

Feb 17, 2022

VIA FEDERAL EXPRESS

Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, New Mexico 88220 – 6292

Bureau of Land Management
New Mexico State Office
Attn: Ben Barton
301 Dinosaur Trail
Santa Fe, NM 87508

RE: Indian Hills Exploratory Unit
Federal Agreement No. NM70964X
2022 Plan of Development
Eddy County, New Mexico

OXY USA WTP LTD, as Unit Operator of the Indian Hills Unit, hereby submits for your approval, the 2022 Plan of Development.

Items are included as follows: Planned 2022 operations, previous year's operations, current status of all wells within the unit, production graphs for the unit. Also attached are the current maps that show the wells within the unit, structural interpretation, locations of wells, flow-lines, and roads.

It is understood that approval of this plan does not approve the work covered by the plan. Individual approval is still required for such items as APDs/ROWS/etc.

Any modifications or additions to this Plan of Development will be filed as supplements to the plan.

Sincerely,

Derek Andel
PEOR BAE WCL/Anton Engineering Advisor

cc: State Land Office

Previous Year Operations

Drilling

There was no new or replacement well drilling done in the Indian Hills Unit in 2021.

Completions

There were no new or replacement well completions done in the Indian Hills Unit in 2021.

Recompletions

There was one recompletion done in the Indian Hills Unit in 2021.

Conversions

No well conversions were done in the Indian Hills Unit in 2021.

Abandonment

There was one well abandonment done in the Indian Hills Unit in 2021.

Well Name	Legal Location	API Number	Abandonment Date
INDIAN HILLS UNIT #037Y	B-20-21S-24E 1098 FNL & 1400 FEL	30-015-32594	12/20/2021

Other Surface Operations

There were no surface disturbing operations in the Indian Hills Unit in 2021.

2022 Planned Operations

Drilling

There is no new or replacement well drilling planned for the Indian Hills Unit in 2022.

Completions

There are no new or replacement well completions planned for the Indian Hills Unit in 2022.

Recompletions

There no recompletions planned for the Indian Hills Unit in 2022.

Conversions

No well conversions are planned for the Indian Hills Unit in 2022.

Abandonment

There are three well abandonments planned in the Indian Hills Unit in 2022.

Well Name	Legal Location	API Number	Description of Conversion	Status
INDIAN HILLS UNIT NO 20	J-28-21S-24E 2250 FSL & 1730 FEL	30-015-30658	N/A	SHUT-IN
INDIAN HILLS UNIT GAS COM NO 3	F-29-21S-24E 1980 FNL & 1650 FWL	30-015-10553	N/A	SHUT-IN
INDIAN HILLS UNIT NO 53	F-28-21S-24E 1383 FNL & 1586 FWL	30-015-32875	N/A	SHUT-IN

Other Surface Operations

There are no surface disturbing operations anticipated in 2022.

Planned Year Operations

After the Indian Basin Gas Plant was shut down in 2020, multiple attempts to restore production have been attempted. Negotiations for a 3rd party gas take-away contract were underway with Lucid Energy Group in 2021 until they sold their infrastructure in this area to Durango Midstream LLC. Currently working on a 3rd party gas take-away contract with Durango Midstream LLC. Contract and upgrades to Durango's infrastructure should be complete by August 2022. Currently trying to acquire NACE certified compressor(s), which currently have a long lead time to build, to transport gas to Durango's gas collection system. Notification of the shut-in of the Unit was provided to the BLM via email in July 2020 (as requested by James Glover). Oxy's land department has remained in close communication with the New Mexico State Land Office, providing updates and submitting shut-in payments and extensions as needed. Currently State leases are extended through 2022. Oxy's

regulatory department has filed shut in sundries with the BLM Carlsbad office. Additional sundry extensions will be filed as necessary.

Status of all Wells within the Unit:

