

**SURFACE USE PLAN OF OPERATIONS**

Operator Name/Number:	OXY USA Inc.	16696
Lease Name/Number:	Bootleg Gin Federal Com #1H	Federal Lease No. NMNM109758
Pool Name/Number:	Undesignated Northwest Bootleg Ridge Delaware	6925
Surface Location:	1800 FSL 330 FWL NWSW(L) Sec 1 T22S R32E	
Bottom Hole Location:	1650 FSL 330 FEL NESE(I) Sec 1 T22S R32E	

**1. Existing Roads****HOBBS OCD**

- a. A copy of a USGS "The Divide, NM" quadrangle map is attached showing the proposed location. The well location is spotted on this map, which shows the existing road system.

**SEP 29 2011**

- b. The well was staked by Terry J. Asel, Certificate No. 15079 on 3/25/11, certified 3/28/11.

**RECEIVED**

- c. Directions to Location: From the Intersection of SH 128 and CR 798, go north on CR 798 for 7.3 miles to lease road. Turn right and go northeast for 2.7 miles, continue east/southeast for 2.5 miles, continue northeast for 2.0 miles. Turn left and go north for 1.2 miles. Turn right and go east for 0.7 miles. Turn left and go north for 0.2 miles. Turn right and go east for 0.8 miles. Turn left and go north for 0.9 miles. Turn left and go west on proposed new road for 0.9 miles. Turn left and go south for 0.2 miles to location.

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

- a. A new access road will be built. The access road will run approximately 0.9 miles west and 0.2 miles south 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.**

- a. In the event the well is found productive, the Bootleg Gin 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 (Proposed NENE Sec 13 T22S R32E) 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	<u>North</u>	Tanks	<u>West</u>	Pad	<u>280' X 380'</u>
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## 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 (2200')	<u>\$1,379.00</u>	880	\$0.16/ft over 1/4 mile	<u>\$140.80</u>		<u>\$1,519.80</u>
Pipeline - up to 1mile	<u>\$1,273.00</u>	0	\$266 per 1/4 mile	<u>\$0.00</u>		<u>\$1,273.00</u>
Electric Line - up to 1mile	<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>\$140.80</u></u>	\$3,429.80	<u><u>\$3,429.80</u></u>

