

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	OXY USA Inc.	16696
Lease Name/Number:	Bank 13 Federal Com. #1H	Federal Lease No. NMNM106689
Pool Name/Number:	Undesignated Loving Brushy Canyon, East	40350
Surface Location:	660 FSL 1980 FEL SWSE(O) Sec 13 T23S R28E	
Bottom Hole Location:	330 FNL 1650 FEL NWNE(B) Sec 13 T23S R28E	

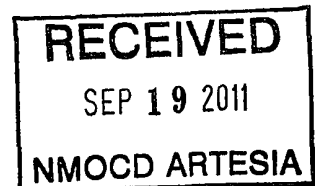
30-015-39456

1. Existing Roads

- A copy of a USGS "Loving, NM" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system.
- The well was staked by Terry J. Asel, Certificate No. 15079 on 4/14/11, certified 4/16/11.
- Directions to Location: From the _ At the intersection of USH 285 and SH 31, go east on SH 31 for 4.9 miles. Turn right and go south on CR 741 for 1.3 miles. Turn left and go southeast on on proposed road for 0.2 miles to location.

2. New or Reconstructed Access Roads:

- A new access road will be built. The access road will run approximately 869' southeast from an existing road to the location, which OXY will balde, water and repair 1.2 miles of the existing road. See Exhibit #2.
- 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.
- 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%.
- 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.

- In the event the well is found productive, the Bank 13 Federal Com #1H 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.
- If necessary, electric power poles will be set along side of the access road.
- 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

Exhibit #5 shows the proposed well site layout with dimensions of the pad layout and equipment location.

V-Door South Tanks ~~East~~ West 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 Intrepid Potash New Mexico, LLC.

The minerals are owned and administered by the U.S. Government. The surface is of limited use except for the grazing of livestock and the production of oil & gas.

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. A Cultural Resources Examination will be completed by Boone Arch Services of NM, LLC and forwarded to the BLM office in Carlsbad, NM.

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
Production Coordinator
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-385-2778
Cellular: 806-215-0009

Larry Sammons
Production Lead
P.O. Box 50250
Midland, TX 79710
Office Phone: 432-685-5724
Cellular: 432-296-9323

Travis Samford
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-215-7849
Cellular: 281-684-6897

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

Frank Hutton
Drilling Engineering Supervisor
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5325
Cellular: 713-855-4274

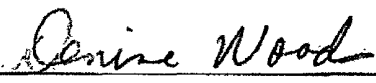
Juan Sierra
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-215-7757
Cellular: 832-660-3136

OPERATOR CERTIFICATION

SPLIT ESTATE

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.

I hereby also certify that I, or Raye Miller (Contractor), have provided the surface owner with a copy of the Surface Use Plan of Operations and will provide any Conditions of Approval that are attached to the APD. Executed this 17 day of April, 2011.

Name: Denise 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): Larry Sammons
Address (If different from above): P.O. Box 50250 Midland, TX 79710
Telephone (if different from above): 432-685-5724
E-mail (if different from above): larry_sammons@oxy.com

United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220

Attention: Linda Denniston

RE: OXY Bank 13 Federal #1
Eddy County, New Mexico

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: OXY USA Inc.
ADDRESS: P.O. Box 4294
Houston, Texas 77210-4294

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: NMNM 106689 (O)

LEGAL DESCRIPTION: SL: 660 FSL 1980 FEL SWSE(O)
PBHL: 330 FNL 1650 FEL NWNE(B)
Section 13 T23S R28E
Eddy County, New Mexico

FORMATIONS: Brushy Canyon

BOND COVERAGE: Nationwide

BLM BOND FILE NO.: ES 0136

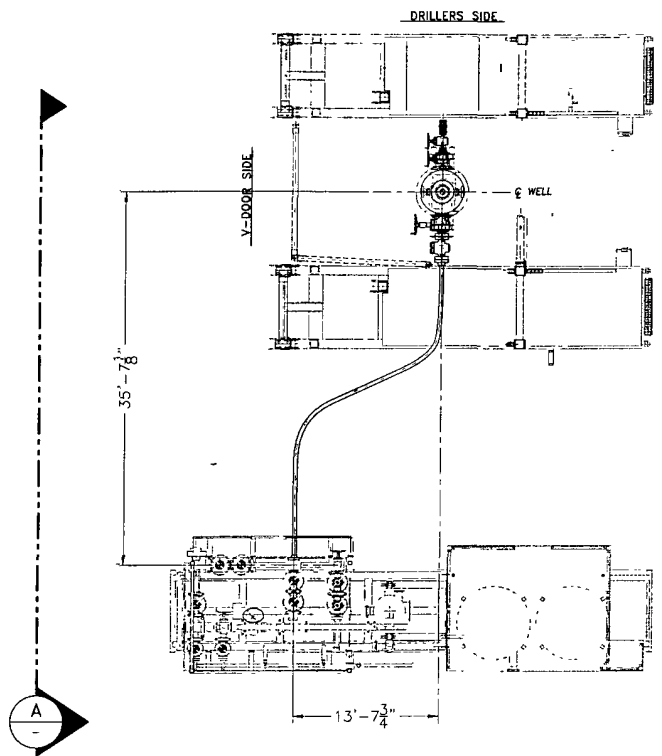
AUTHORIZED SIGNATURE: OXY USA Inc.