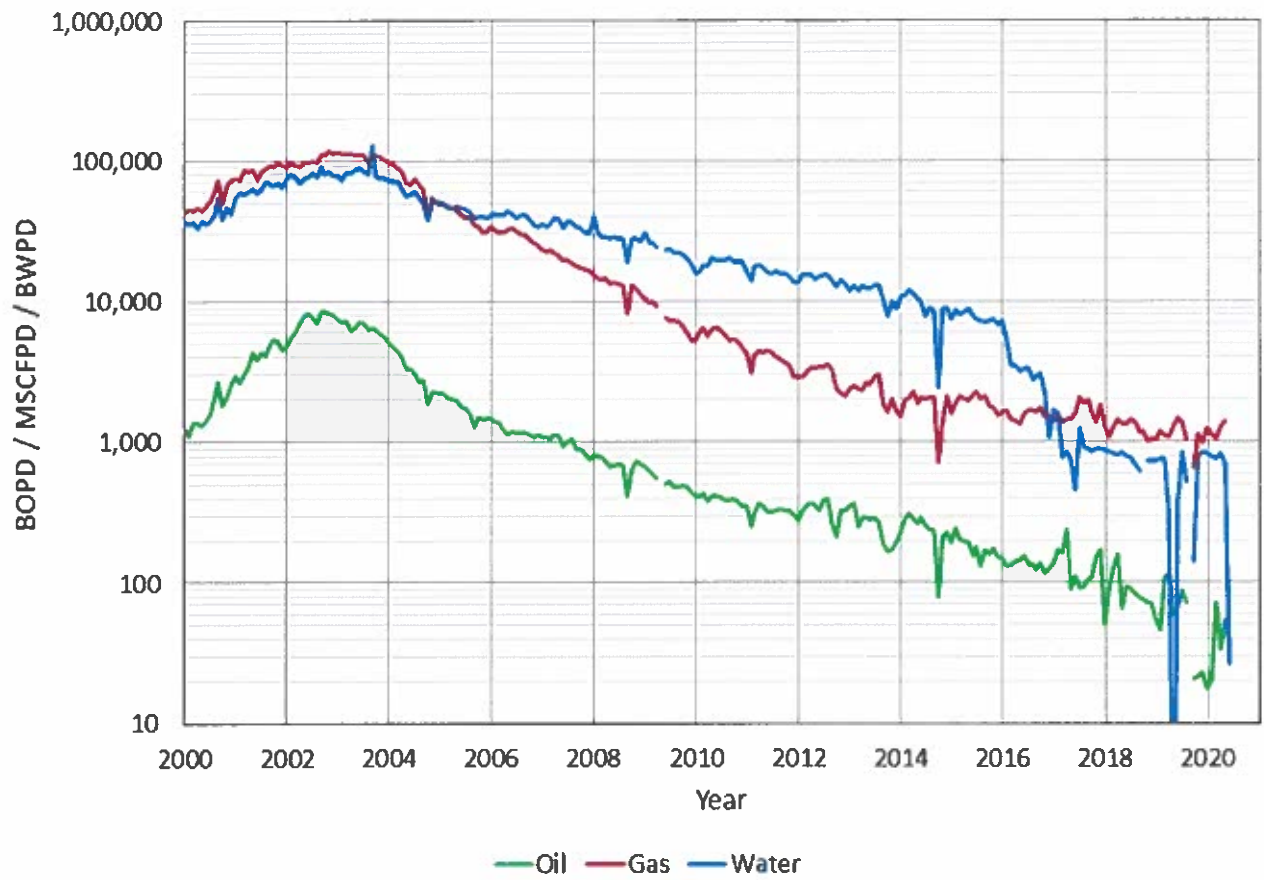
WELL NAME & No.	API #	Perforation	Producing Reservoir	Participating Area	Status	BLM Sundry Status
INDIAN HILLS UNIT NO 1	30-015-10066	7300' - 7740'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT 006	30-015-25827	7688' - 8010'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS STATE COM 1	30-015-22448	7546' - 7942'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS STATE COM 3	30-015-27168	7546' - 7770'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS STATE COM 5	30-015-27433	7560' - 7736'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS STATE COM 6	30-015-27456	7574' - 7848'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT GAS COM 14	30-015-30624	7330' - 7452'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT GAS COM 27	30-015-31406	7616' - 8046'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT GAS COM 38	30-015-32770	7690' - 8064'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT GAS COM 46	30-015-33008	7326' - 7719'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT GAS COM 47	30-015-32536	7642' - 8200'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT GAS COM 56	30-015-32878	7699' - 7976'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT GAS COM NO 13	30-015-30274	7330' - 7856'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT GAS COM NO 3	30-015-10553	7262' - 7654'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT NO 10	30-015-30571	7416' - 7850'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT NO 17	30-015-30661	7406' - 7558'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 19	30-015-30572	7482' - 7847'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 20	30-015-30658	7528' - 7767'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 21	30-015-30811	7482' - 7682'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 1/2022
INDIAN HILLS UNIT NO 22	30-015-31150	7894' - 8124'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 24	30-015-31266	8010' - 8242'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 26	30-015-31274	10018' - 10284'	Morrow	NMNM 070964B	SHUT-IN	
INDIAN HILLS UNIT NO 28	30-015-31267	8016' - 8346'	Upper Penn	NMNM 070964A	SHUT-IN	

