

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	Occidental Permian LP	157984
Lease Name/Number:	Fecta 33 Federal #2H	Federal Lease No. NMNM01135
Pool Name/Number:	Lusk Bone Spring, South	41460
Surface Location:	141 FNL 2347 FWL NENW(C) Sec 33 T19S R32E	
Bottom Hole Location:	330 FSL 1980 FWL SESW(N) Sec 33 T19S R32E	

HOBBS OCD**1. Existing Roads****SEP 06 2011**

- a. A copy of a USGS "Williams Sink, 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 4/18/11, certified 4/27/11.
- c. Directions to Location: At the intersection of USH 62/180 and SH 243, go west on SH 243 for 4.5 miles. Turn right and go north on CR 126 for 3.9 miles. Turn right and go east on caliche road for 1.1 miles, continue southeast for 0.2 miles. Turn left on proposed road and go north for 0.1 miles turn right and go east 0.3 miles to location.

RECEIVED**2. New or Reconstructed Access Roads:**

- a. A new access road will be built. The access road will run approximately 0.3 miles east-northeast 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.
- e. Blade, water & repair approximately 6985' of an existing caliche road.

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.

- a. In the event the well is found productive, the Fecta 33 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.
- 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

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

V-Door East Tanks North 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. The surface is leased to: Roy Creamer, P.O. Box 2414, Carlsbad, NM 88220.

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. Cultural Resources Examination - this well is located in the Permian Basin MOA.

Pad + 1/4 mile road	<u>\$1,379.00</u>	1584	\$0.16/ft over 1/4 mile	<u>\$42.24</u>	<u>\$1,421.24</u>
Pipeline - up to 1 mile	<u>\$1,273.00</u>	0	\$266 per 1/4 mile	<u>\$0.00</u>	<u>\$1,273.00</u>
Electric Line - up to 1 mile	<u>\$637.00</u>	0	\$0.18/ft over 1 mile	<u>\$0.00</u>	<u>\$637.00</u>
Total	<u><u>\$3,289.00</u></u>			<u><u>\$0.00</u></u>	<u><u>\$3,331.24</u></u>

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. 929128583. *NM 2797 BH*

Operators Representatives:

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

Scott Hodges
Production Coordinator
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 575-397-8211
Cellular: 432-238-4405

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

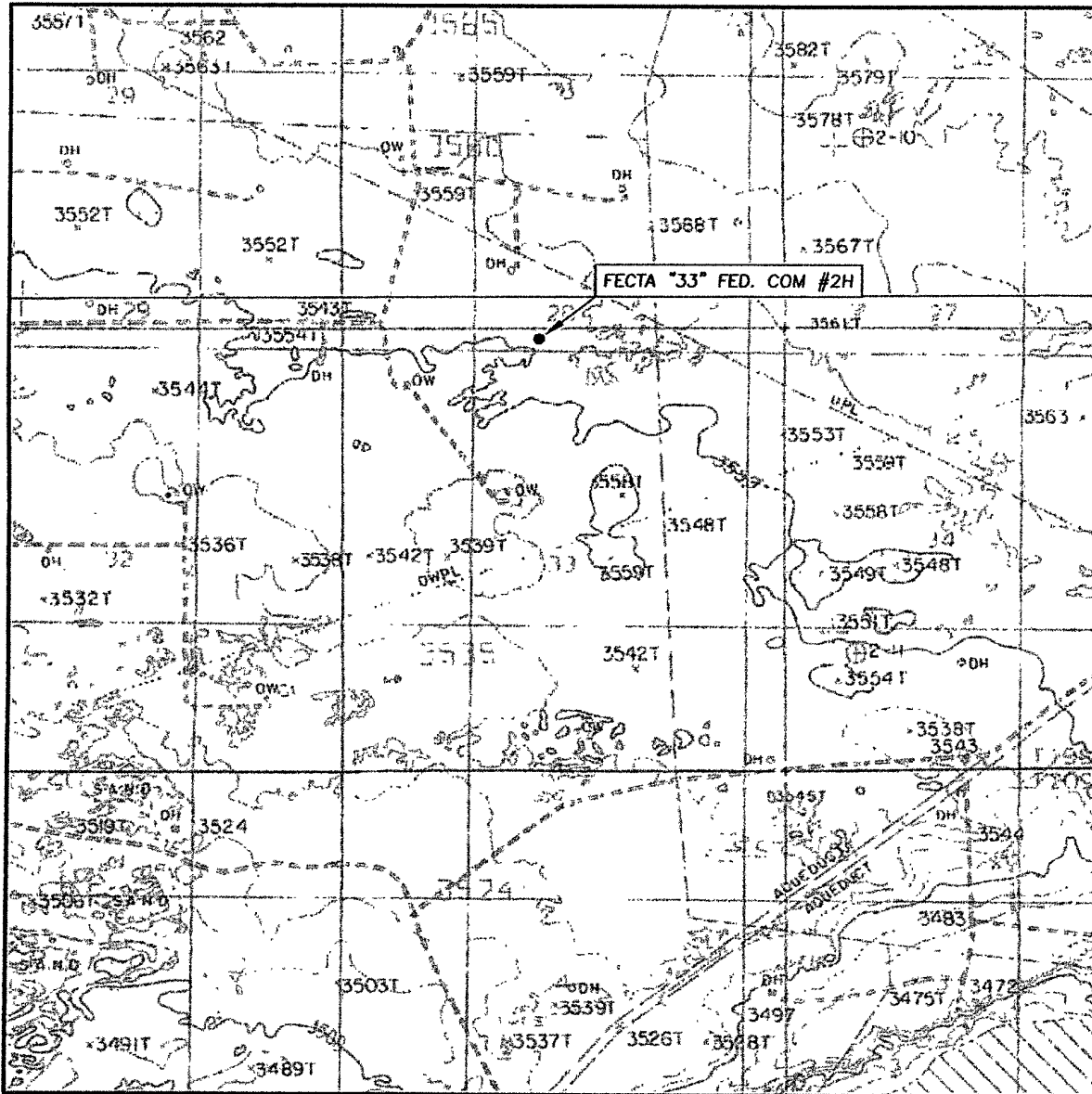
Juan Sierra
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-215-7757
Cellular: 832-660-3136