Colin D. Barnett

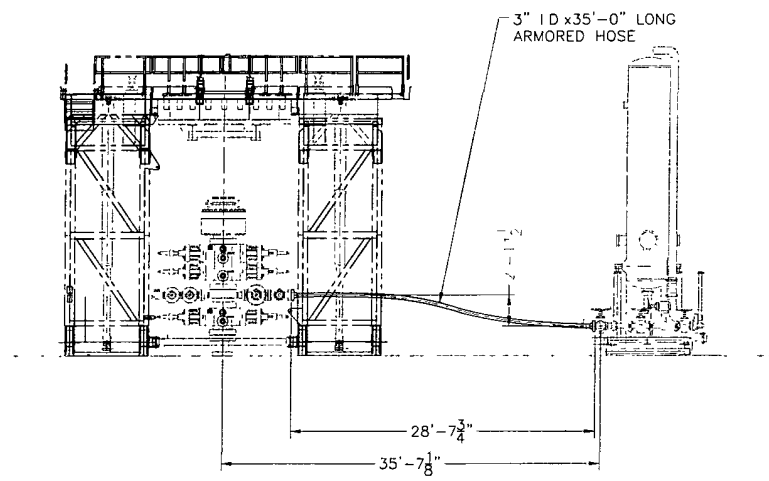
TITLE: Landman

DATE: April 14, 2011

cc: David Stewart



PLAN VIEW

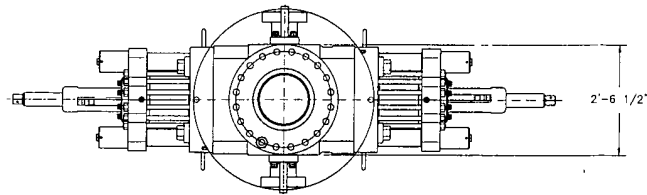


SECTION "A"

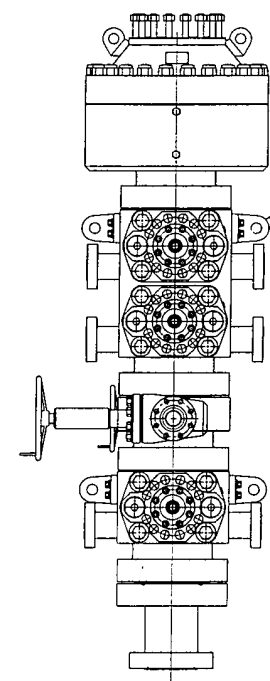
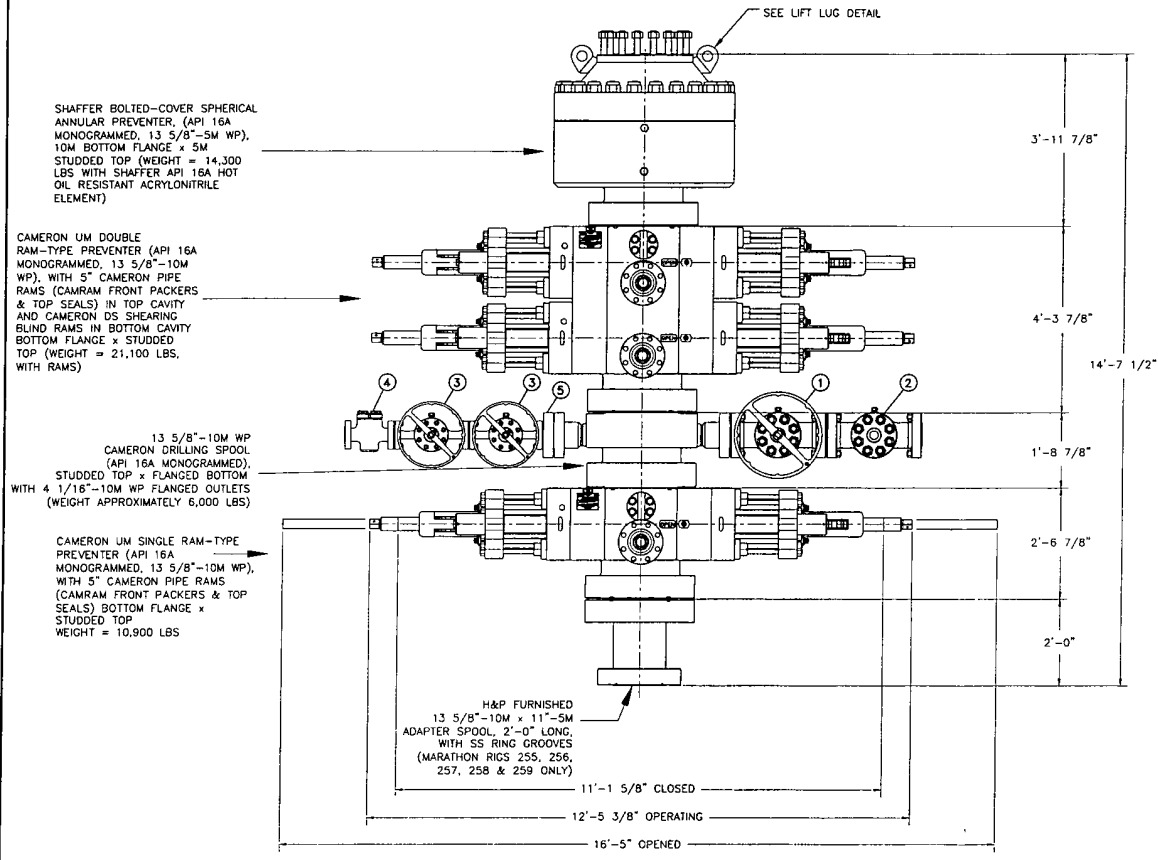
**ISSUED FOR
FABRICATION**
December-19-2007
DRAFTSMAN _____
ENGINEER _____