INDIAN HILLS UNIT NO 30	30-015-31655	10406' - 10540'	Mississippian	N/A	P&A	
INDIAN HILLS UNIT NO 30	30-015-31655	9728' - 9982'	Morrow	NMNM 070964B	P&A	
INDIAN HILLS UNIT NO 31	30-015-31534	8464' - 8563'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT NO 32	30-015-31591	7870' - 8360'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 33	30-015-31755	7520' - 7947'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT NO 36	30-015-32140	7509' - 7942'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT #037Y	30-015-32594	8058' - 8494'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT NO 39	30-015-32103	8118' - 8480'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 40	30-015-32222	8215' - 8388'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 41	30-015-32539	8140' - 8432'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 1/2022
INDIAN HILLS UNIT NO 43	30-015-32246	7667' - 8226'	Upper Penn	NMNM 070964A	SHUT-IN	
INDIAN HILLS UNIT NO 45	30-015-32338	7627' - 8413'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT NO 49	30-015-32723	7526' - 7816'	Upper Penn	NMNM 070964A	P&A	
INDIAN HILLS UNIT NO 52	30-015-32805	8117' - 8448'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 53	30-015-32875	7612' - 7990'	Upper Penn	NMNM 070964A	SHUT-IN	Shut-in approved until 07/2022
INDIAN HILLS UNIT NO 59	30-015-33759	8063' - 8492'	Upper Penn	NMNM 070964A	SHUT-IN	