## 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

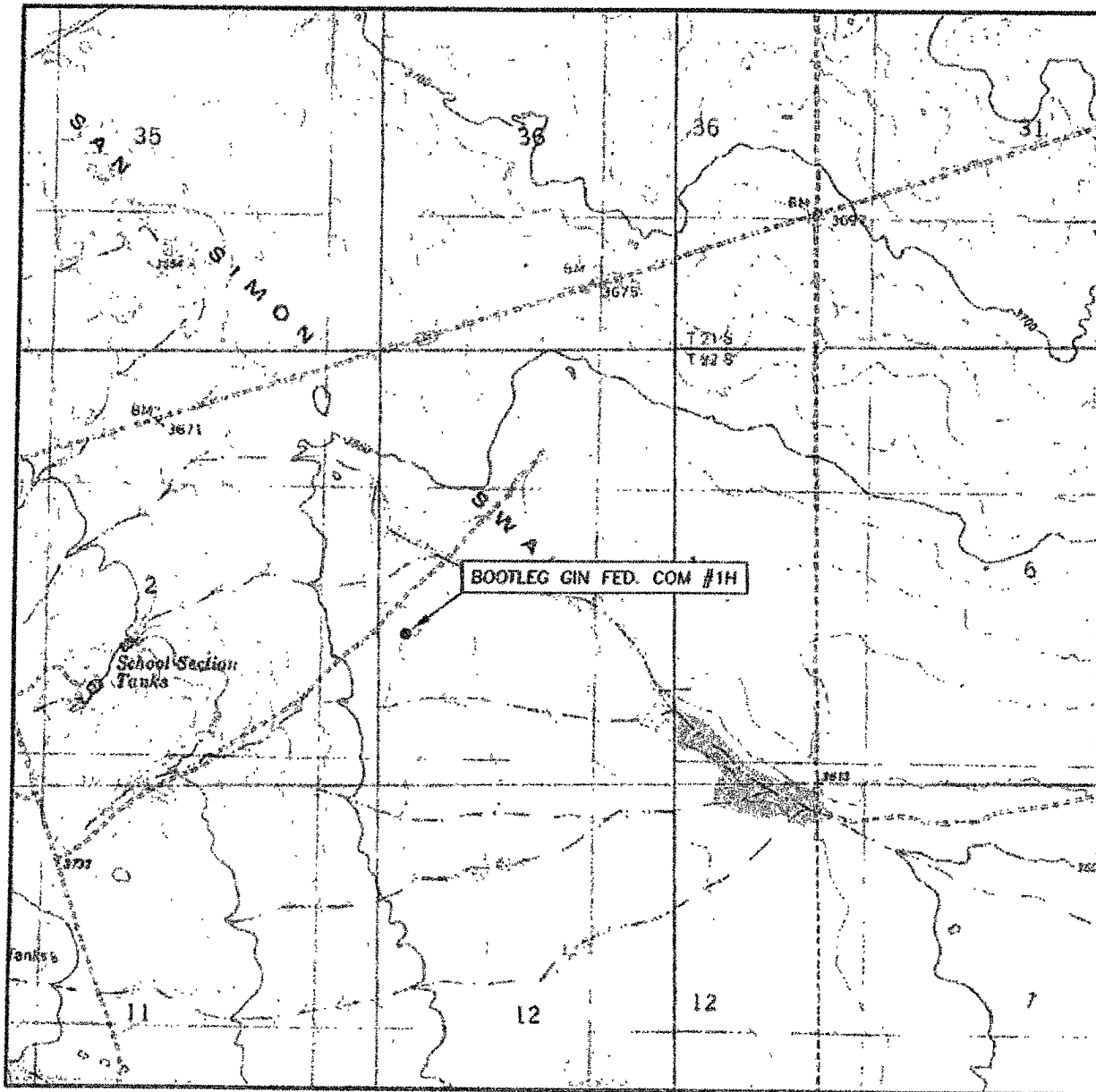
Melissa Schaaf  
Drilling Engineer  
P.O. Box 4294  
Houston, TX 77210  
Office Phone: 713-366-5274  
Cellular: 713-594-7331

### 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 17 day of Feb, 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): \_\_\_\_\_ 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 \_\_\_\_\_

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC 1 TWP 22-S RGE 32-E

SURVEY N.M.F.M.

COUNTY LEA

DESCRIPTION 1800' FSL & 330' FWL

ELEVATION 3643.5'

OPERATOR OXY USA INC.