PROPRIETARY
THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED
IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE
REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER,
WITHOUT THE PRIOR, WRITTEN CONSENT OF A DULY AUTHORIZED
OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

ENGINEERING APPROVAL				DATE	TITLE
△					HELMERICH & PAYNE INTERNATIONAL DRILLING CO. CHOKE LINE SYSTEM FLEXRIG3
△					
△					
△	12/18/07	REMOVED SHEET TOTAL CALLOUT	JAV		CUSTOMER
△					PROJECT
REV	DATE	DESCRIPTION	BY	DRAWN	DATE
				JBG	4-10-07
				SCALE	3/16"=1'
				SHEET	2 OF 1
				DWG NO	210--P1-07
				REV	A



- LEGEND
- ① 4 1/16"-10M FLANGED END GATE VALVE
 - ② 4 1/16"-10M FLANGED END GATE VALVE WITH DOUBLE ACTING HYDRAULIC ACTUATOR
 - ③ 2 1/16"-10M FLANGED END GATE VALVE
 - ④ 2 1/16"-10M FLANGED END CHECK VALVE
 - ⑤ DOUBLE STUDDED ADAPTER



CAMERON LIFT EYES, 2 PER PREVENTER, 50 SHORT TON RATED CAPACITY EACH

ISSUED FOR FABRICATION
December-18-2007
DRAFTSMAN
ENGINEER

