 for 4.5 miles. Turn south on ECR 793 for 4.1 miles. Turn west on lease road for 3.5 miles. Turn southeast for 0.7 miles. Turn south on proposed road for 281' to location.

2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run approximately 281' south from an existing road to the location. See Exhibit #2.
- 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.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on Exhibit #3.

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

#1

- a. In the event the well is found productive, the Goodnight 27 Federal tank battery would be utilized and the necessary production equipment will be installed at the well site. See proposed Production Facilities Layout diagram, Exhibit #4.
- b. If necessary, electric power poles will be set along side of the access road. For 480 feet
- c. All flowlines will adhere to API Standards, see Exhibit #4.

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.

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

| | | | l equipment location. |
|--|--|--|-----------------------|
| | | | |
| | | | |

V-Door Southwest Tanks Pad 280' X 380'

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.

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 | \$1,379.00 | 0 | \$0.16/ft over 1/4 mile | \$0.00 | | \$1,379.00 |
|-----------------------------|------------|---|-------------------------|--------|------------|------------|
| Pipeline - up to 1mile | \$1,273.00 | 0 | \$266 per 1/4 mile | \$0.00 | | \$1,273.00 |
| Electric Line - up to 1mile | \$637.00 | 0 | \$0.18/ft over 1 mile | \$0.00 | | \$637.00 |
| Total | \$3,289.00 | | | \$0.00 | \$3,289.00 | \$3,289.00 |

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. ES0136.

Operators Representatives:

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

| Gilbert Williams | Larry Sammons | | | | |
|------------------------|-------------------|--|--|--|--|
| Production Coordinator | Production Lead | | | | |
| P.O. Box 50250 | P.O. Box 50250 | | | | |
| Midland, TX 79710 | Midland, TX 79710 | | | | |
| | O(f) D1 400 | | | | |

Office Phone: 432-385-2778 Office Phone: 432-685-5724 Cellular: 806-215-0009 Cellular: 432-296-9323

Travis Samford Calvin (Dusty) Weaver
Drilling Superintendent Operation Specialist
P.O. Box 4294 P.O. Box 50250
Houston, TX 77210 Midland, TX 79710
Office Phone: 713-215-7849 Office Phone: 432-685-5723
Cellular: 281-684-6897 Cellular: 806-893-3067