LEASE BOOTLEG GIN FED COM #1H

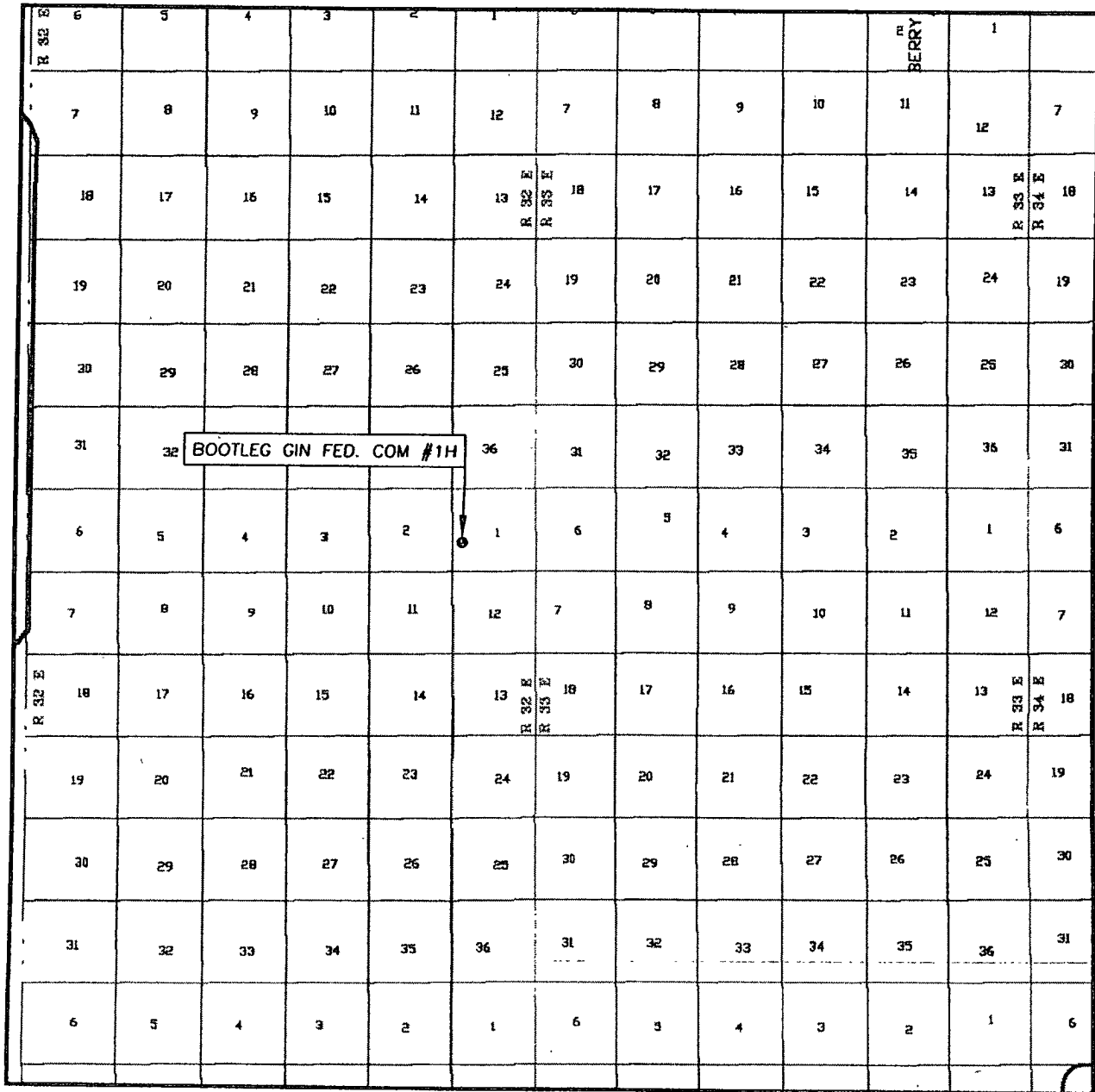
U.S.G.S. TOPOGRAPHIC MAP  
THE DIVIDE N.M.

Asel Surveying

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



# VICINITY MAP

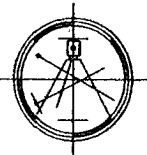


SEC. 1 TWP. 22-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA  
 DESCRIPTION 1800' FSL & 330' FWL  
 ELEVATION 3643.5'  
 OPERATOR OXY USA INC.  
 LEASE BOOTLEG GIN FED. COM #1H