API 6A MONOGRAMMED CAMERON CHOKE AND KILL WING VALVE ASSEMBLIES ARE NOT SHOWN FOR CLARITY

WEIGHTS DO NOT INCLUDE HOSES, ADAPTER SPOOLS OR QUICK CONNECT FITTINGS

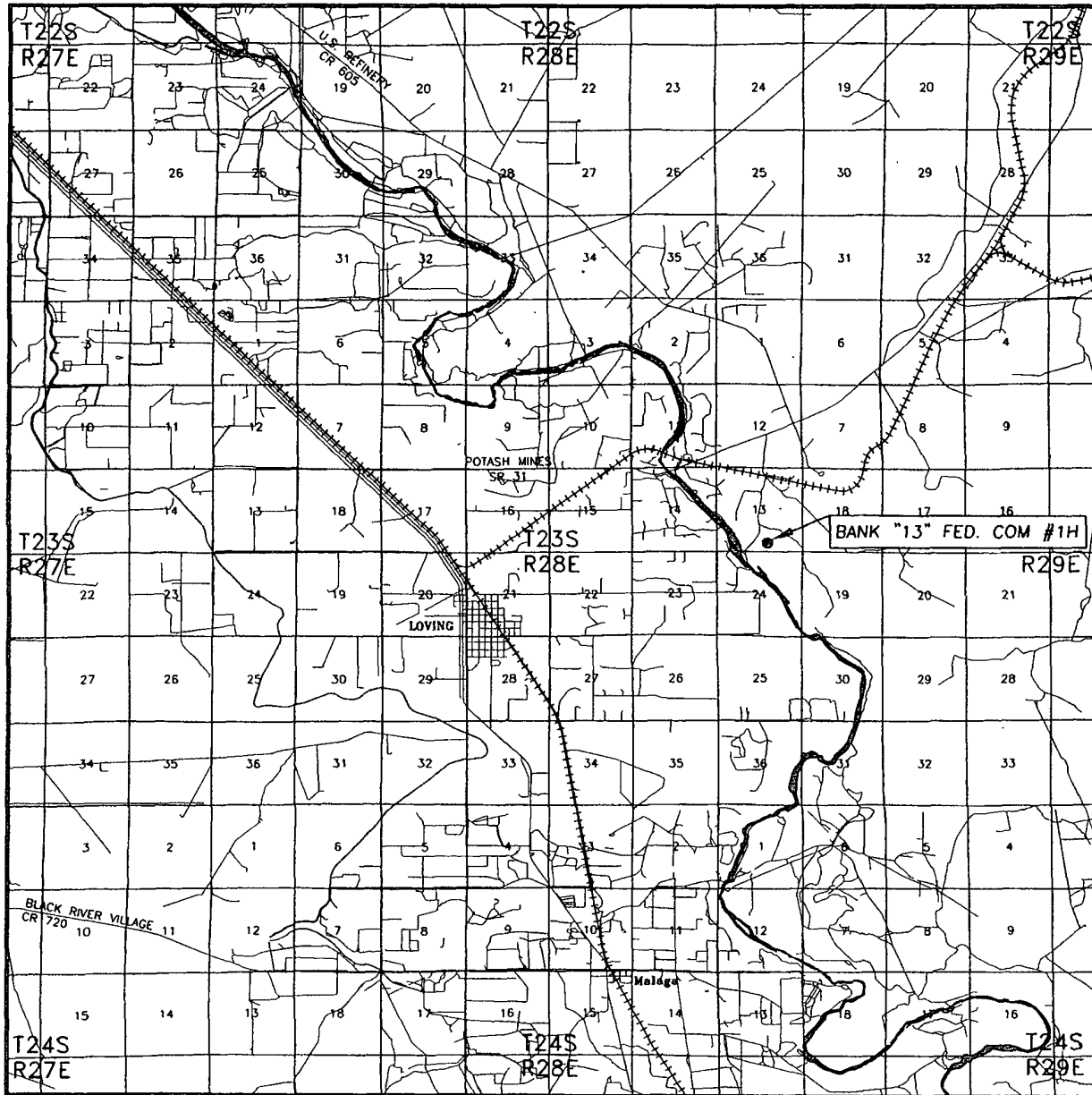
PROPRIETARY

THIS DRAWING AND THE IDEAS AND INFORMATION INCLUDED IN THIS DRAWING ARE PROPRIETARY AND ARE NOT TO BE REPRODUCED, DISTRIBUTED OR DISCLOSED IN ANY MANNER WITHOUT THE PRIOR WRITTEN CONSENT OF A DULY AUTHORIZED OFFICER OF HELMERICH & PAYNE INT'L DRILLING CO.

HELMERICH & PAYNE INTERNATIONAL DRILLING CO.	
ENGINEERING APPROVAL DATE	TITLE
12/18/07	13 5/8"-10M BOP 3 RAM STACK
4-10-07	FLEXRIG3
4-04-07	CUSTOMER H&P
02-07-07	PROJECT FLEXRIG3
06-13-02	DRAWN MTS DATE 6-5-02 DWG NO
REV	SCALE 3/4"=1' SHEET 1 OF 1 210-P1-07 E

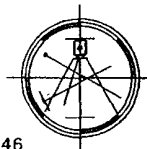
REV	DATE	DESCRIPTION	BY
1	12/18/07	ADDED SHEET 03	JAV
2	4-10-07	ORIENTATION PREVIEW DOUBLE STUDDED ADAPTER VALVES 1, 2, 3 & 4 AND MS CHECK VALVE ADDED	JBC
3	4-04-07	6" ADDED TO SPACER ADAPTER SPOOL	JBC
4	02-07-07	ADDED ADAPTER SPOOL	WML
5	06-13-02	CORRECTED BOP STACK	WML