Frank Hutton

Drilling Engineering Supervisor

P.O. Box 4294

Houston, TX 77210

Office Phone: 713-366-5325

Juan Sierra

Drilling Engineer

P.O. Box 4294

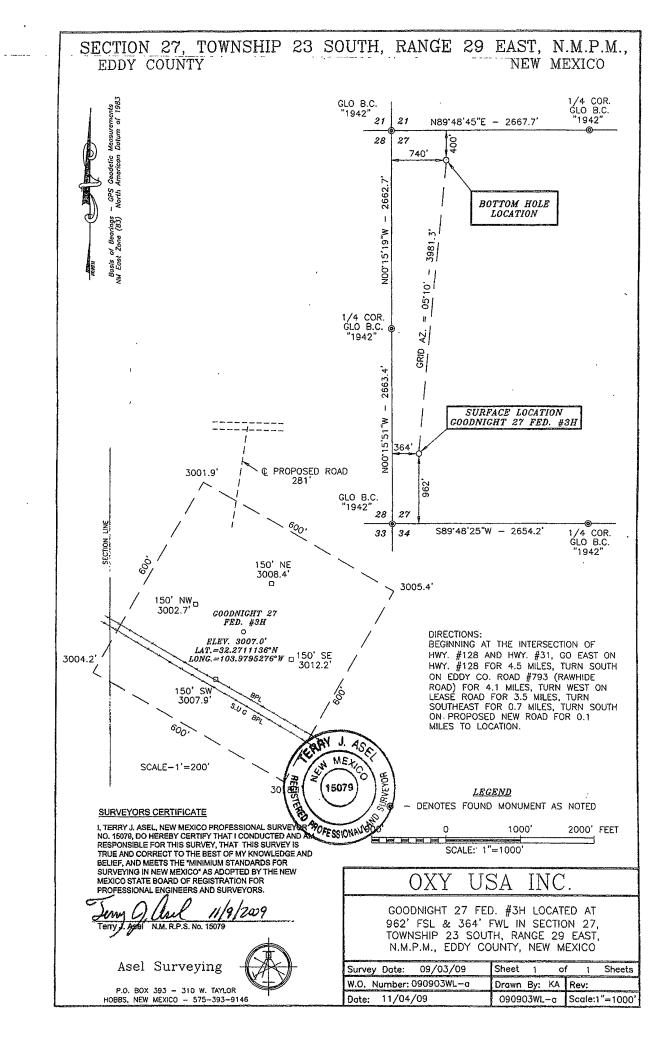
Houston, TX 77210

Office Phone: 713-215-7757

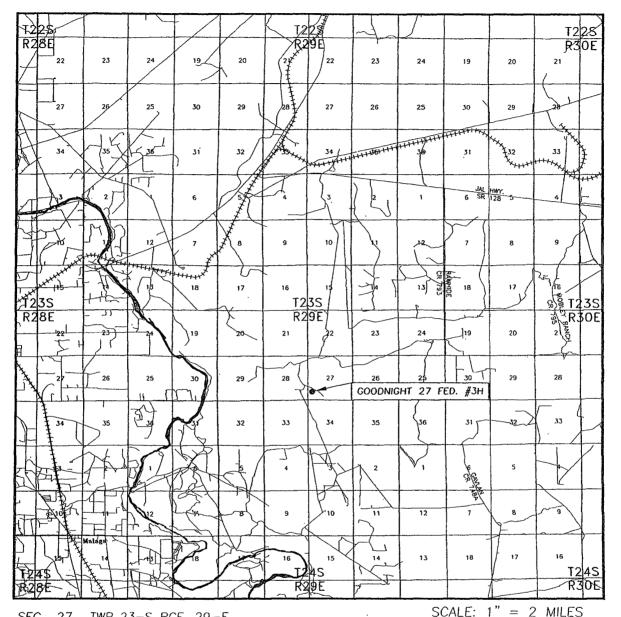
Cellular: 713-855-4274 Cellular: 832-660-3136

OPERATOR CERTIFICATION

| Name: Denise Woods Almi Woods | |
|--|---|
| Position:Reservoir Management Team Leader | |
| Address:5 Greenway Plaza, Suite 110, Houston, TX 77046 | |
| Telephone:713-215-7154 | |
| E-mail: (optional):denise_woods@oxy.com | |
| Company:OXY USA Inc | _ |
| Field Representative (if not above signatory):Gilbert Williams | |
| Address (If different from above): _P.O. Box 50250 Midland, TX 79710 | _ |
| Telephone (if different from above):432-385-2778 | |
| E-mail (if different from above):gilbert_williams@oxy.com | _ |



VICINITY MAP



SEC. 27 TWP. 23-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 962' FSL & 364' FWL

ELEVATION 3007.0'

OPERATOR OXY USA INC.

LEASE GOODNIGHT 27 FED. #3H

SCALL. I - Z MIL

Asel Surveying

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



DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #128 AND HWY. #31, GO EAST ON HWY. #128 FOR 4.5 MILES, TURN SOUTH ON EDDY CO. ROAD #793 (RAWHIDE ROAD) FOR 4.1 MILES, TURN WEST ON LEASE ROAD FOR 3.5 MILES, TURN SOUTHEAST FOR 0.7 MILES, TURN SOUTH ON PROPOSED NEW ROAD FOR 0.1 MILES TO LOCATION.



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 27 TWP. 23—S RGE. 29—E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 962' FSL & 364' FWL

ELEVATION 3007.0'

OPERATOR OXY USA INC.

