

# OGX Operating, LLC

P.O. Box 2064 • Midland, TX 79702 • (432) 685-1287 • Fax (432) 685-1320 • Fax (432) 686-7109

August 11, 2016

Occidental Permian LP  
5 Greenway Plaza, Ste. 110  
Houston, Texas 77046

**Certified Mail #7011 3500 0000 2040 8955**

Attn: Mr. Chris Gertson

Re: **Red Bluff Lake Prospect**  
**Well Proposal**  
**Littlefield 33 Fed Com #2H**  
**T-26-S, R-29-E, N.M.P.M.**  
W/2 Section 33 and W/2 Section 28  
Eddy County, New Mexico

Gentlemen:

OGX Operating, LLC ("OGX") hereby proposes to drill the above referenced horizontal well with a surface hole location of 330' FSL & 2,210' FEL of Section 33 and a bottom hole location of 330' FNL & 2,411' FEL of Section 28, all located in T-26-S, R-29-E, N.M.P.M., Eddy County, New Mexico. This well will utilize the same drilling pad as the Littlefield 33 Fed Com #1H which will necessitate drilling approximately 500 feet Southwest which will be 30 feet FSL and 2,710 feet FEL of said Section 33, then drilling North to the kick-off point at approximately 9,522' being approximately 330' FSL and 2,710 feet FEL of said Section 33, turning horizontal with an azimuth of 359.24 degrees for a total horizontal distance of approximately 7,085' to test the Wolfcamp formation. The total measured depth is estimated to be 17,173'. The proration unit for this well will be the W/2 of Section 28 and the W/2 of Section 33, T-26-S, R-29-E, N.M.P.M., Eddy County, New Mexico, containing 463.13 acres of land, more or less.

According to the records of Eddy County, New Mexico, Occidental Permian LP ("OXY") owns a 100.00% leasehold interest in W/2 of said Section 28 lying outside the boundaries of the Red Bluff Reservoir, estimated to be 236.66 acres of land, more or less, being a portion of the lands contained in that certain USA lease NM-038636 dated February 1, 1980. Your interest in this well would be 236.66/463.13 or 51.10%.

Enclosed for your review is an AFE (in duplicate) showing the estimated drilling and completion costs for the subject well, as well as a plat showing the proposed location and production unit.

OGX invites the participation of OXY in this well. If OXY wishes to participate in the drilling of this well, please execute both copies of the AFE, after which return one copy to the

EXHIBIT 2

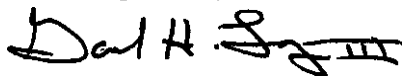
Mailed 8-11-15

undersigned. Upon receipt of the AFE, OGX will mail you an Operating Agreement for your execution, which will name OGX as the Operator.

In the event OXY does not wish to participate, OGX hereby offers OXY \$2,500.00 per acre for a two (2) year term assignment covering the 236.66 acre tract, with OXY delivering a 75% net revenue. The total consideration for the term assignment would equal \$591,650.00. If you have any questions, please contact the undersigned.

Sincerely,

OGX Operating, LLC

A handwritten signature in black ink, appearing to read "Garland H. Lang III", with a stylized flourish at the end.

Garland H. Lang III  
Land Manager

Enclosures

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  X <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p style="text-align: center;">Occidental Permian LP  5 Greenway Plaza, Ste 110  Houston, Texas 77046</p>		<p>B. Received by (Printed Name)  <i>[Signature]</i></p>	<p>C. Date of Delivery</p>
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>	
		<p>3. Service Type:</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number  (Transfer from service label)</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
		<p>7011 3500 0000 2040 8955</p>	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

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CERTIFIED MAIL <sup>TM</sup> RECEIPT	
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For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage	1.36
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 7.36
<p>Sent To: Occidental Permian LP  5 Greenway Plaza, Ste 110</p>	
<p>Street, Apt. or PO Box</p>	

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First-Class Mail  
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• Sender: Please print your name, address, and ZIP+4 in this box •

OGX Operating, LLC

Attn: Katie

P.O. Box 2064

Midland, Texas 79702

RECEIVED

DISTRICT I  
1635 N. French Dr., Hobbs, NM 88240  
Phone (575) 282-6161 Fax (575) 282-0720

DISTRICT II  
611 S. First St., Artesia, NM 88210  
Phone (575) 745-1255 Fax (575) 745-0755

DISTRICT III  
1000 El Estero Rd., Artesia, NM 87410  
Phone (505) 284-4178 Fax (505) 284-4170

DISTRICT IV  
1226 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-9460 Fax (505) 476-9462

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1226 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name LITTLEFIELD 33 FEDERAL COM	Well Number 2H
OGRID No.	Operator Name OGX OPERATING, LLC	Elevation 2872

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South Line	FEET from the	East/West LINE	County
LOT 11	33	26 S	29 E		330	SOUTH	2210	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South Line	FEET from the	East/West LINE	County
C	28	26 S	29 E		230	NORTH	2409	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
463.13			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