VICINITY MAP



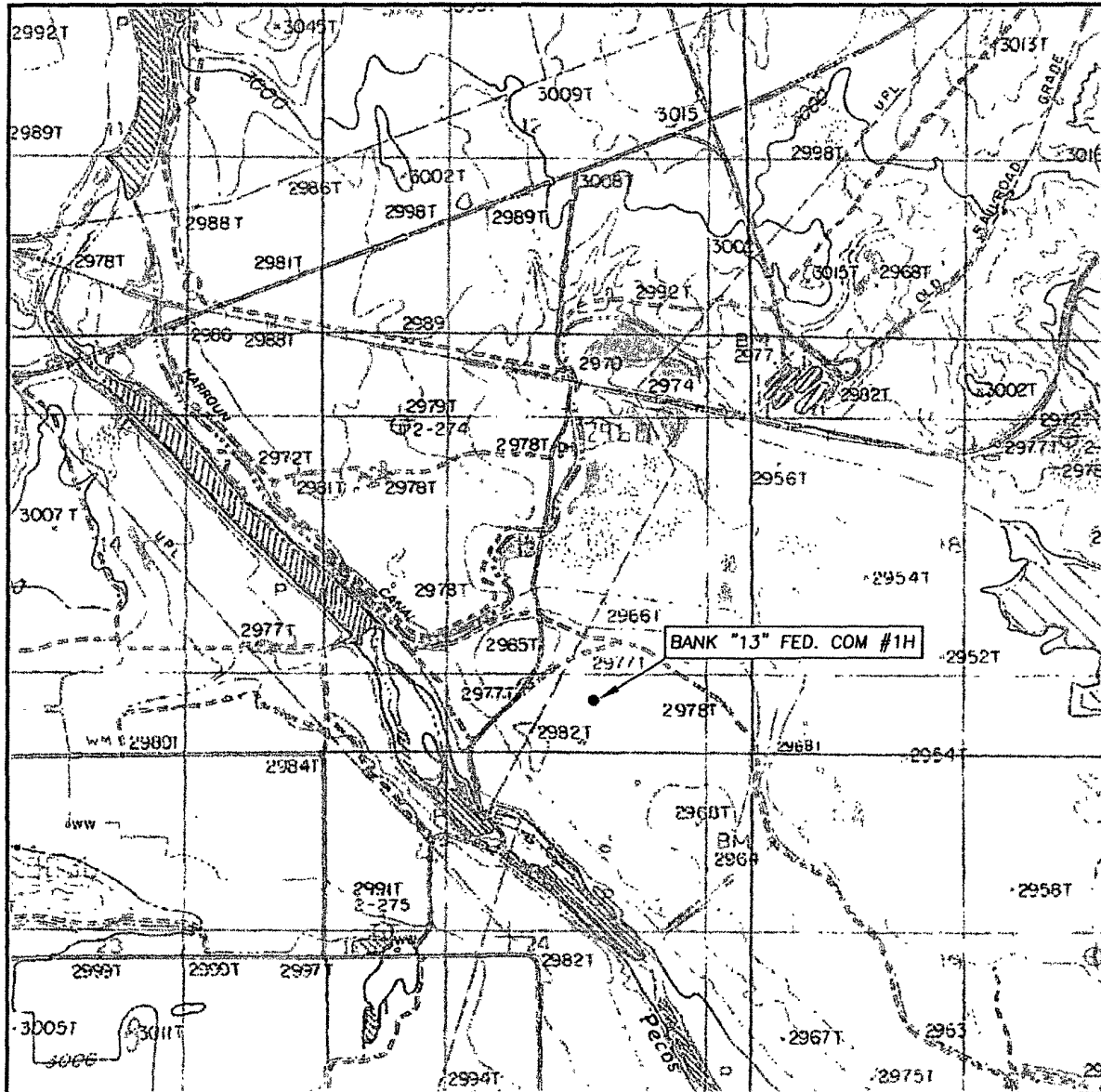
SEC. 13 TWP. 23-S RGE. 28-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 660' FSL & 1980' FEL
 ELEVATION 2977.8'
 OPERATOR OXY USA INC.
 LEASE BANK "13" FED. COM #1H

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



DIRECTIONS BEGINNING AT THE INTERSECTION OF U.S. HWY. #285 AND STATE HWY. #31 (APPX. 2.5 MILES NORTHWEST OF LOVING), GO EAST ON STATE HWY. #31 FOR 4.9 MILES, TURN RIGHT AND GO SOUTH ON COUNTY ROAD #741 (FISHERMANS ROAD) FOR 1.3 MILES, TURN LEFT AND GO SOUTHEAST ON PROPOSED NEW ROAD FOR 0.2 MILES TO LOCATION.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 13 TWP. 23-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 2977.8'

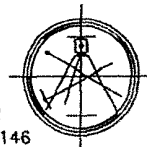
OPERATOR OXY USA INC.

LEASE BANK "13" FED. COM #1H

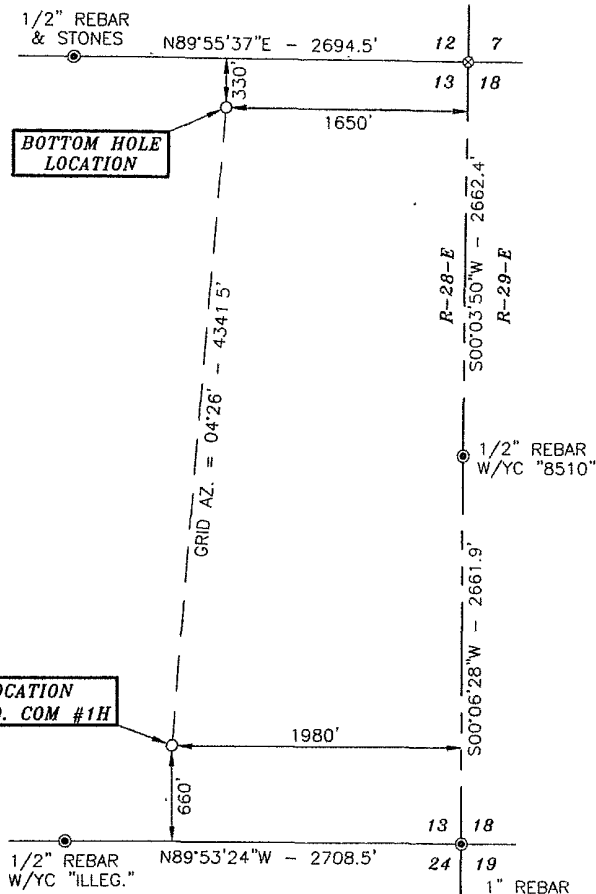
U.S.G.S. TOPOGRAPHIC MAP
LOVING, N.M.