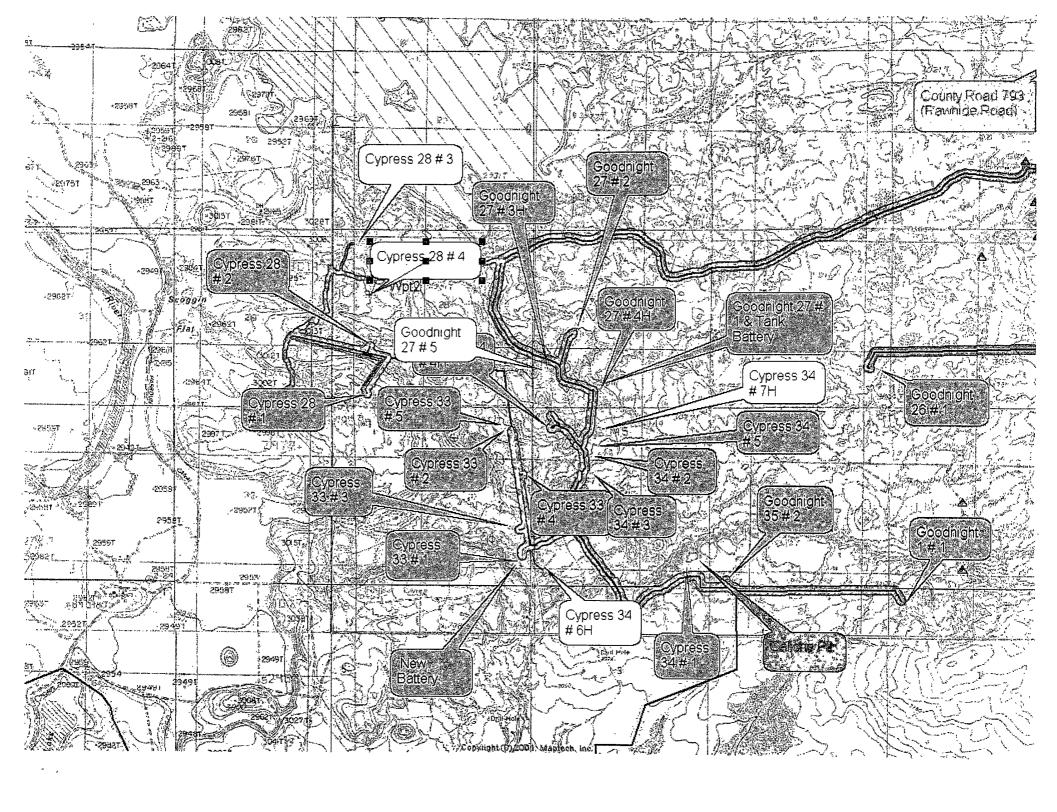
LEASE GOODNIGHT 27 FED. #3H

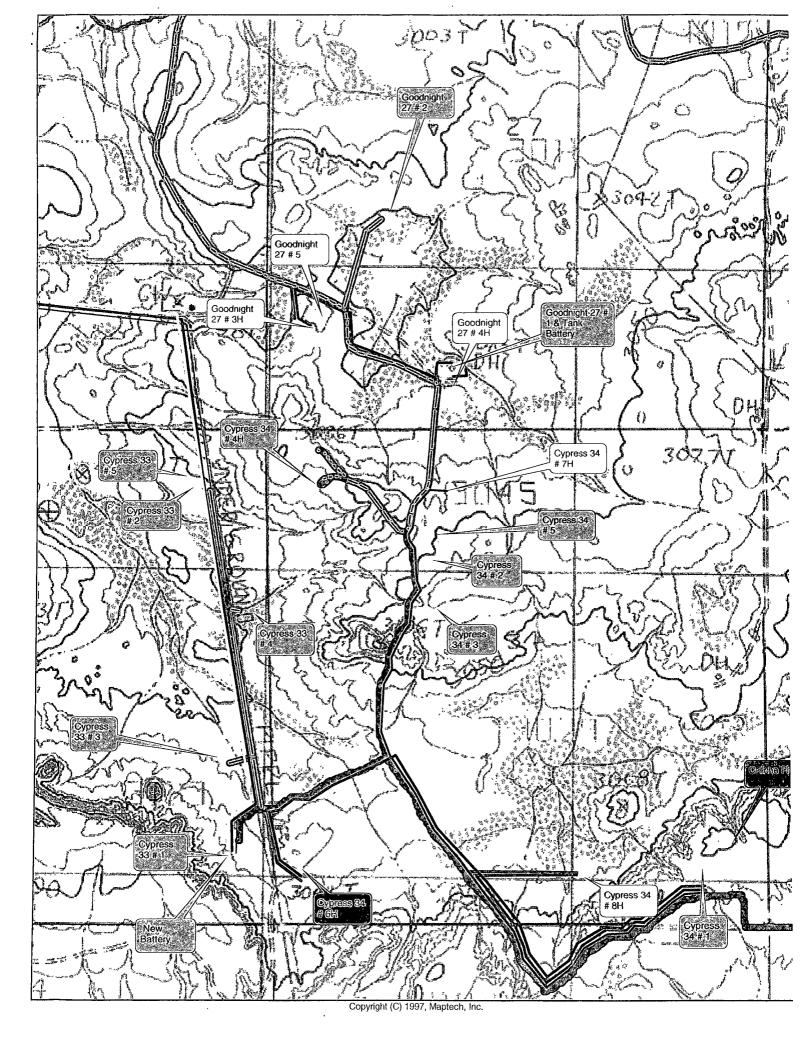
U.S.G.S. TOPOGRAPHIC MAP

REMUDA BASIN, N.M.



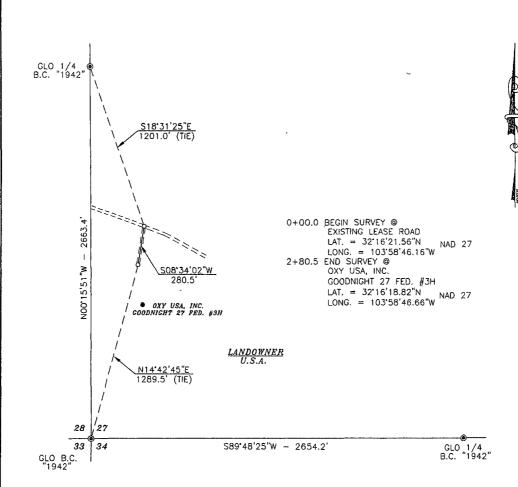






Mccess Koad

SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY NEW MEXICO



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 280.5 FEET OR 0.053 MILES IN LENGTH CROSSING U.S.A LAND IN SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY 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 MÉXICO 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 "MINIMIUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Jerry J. Ass. N.M. R.P.S. No. 15079

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

LEGEND

DENOTES FOUND MONUMENT AS NOTED

Measurements Datum of 1983

Geodetic American

- GPS North

of Bearings . t Zone (83)

Basis o NM Eost

500' 0 500' 1000' FEET