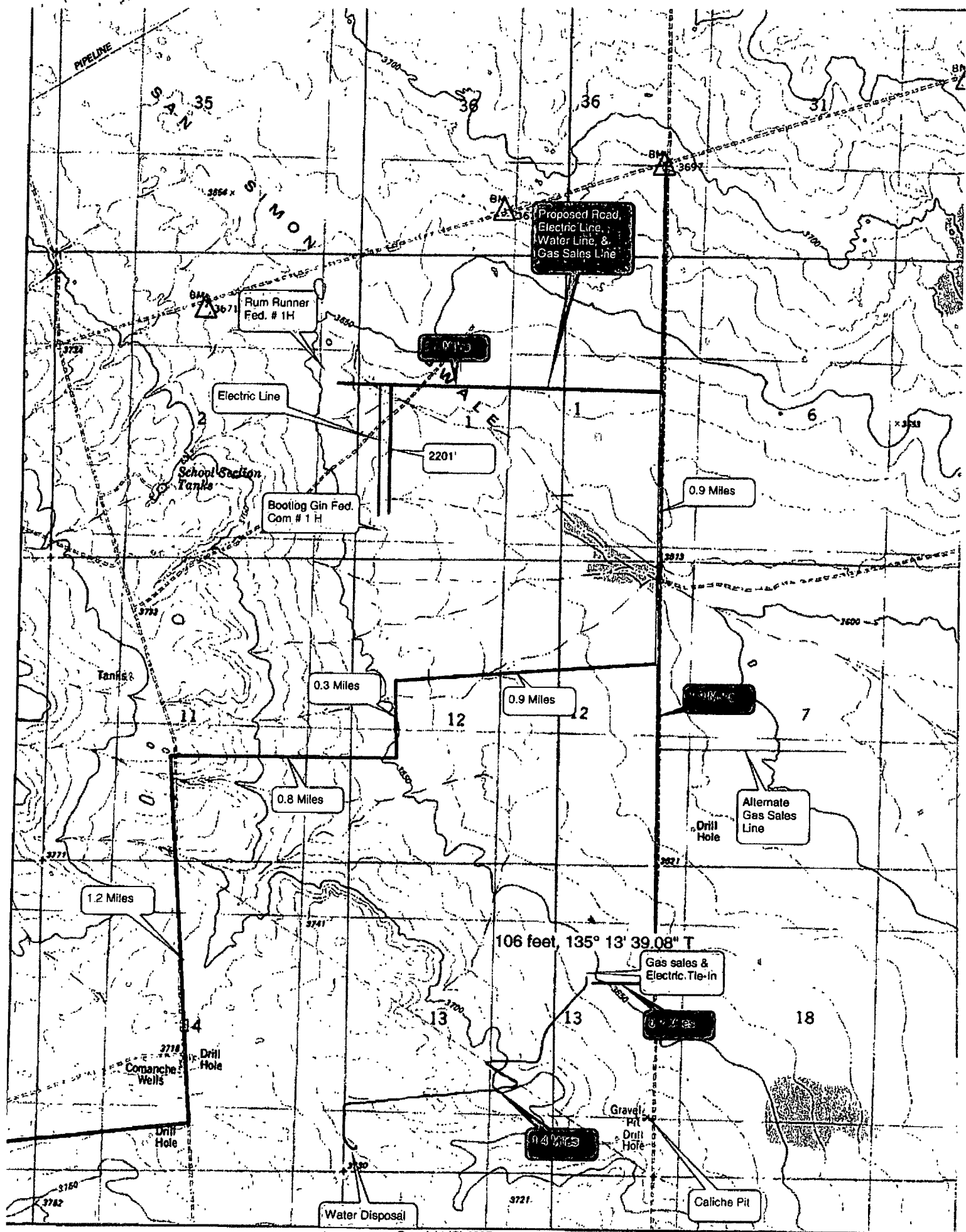
SCALE: 1" = 2 MILES

Asel Surveying

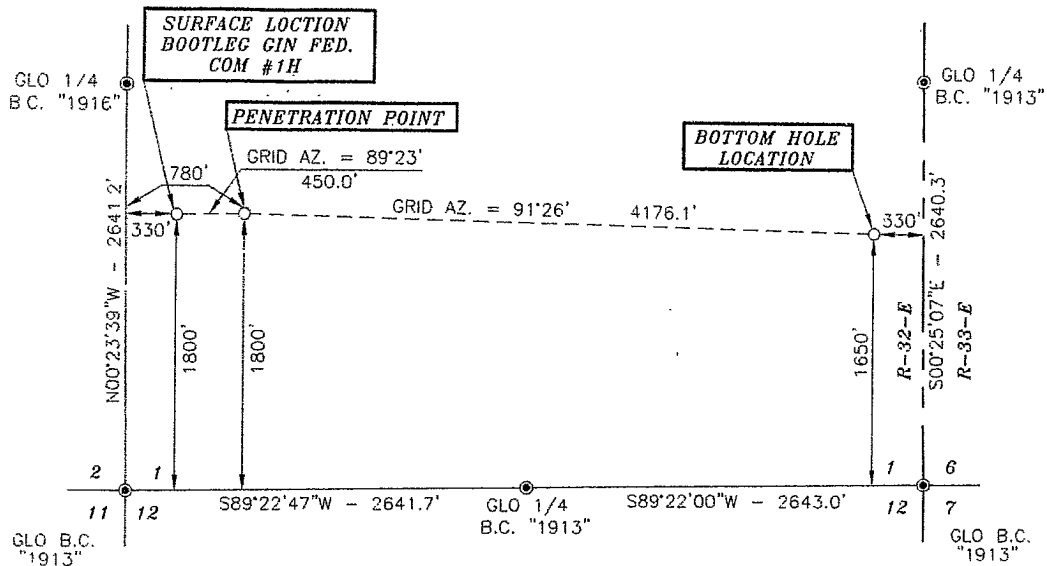
P.O. BOX 393 - 310 W TAYLOR  
 HOBBS, NEW MEXICO - 575-393-9146