Asel Surveying

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

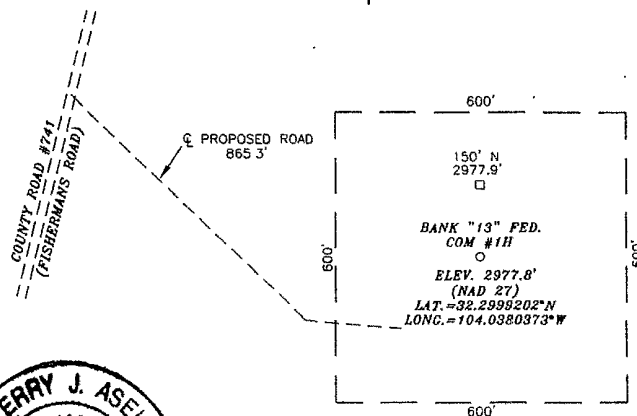


SECTION 13, TOWNSHIP 23 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY
NEW MEXICO



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

DIRECTIONS.
BEGINNING AT THE INTERSECTION OF U.S.
HWY. #285 AND STATE HWY. #31 (APPX.
2.5 MILES NORTHWEST OF LOVING), GO
EAST ON STATE HWY. #31 FOR 4.9 MILES.
TURN RIGHT AND GO SOUTH ON COUNTY
ROAD #741 (FISHERMANS ROAD) FOR 1.3
MILES, TURN LEFT AND GO SOUTHEAST ON
PROPOSED NEW ROAD FOR 0.2 MILES TO
LOCATION.



SCALE - 1" = 300'



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 4/16/2011
Terry J. Asel N.M. R.P.S. No. 15079

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

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

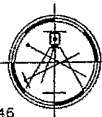
OXY USA INC.

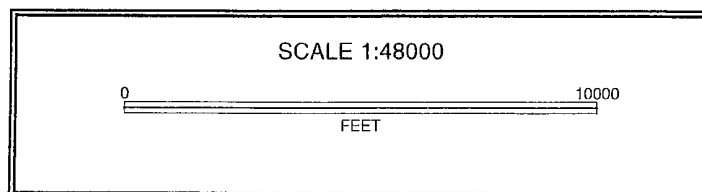
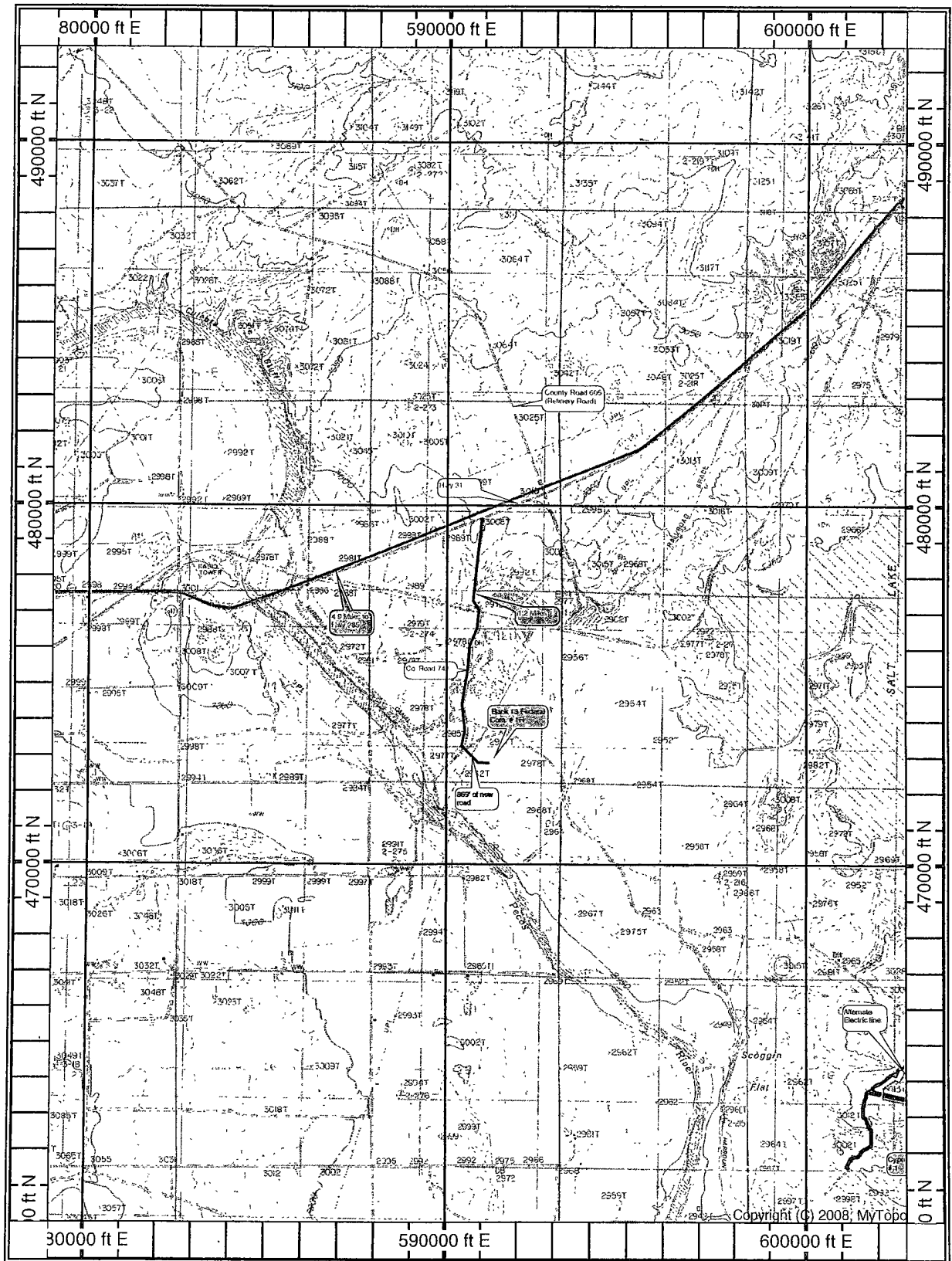
BANK "13" FED. COM #1H LOCATED AT
660' FSL & 1980' FEL IN SECTION 13,
TOWNSHIP 23 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