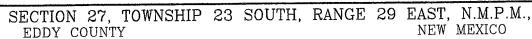
SCALE 1"=500'

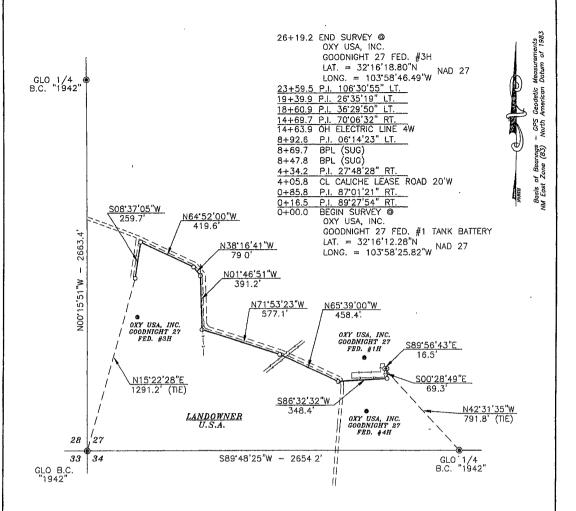
OXY USA, INC.

SURVEY FOR A ROAD EASEMENT CROSSING_U.S.A. LAND_IN_SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

| | Survey Dote: | 09/03/09 | Sheet | 1 | of | '1 | Sheets |
|---|--------------|------------|--------|-------|-----|--------|---------|
| i | W.O. Number: | 090903RD-a | Drawn | Ву: | KA | | |
| | Date. 11/09/ | ′09 | 090903 | RD~a. | DWG | Scale: | 1"=500' |

rlow line





DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 2619.2 FEET OR 0.496 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND 15.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



<u>LEGEND</u>

DENOTES FOUND MONUMENT AS NOTED

SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR 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 "MINIMIUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.



