

30-025-41089

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number: OCCIDENTAL PERMIAN LIMITED PARTNERSHIP - 157984

Lease Name/Number: SOUTH LUSK "28" FEDERAL #1H

Pool Name/Number: LUSK; BONE SPRING, SOUTH - 41460

Surface Location: A, SEC 28, T19S, R32E; 330' FNL & 585' FEL; LEA COUNTY

Bottom Hole Location: P, SEC 28, T19S, R32E; 330' FSL & 660' FEL; LEA COUNTY

HOBBS OCD

APR 03 2013

RECEIVED

1. Existing Roads

- a. A copy of a USGS "_GREENWOOD LAKE_", 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 _11-1-2011_, certified 11-18-2011_.
- c. Directions to Location:
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 6.0 MILES, TURN RIGHT AND GO EAST ON CALICHE ROAD FOR 2.2 MILES, TURN RIGHT AND GO SOUTH FOR 1.5 MILES, TURN RIGHT AND GO WEST FOR 0.3 MILES, TURN RIGHT ON PROPOSED ROAD AND GO NORTH FOR 271.5 FEET TO LOCATION.

2. New or Reconstructed Access Roads:

- a. A new access road will be built. The access road will run approximately ___271.5'___ from an existing road to the location.
- 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 existing caliche road as required/needed.

3. Location of Existing Wells:

Existing wells within a one mile radius of the proposed well are shown on attached plat.

4. Location of Existing and/or Proposed Production Facilities.

- a. In the event the well is found productive, the production would be stored on location in storage tanks and hauled upon selling of product and the necessary production equipment will be installed at the well site. See proposed Production Facilities Layout diagram.
- b. If necessary, electric power poles will be set along side of the access road.
- c. All flowlines will adhere to API Standards.

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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 - CONTROL RECOVERY INC - R9166
 2. Liquids - SUNDANCE LANDFILL - NM-01-003
- 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:
 1. Solids - CONTROL RECOVERY INC - R9166
 2. Liquids - SUNDANCE LANDFILL - NM-01-003

8. Ancillary Facilities: None needed

9. Well Site Layout

See attached for the proposed well site layout with dimensions of the pad layout and equipment location.

V-Door SOUTH CL Tanks 40' X 75' Pad 380' X 280'

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: _____ KENNETH SMITH INC.

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 Archaeological Services, 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.

Kim Moore
Production Coordinator
1017 W. Stanolind Rd.
Hobbs, NM 88240
Office Phone: 575-397-8236
Cellular: 575-706-1219

Allan Wells
Drilling Superintendent
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-350-4810
Cellular: 713-569-8697

Juan Pinzon
Drilling Engineering Supervisor
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5058
Cellular: 713-503-3962

Charles Wagner
Manager Field Operations
1502 West Commerce Dr.
Carlsbad, NM 88220
Office Phone: 575-628-4151
Cellular: 575-725-8306

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

Carlos Mercado
Drilling Engineer
P.O. Box 4294
Houston, TX 77210
Office Phone: 713-366-5418
Cellular: 281-455-3481