OPERATOR CERTIFICATION

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 4th day of May, 2011.

Name: Denise Woods 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): 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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 33 TWP. 19-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 141' FNL & 2347' FWL

ELEVATION 3555.4'

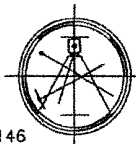
OPERATOR OCCIDENTAL PERMIAN LIMITED PARTNERSHIP

LEASE FECTA "33" FED. COM #2H

U.S.G.S. TOPOGRAPHIC MAP

Asel Surveying

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



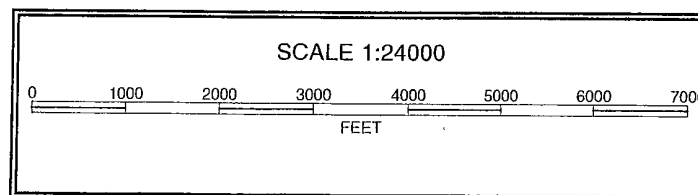
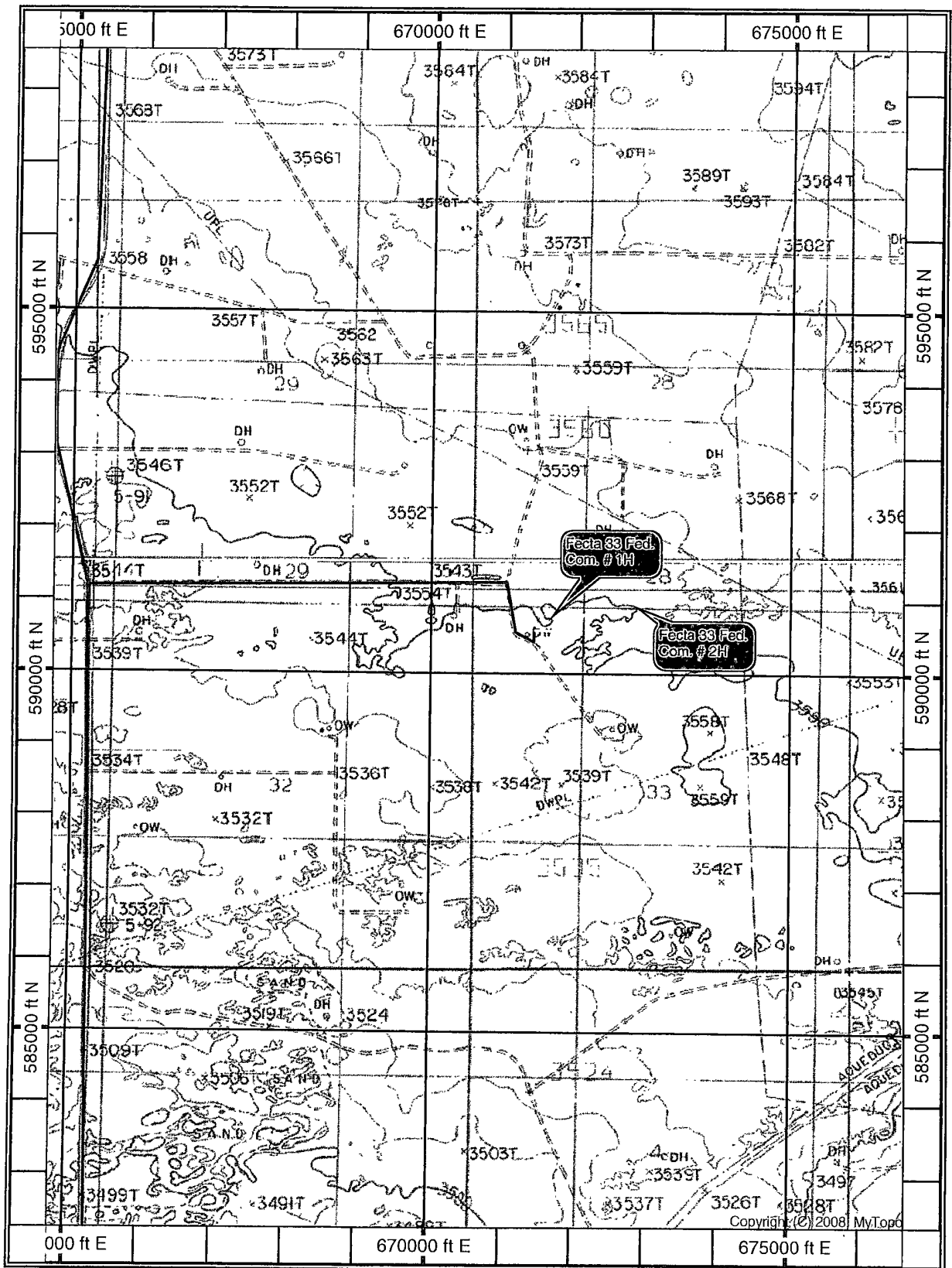
VICINITY MAP



SCALE: 1" = 2 MILES

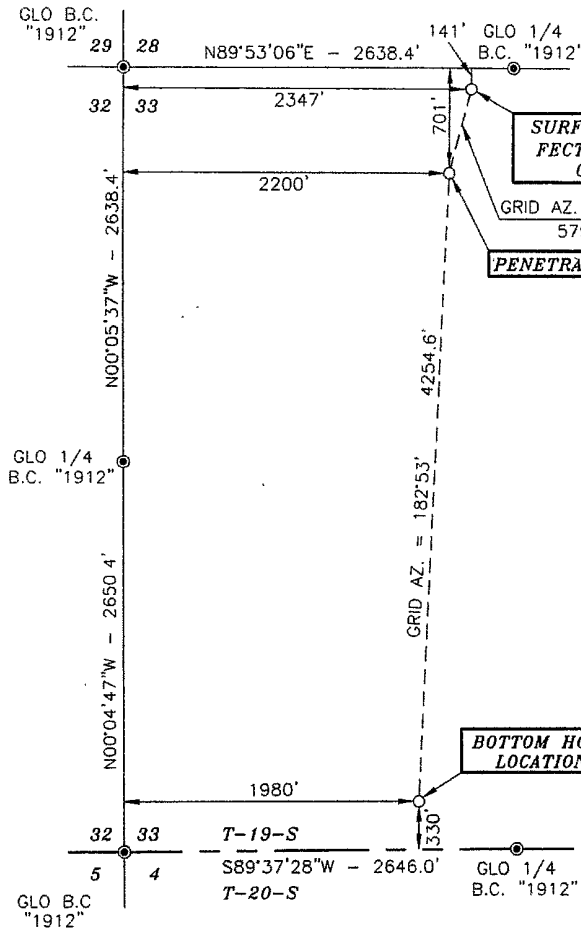
P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