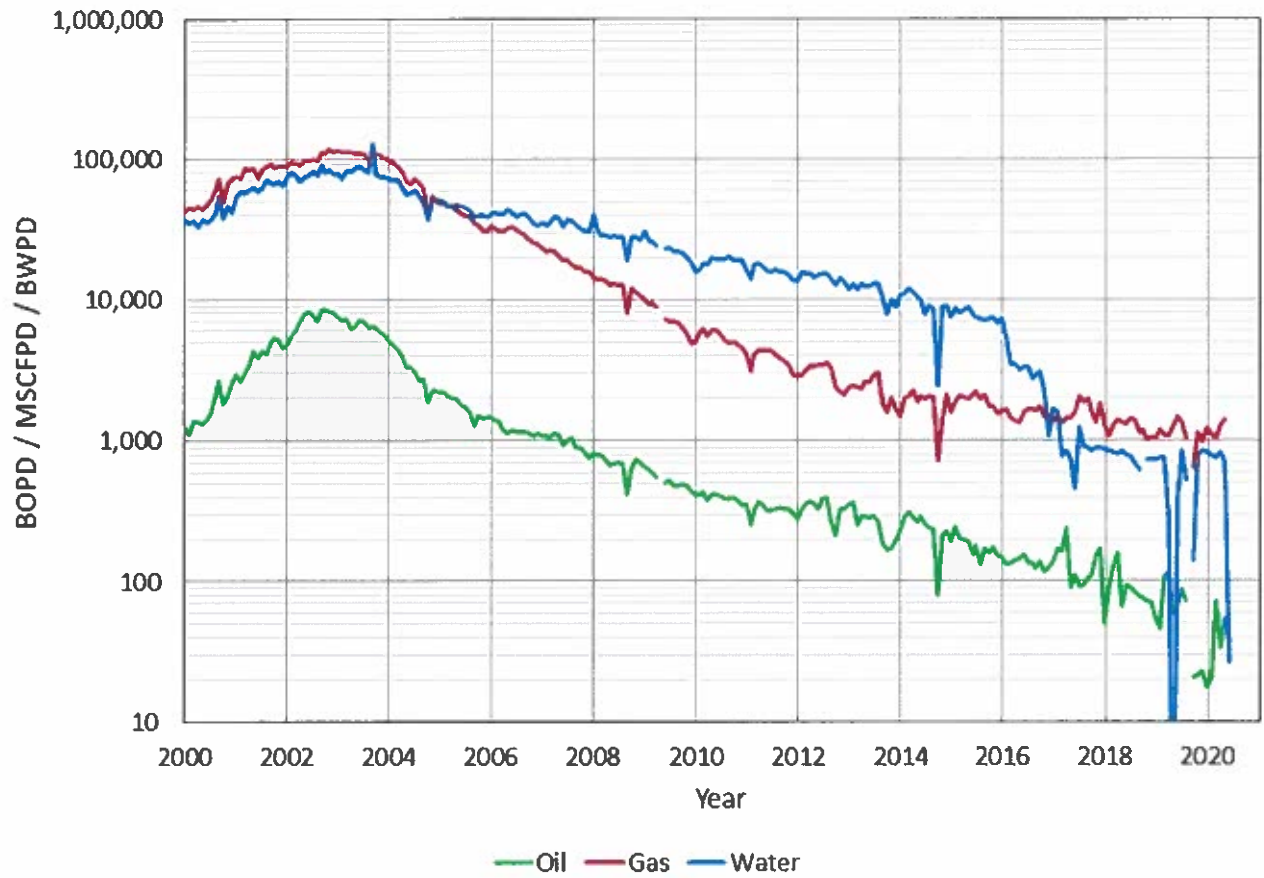
Production History, Indian Hills Unit

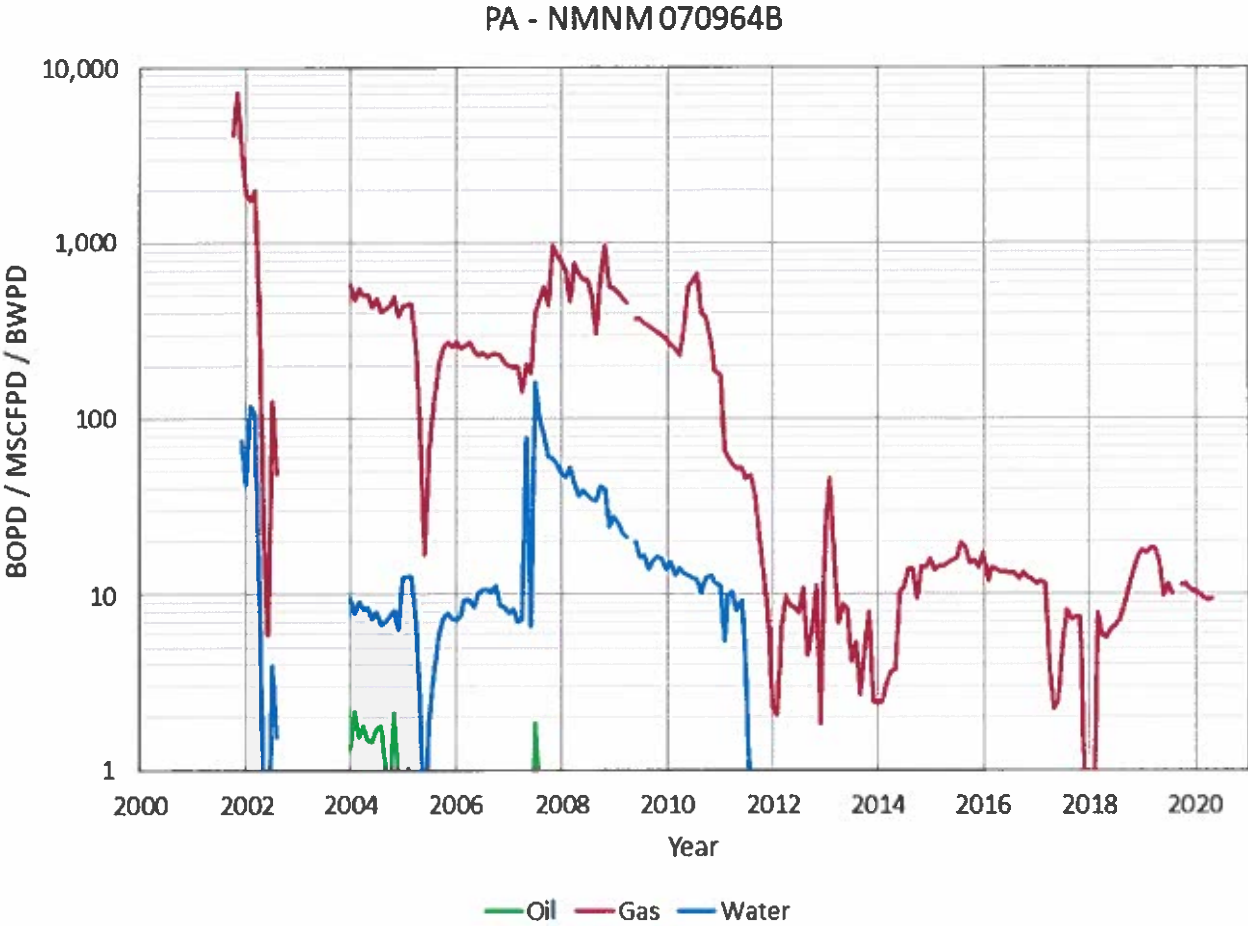
In 2020, monthly production of the unit averaged 39 BOPD x 1,227 MCFD x 787 BWPD. Production was shut-in May 2020 due to Indian Basin Gas Plant being shut down. Current plan is to return the unit to production by taking the gas to a 3rd party gas plant by Q1 2023 or sooner if possible.