SURFACE OWNER:
BLM

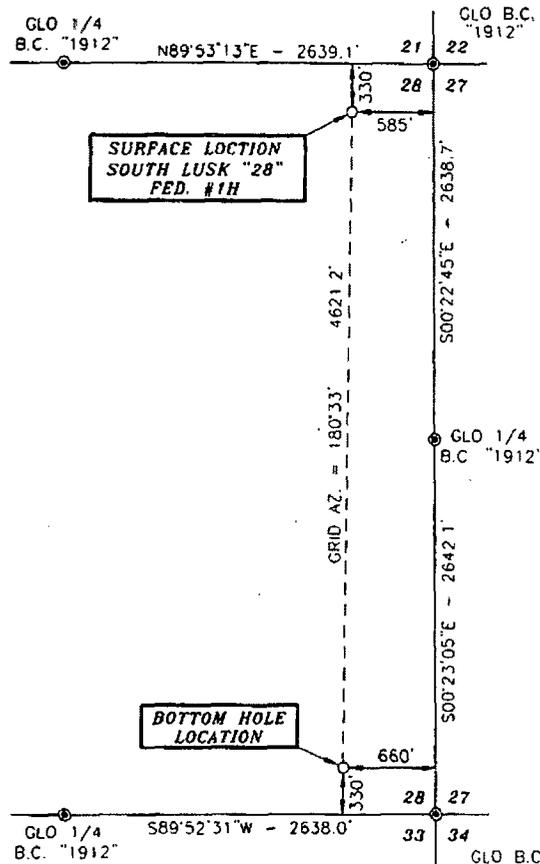
GRAZING TENANT:
KENNETH SMITH INC.
267 SMITH RANCH ROAD
HOBBS, NM 88240

OPERATOR CERTIFICATION

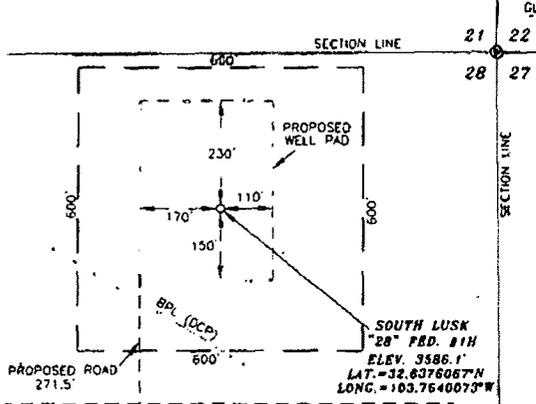
I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in 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 26th day of July, 2012.

Name: David Schellstede 
Position: Reservoir Management Team Leader
Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046
Telephone: 713-366-5013
E-mail: (optional): david_schellstede@oxy.com
Company: Occidental Permian Limited Partnership
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

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY
NEW MEXICO



Box of Bearings - GPS Geodetic Measurements
NM East Zone (83) North American Datum of 1983

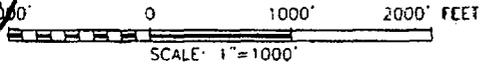


DIRECTIONS:
BEGINNING AT THE INTERSECTION OF
U.S. HWY. #62/180 AND STATE HWY.
#243, GO WEST ON STATE HWY #243
FOR 4.5 MILES, TURN RIGHT AND GO
NORTH ON COUNTY ROAD #126
(MALJAMAR ROAD) FOR 6.0 MILES, TURN
RIGHT AND GO EAST ON CALICHE ROAD
FOR 2.2 MILES, TURN RIGHT AND GO
SOUTH FOR 1.5 MILES, TURN RIGHT AND
GO WEST FOR 0.3 MILES, TURN RIGHT
ON PROPOSED ROAD AND GO NORTH
FOR 271.5 FEET 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 11/10/2011
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