DIRECTIONS BEGINNING AT THE INTERSECTION OF U.S. HWY. #62/180 AND STATE HWY. #243, GO WEST ON STATE HWY. #243 FOR 4.5 MILES, TURN RIGHT AND GO NORTH ON COUNTY ROAD #126 (MALJAMAR ROAD) FOR 3.9 MILES, TURN RIGHT AND GO EAST ON CALICHE ROAD FOR 1.1 MILES, CONTINUE SOUTHEAST FOR 0.2 MILES, TURN LEFT ON PROPOSED NEW ROAD AND GO NORTH FOR 0.1 MILES, TURN RIGHT AND GO EAST FOR 0.3 MILES TO LOCATION.



ELECTRIC LINE

SECTION 33, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY
NEW MEXICO



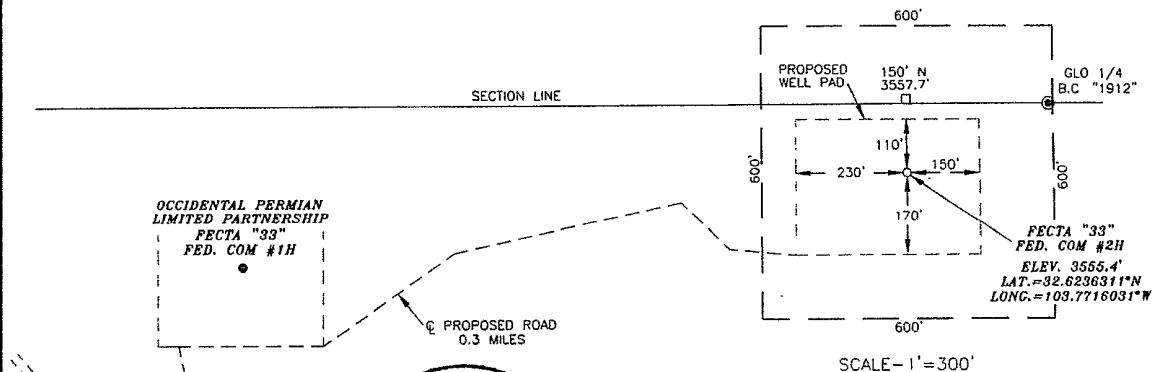
**SURFACE LOCATION
FECTA "33" FED.
COM #2H**

GRID AZ. = 194°37'
579.0'

PENETRATION POINT

**BOTTOM HOLE
LOCATION**

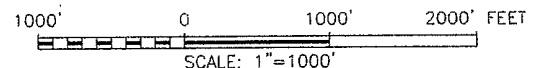
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BEGINNING AT THE INTERSECTION OF
U.S. HWY #62/180 AND STATE HWY
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NORTH ON COUNTY ROAD #126
(MALJAMAR ROAD) FOR 3.9 MILES, TURN
RIGHT AND GO EAST ON CALICHE ROAD
FOR 1.1 MILES, CONTINUE SOUTHEAST
FOR 0.2 MILES, TURN LEFT ON
PROPOSED NEW ROAD AND GO NORTH
FOR 0.1 MILES, TURN RIGHT AND GO
EAST FOR 0.3 MILES TO LOCATION.



SCALE - 1"=300'

LEGEND

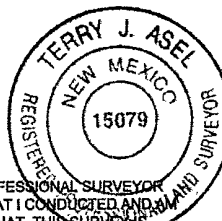
● - DENOTES FOUND MONUMENT AS NOTED



SURVEYORS CERTIFICATE

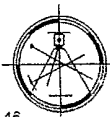
I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR
NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW
MEXICO STATE BOARD OF REGISTRATION FOR
PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 4/27/2011
Terry J. Asel N.M. R.P.S. No. 15079



Asel Surveying

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



OCCIDENTAL PERMIAN LIMITED PARTNERSHIP

FECTA "33" FEDERAL COM #2H LOCATED
AT 141' FNL & 2347' FWL IN SECTION
33, TOWNSHIP 19 SOUTH, RANGE 32
EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 04/18/11	Sheet 1 of 1 Sheets
W.O. Number: 110418WL-c	Drawn By: KA Rev:
Date: 04/26/11	110418WL-c Scale: 1"=1000'