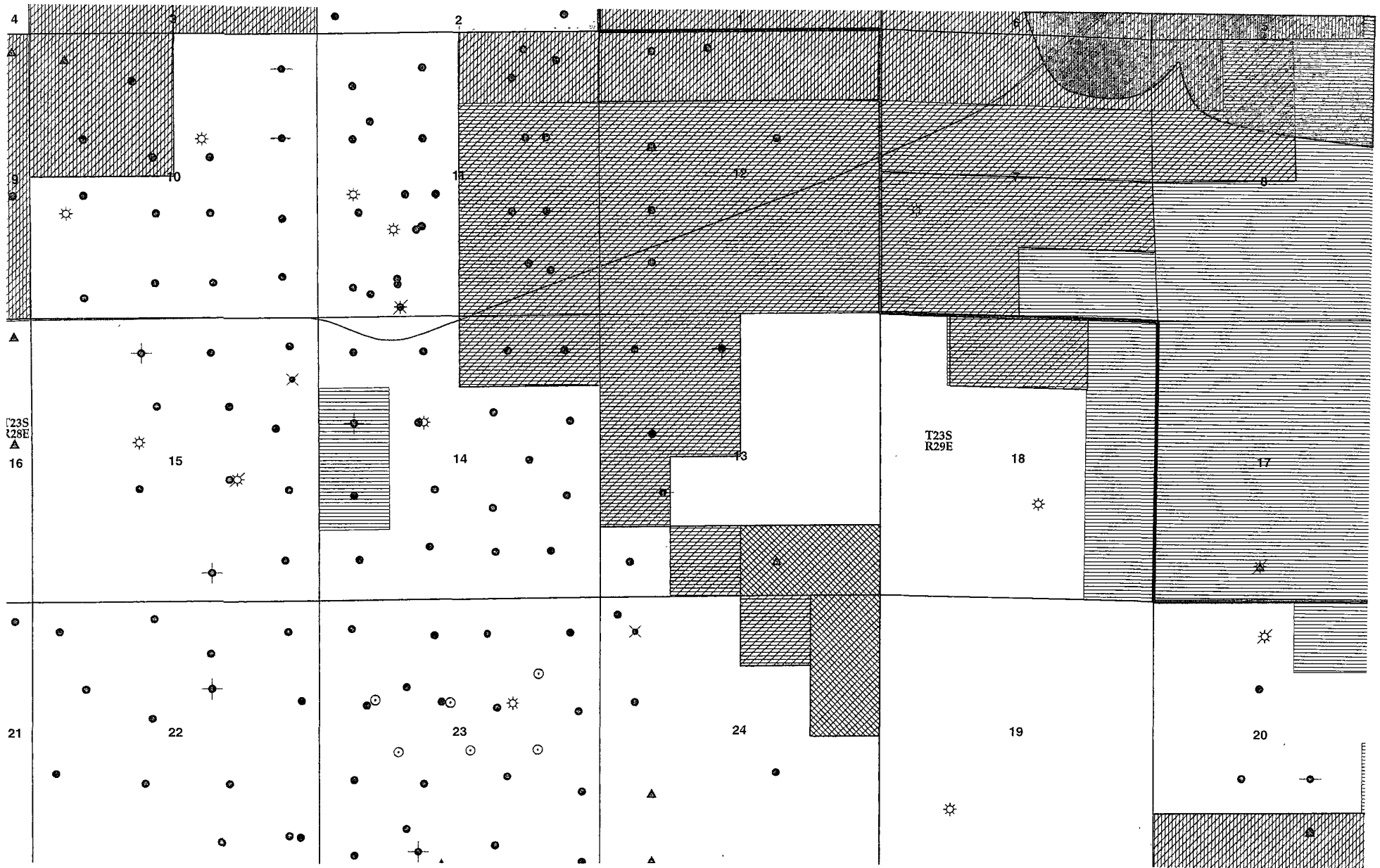
Survey Date: 04/14/11	Sheet 1 of 1 Sheets
W.O. Number: 110414WL	Drawn By: KA Rev:
Date: 04/15/11	110414WL Scale: 1" = 1000'