DIRECTIONS BEGINNING IN JAL AT THE INTERSECTION OF HWY. #128 AND HWY. #18, GO WEST NORTHWEST ON HWY. #128 FOR 35.0 MILES, TURN RIGHT AND GO NORTH ON COUNTY ROAD #798 (RED ROAD) FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST SOUTHEAST FOR 2.5 MILES, CONTINUE NORTHEAST FOR 2.0 MILES, TURN LEFT AND GO NORTH FOR 1.2 MILES, TURN RIGHT AND GO EAST FOR 0.7 MILES, TURN LEFT AND GO NORTH FOR 0.2 MILES, TURN RIGHT AND GO EAST FOR 0.8 MILES, TURN LEFT AND GO NORTH FOR 0.9 MILES, TURN LEFT AND GO WEST ON PROPOSED NEW ROAD FOR 0.9 MILES, TURN LEFT AND GO SOUTH FOR 0.2 MILES TO LOCATION.



SECTION 1, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY NEW MEXICO

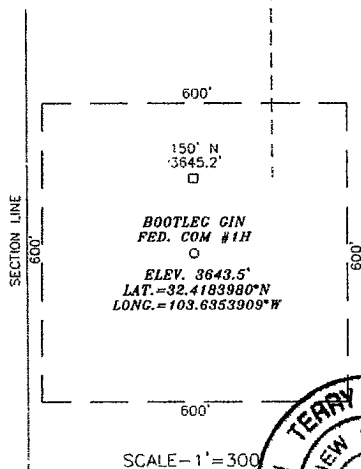


Basis of Bearings -- GPS Geodetic Measurements  
NAD 83 North American Datum of 1983

RUM RUNNER "2"  
FED. COM #1H

PROPOSED ROAD  
0.9 MILES

PROPOSED ROAD  
0.2 MILES



DIRECTIONS:  
BEGINNING IN JAL AT THE INTERSECTION OF HWY.  
#128 AND HWY. #18, GO WEST NORTHWEST ON  
HWY. #128 FOR ±35.0 MILES, TURN RIGHT AND  
GO NORTH ON COUNTY ROAD #798 (RED ROAD)  
FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST  
ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST  
SOUTHEAST FOR 2.5 MILES, CONTINUE NORTHEAST  
FOR 2.0 MILES, TURN LEFT AND GO NORTH FOR  
1.2 MILES, TURN RIGHT AND GO EAST FOR 0.7  
MILES, TURN LEFT AND GO NORTH FOR 0.2 MILES,  
TURN RIGHT AND GO EAST FOR 0.8 MILES, TURN  
LEFT AND GO NORTH FOR 0.9 MILES, TURN LEFT  
AND GO WEST ON PROPOSED NEW ROAD FOR 0.9  
MILES, TURN LEFT AND GO SOUTH FOR 0.2 MILES  
TO LOCATION.

SCALE - 1" = 300'



LEGEND

- DENOTES FOUND MONUMENT AS NOTED

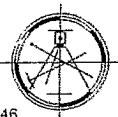
SURVEYORS CERTIFICATE

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* 3/28/2011  
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



OXY USA INC.

BOOTLEG GIN FED. COM #1H LOCATED AT  
1800' FSL & 330' FWL IN SECTION 1,  
TOWNSHIP 22 SOUTH, RANGE 32 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 3/25/11	Sheet 1 of 1 Sheets
W.O. Number: 110120WL (Rev. A)	Drawn By: KA Rev: A
Date: 3/28/11	110120WL Scale: 1"=1000'