Indian Hills Unit Production



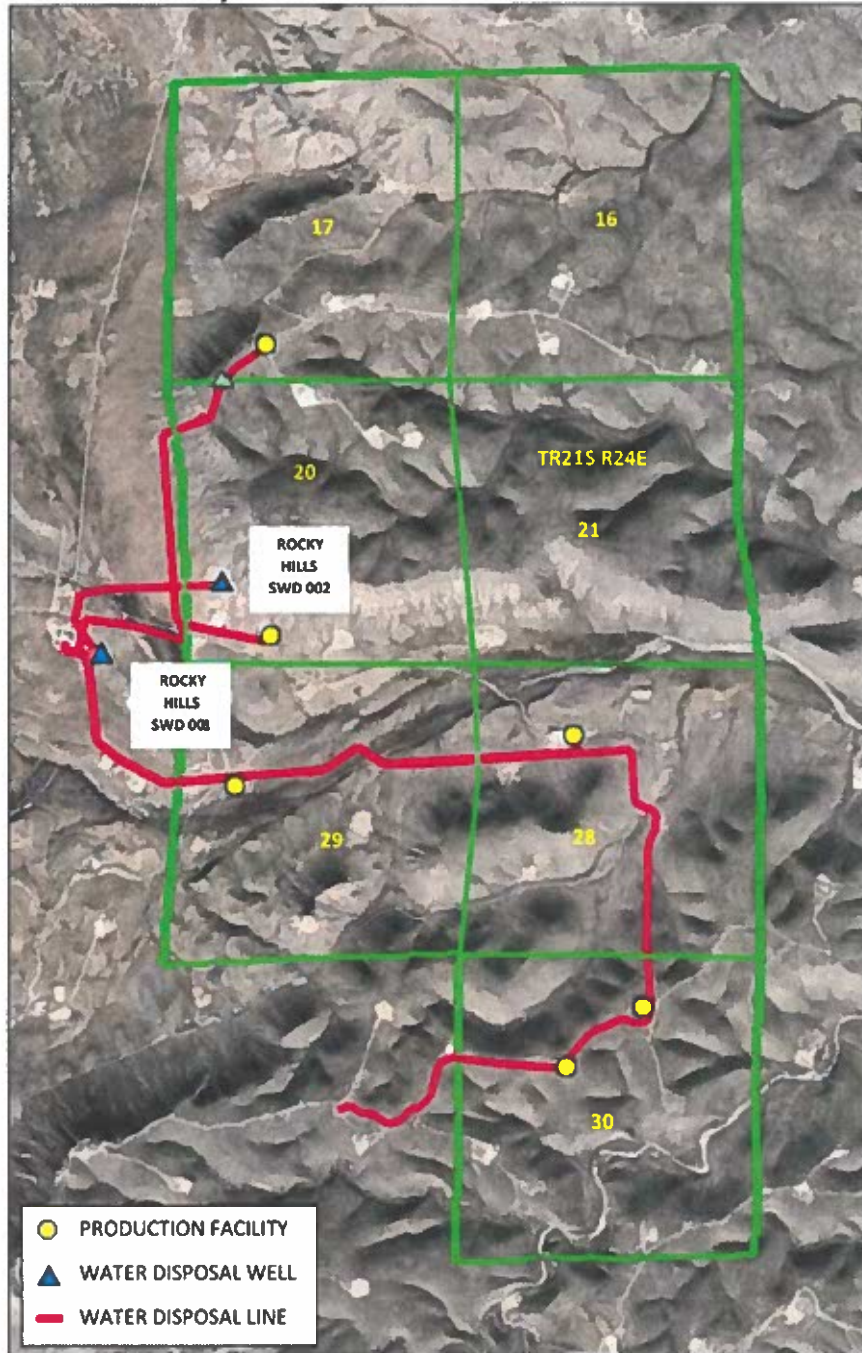
PA - NMNM070964A



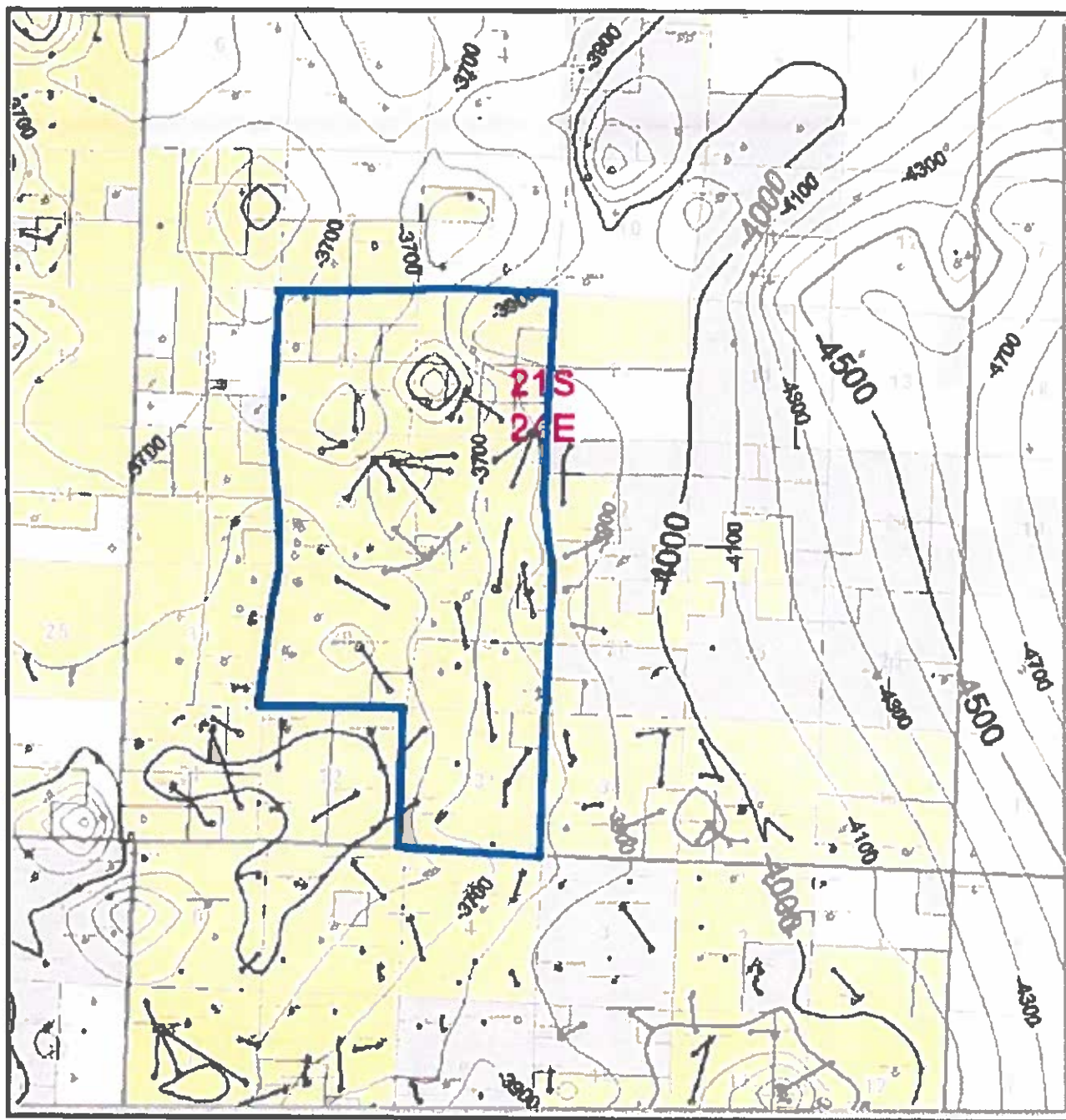


Current and Planned Water Usage, Indian Hills Unit

Currently all produced water is disposed of utilizing the Indian Basin water disposal loop system. Plan to continue disposing of all produced water utilizing the Indian Basin water disposal loop system in 2021. Estimate to dispose of approximately 700 BWPD in 2021. No planned drilling or fracturing operations in 2021 that would use produced or fresh water.



Map of structural and geologic interpretations (Upper Penn Formation) with Indian Hills Unit boundaries



Map of Oxy Wells, Roads, Railroads, etc