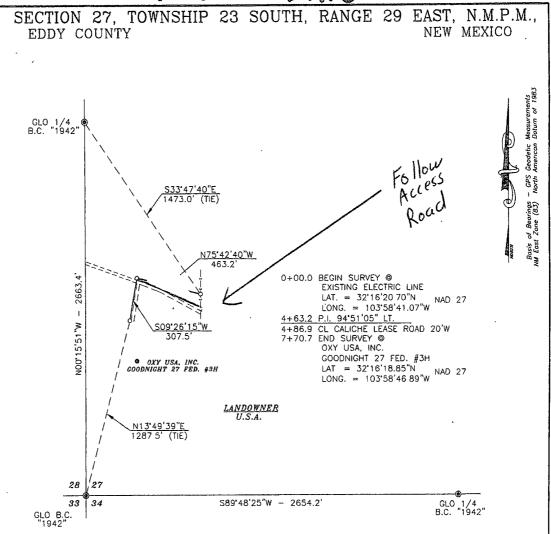
Asel Surveying P.O. BOX 393 - 310 W. TAYLOR HOBBS, NEW MEXICO - 575-393-9146 500' 500 1000' FEET SCALE: 1"=500"

USA INC.

SURVEY FOR A PIPELINE EASEMENT CROSSING U.S.A. LAND IN SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

| Survey Date: | 09/03/09 | Sheet | 1 | 0 | f | 1 | Sheets |
|--------------|------------|--------|--------|----|-----|------|--------|
| W.O. Number: | 090903PL · | Drawn | Ву: | KA | | | |
| Date: 11/05/ | 09 | 090903 | PL.DW0 | 3 | Sco | le:1 | "=500" |

Electric Line



DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE AND 770.7 FEET OR 0.146 MILES IN LENGTH CROSSING U.S.A. LAND IN SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY 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 "MINIMIUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.



