30-025-41118

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	**OXY USA INC - 16696**
Lease Name/Number:	**RED TANK 28 FEDERAL #5H**
Pool Name/Number:	**RED TANK; DELAWARE, WEST (51689)**
Surface Location:	**A, SEC 28, T22S, R32E; 295' FNL & 880' FEL; LEA COUNTY, NM**
Bottom Hole Location:	**P, SEC 28, T22S, R32E; 330' FSL & 912' FEL; LEA COUNTY, NM**

1. Existing Roads

a. A copy of a USGS "_BOOTLEG RIDGE_, 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 _03/01/2012_, certified 04/19/2012_.

c. Directions to Location:
BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTH ON EDDY COUNTY ROAD #798 FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST SOUTHEAST FOR 2.5 MILES, TURN RIGHT AND GO SOUTHEAST FOR 0.3 MILES, TURN RIGHT AND GO SOUTH FOR 0.2 MILES, TURN RIGHT AND GO WEST FOR 0.1 MILES TO LOCATION.

2. New or Reconstructed Access Roads:

a. No new access road will be built.

b. Maximum Grade: N/A

c. Surfacing material: N/A

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.

HOBBS OCD

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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 will be sent to the central tank battery on the RED TANK 28 FEDERAL #1 BATTERY location. See proposed Production Facilities Layout diagram.

b. If necessary, electric power line routes will be submitted via sundry notice.

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 EAST 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: _____ Brininstool XL Ranch LLC
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	$1,463.00	0	$0.17/ft over 1/4 mile	$0.00	$1,463.00
Pipeline - up to 1mile	$1,350.00	0	$274 per 1/4 mile	$0.00	$1,350.00
Electric Line - up to 1mile	$676.00	0	$0.19/ft over 1 mile	$0.00	$676.00
Total	$3,489.00			$0.00	$3,489.00

e. Notice of this application will also be mailed to the following:
Intercontinental Potash (USA) 1600 Jackson St #18, Golden CO 80401

13. Bond Coverage:

Bond Coverage is Nationwide Bond No. _____ NMB000862 / ESB00226

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

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

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

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

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

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

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 12th day of September 2012.

Name: Peter Lawrence

Position: Reservoir Management Team Leader

Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046

Telephone: 713-215-7644

E-mail: (optional): peter_lawrence@oxy.com

Company: OXY USA Inc.

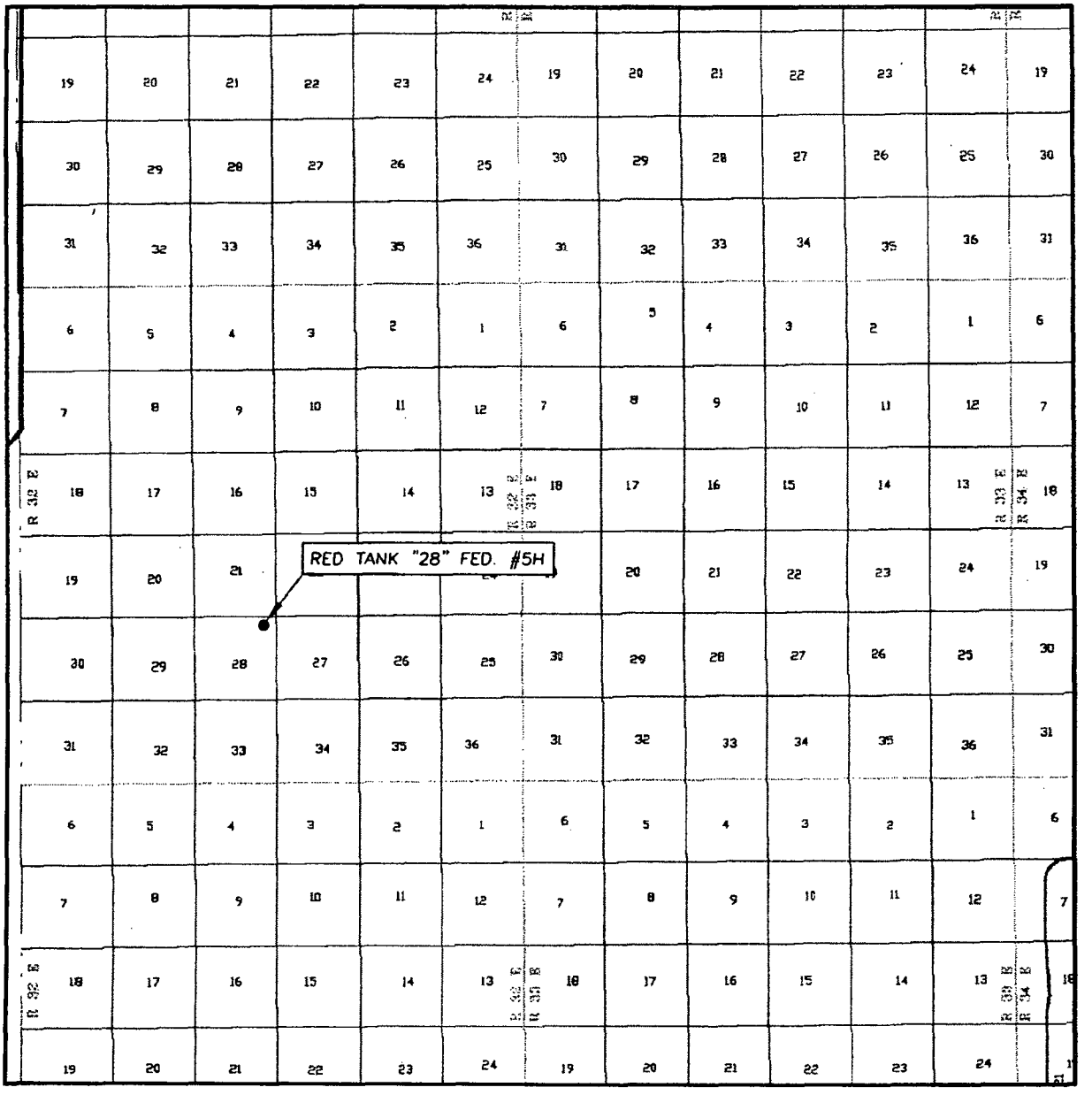
Field Representative (if not above signatory): Dusty Weaver