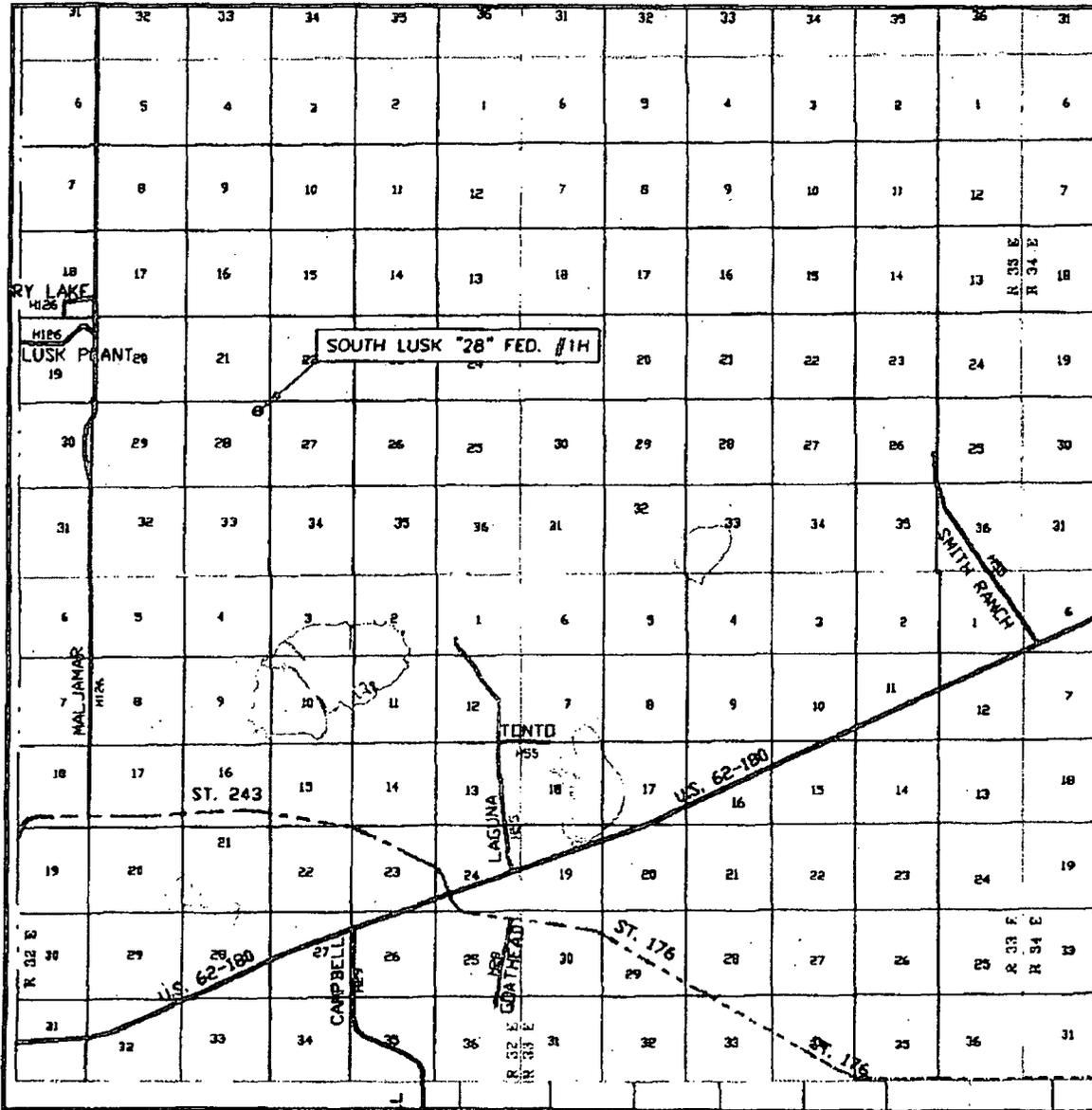


OCCIDENTAL PERMIAN LIMITED PARTNERSHIP

SOUTH LUSK "28" FED. #1H LOCATED AT
330' FNL & 585' FEL IN SECTION 28,
TOWNSHIP 19 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

| | |
|-------------------------|----------------------------|
| Survey Date: 11/01/11 | Sheet 1 of 1 Sheets |
| W.O. Number: 111101WL-o | Drawn By: KA Rev: |
| Date: 11/14/11 | 111101WL-o Scale: 1"=1000' |

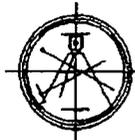
VICINITY MAP



SEC. 28 TWP. 19-S RGE. 32-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 330' FNL & 585' FEL
 ELEVATION 3586.1'
 OPERATOR OCCIDENTAL PERMIAN LIMITED PARTNERSHIP
 LEASE SOUTH LUSK "28" FED. #1H

SCALE: 1" = 2 MILES

Asel Surveying



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

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