Asel Surveying

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

LEGEND

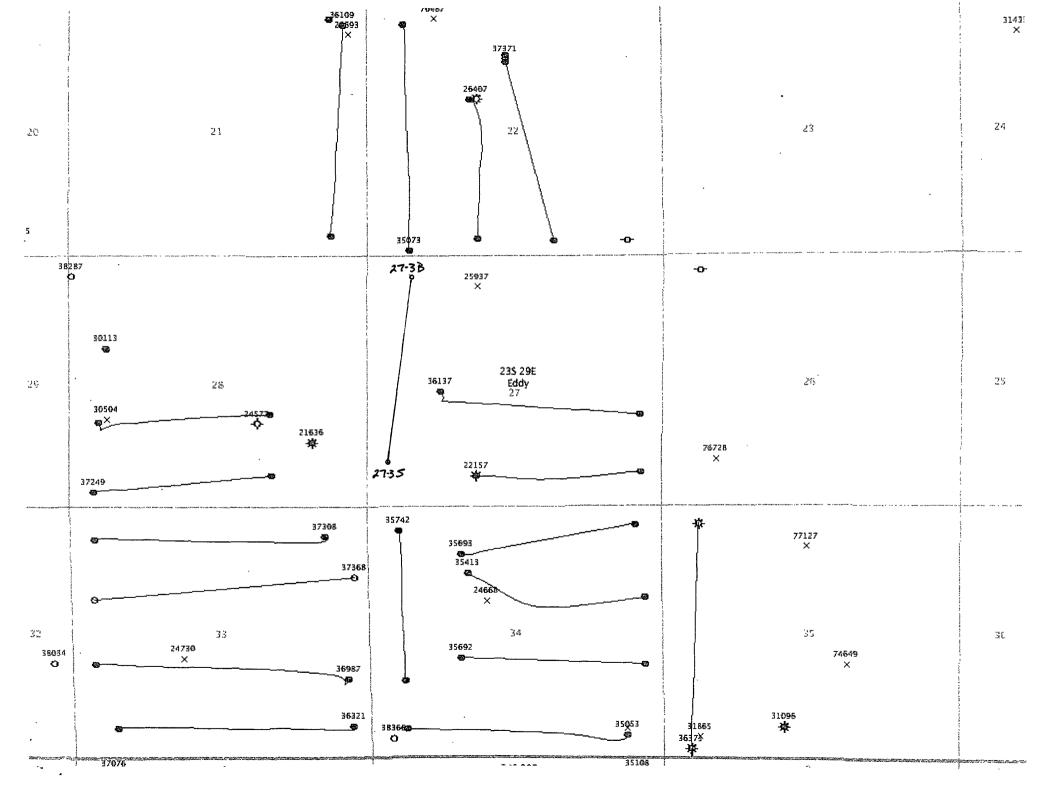
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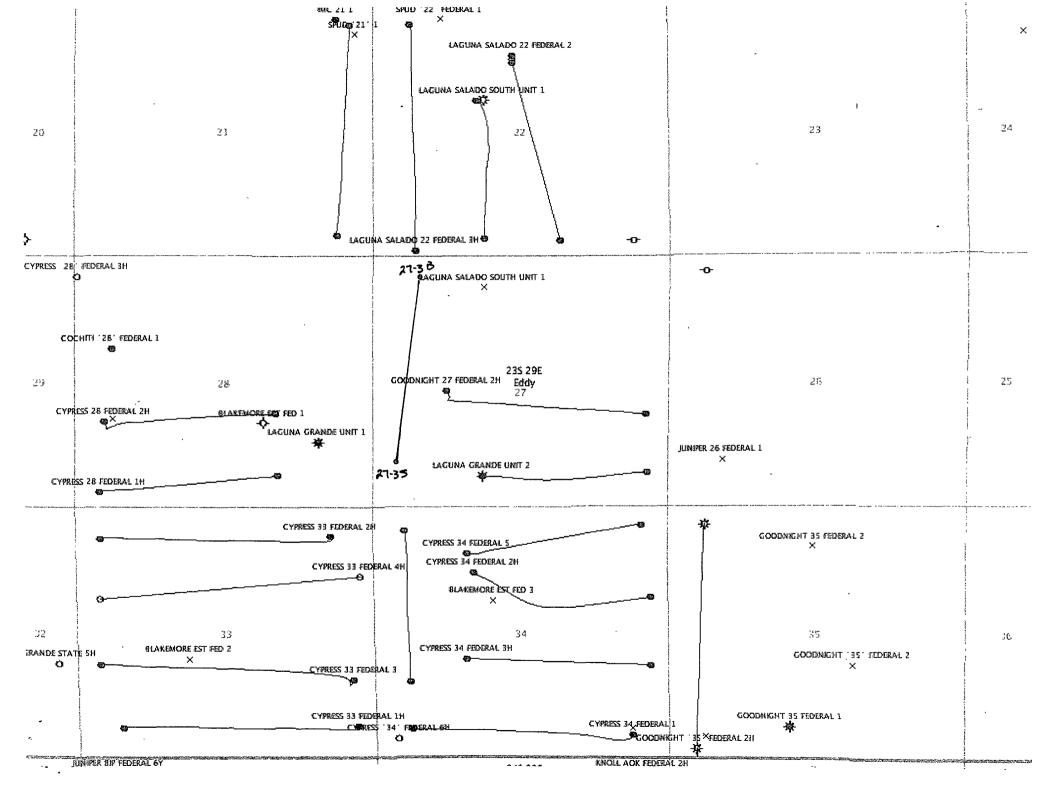
5001 500' Ω 1000' FEET SCALE 1"=500"