Asel Surveying

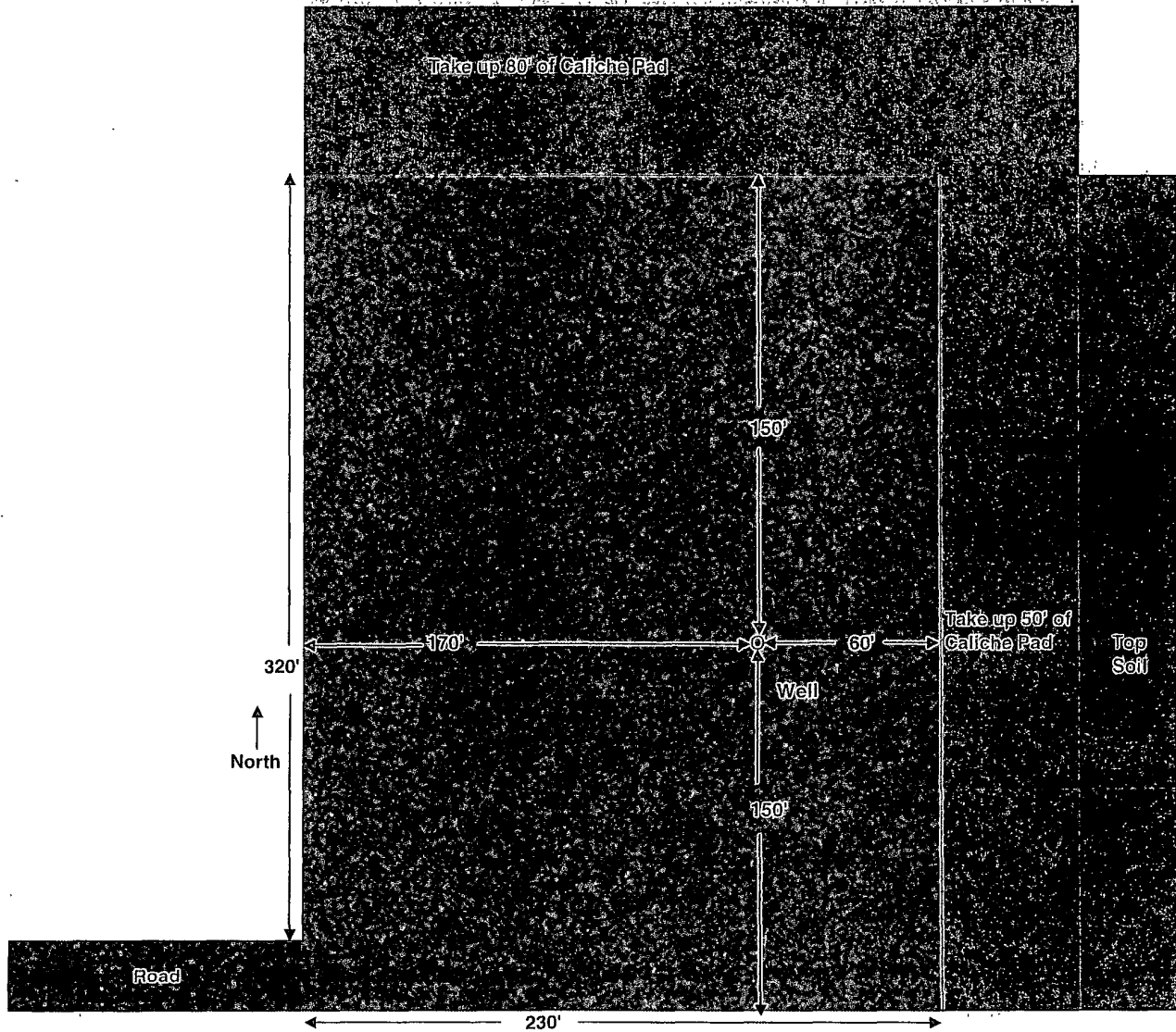
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146







H & P Flex 3 Rig
Bank 13 Federal Com. # 1H



If road comes into Southwest corner of pad Oxy will take up 50' on east side and 80' on north side of pad