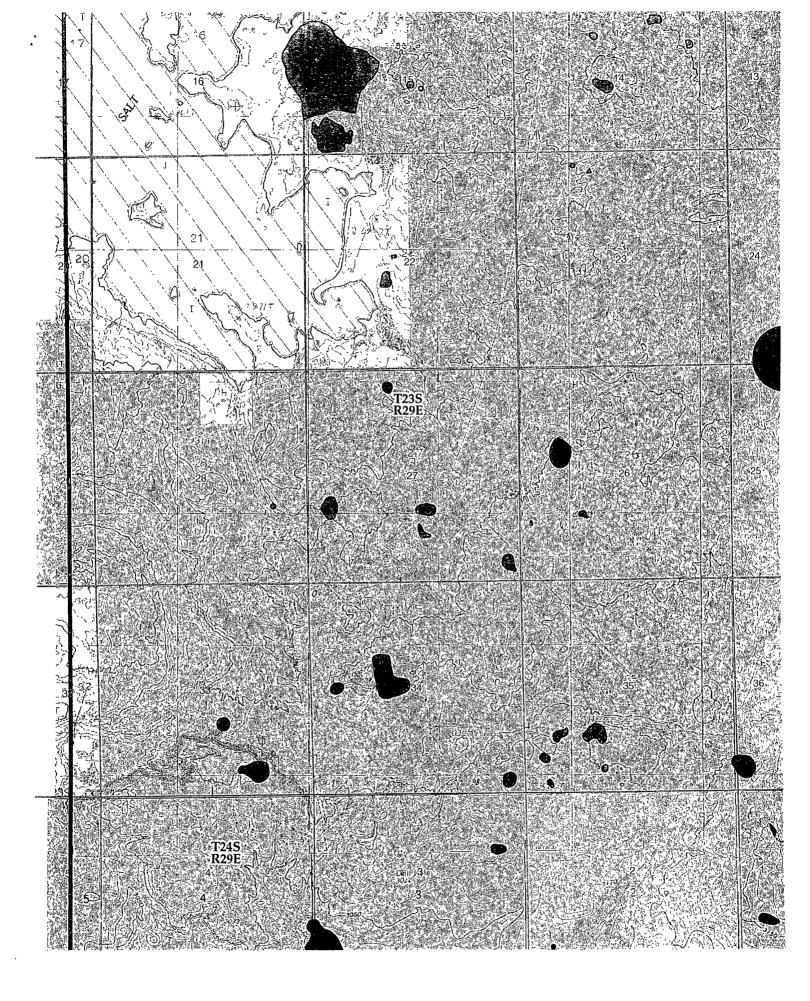
USA

SURVEY FOR AN ELECTRIC LINE EASEMENT CROSSING U.S.A LAND IN SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

| Survey Date: 09/03/09 | Sheet 1 or | f 1 Sheets |
|-----------------------|--------------|---------------|
| W.O. Number: 090903EL | Drawn By: KA | |
| Date: 11/05/09 | 090903EL.DWG | Scale:1"=500' |

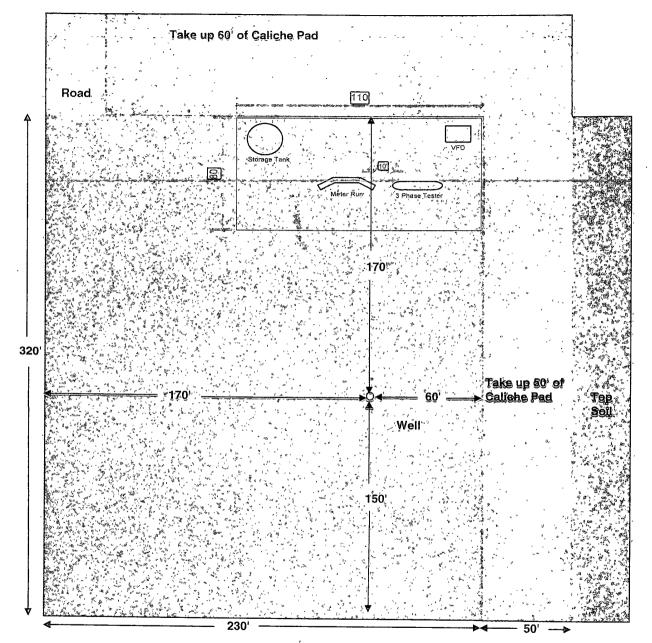








H & P Flex 3 Rig Goodnight 27 Federal #3



If road comes into the Northwest corner of pad Oxy will take up and re-seed 50' on east side and 60' on north side of pad

NORTH

Goodnight 27#3 Equipment List

1 ea. VFD (30"x10') 1 ea. 3-Phase Tester (30"x10')

1 ea. Meter Run

1 ea. Swab Tank (300 bbl)

OXY FLEX III PAD (SCOMI Closed Loop System)

Level Area-No Caliche-For Offices and Living Quarters