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

VICINITY MAP



SEC. 28 TWP. 22-S RGE. 32-E
SURVEY N.M.P.M.
COUNTY LEA
DESCRIPTION 295' FNL & 880' FEL
ELEVATION 3623.7'
OPERATOR OXY USA INC.
LEASE RED TANK "28" FED. #5H

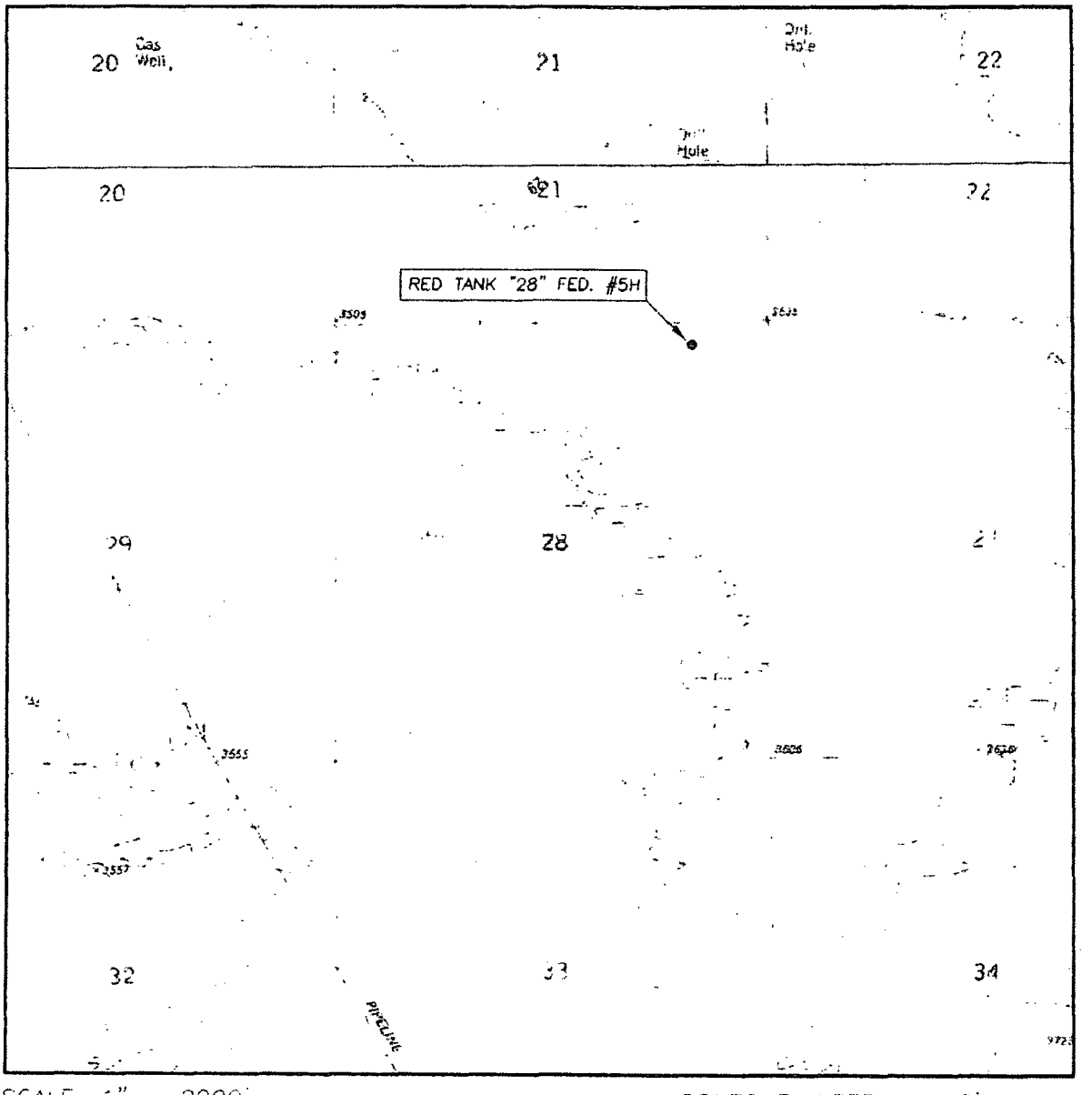
SCALE: 1" = 2 MILES

Asel Surveying

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

DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTH ON EDDY COUNTY ROAD #798 FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST SOUTHEAST FOR 2.5 MILES, TURN RIGHT AND GO SOUTHEAST FOR 0.3 MILES, TURN RIGHT AND GO SOUTH FOR 0.2 MILES, TURN RIGHT AND GO WEST FOR 0.1 MILES TO LOCATION.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 28 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 295' FNL & 880' FEL

ELEVATION 3623.7'

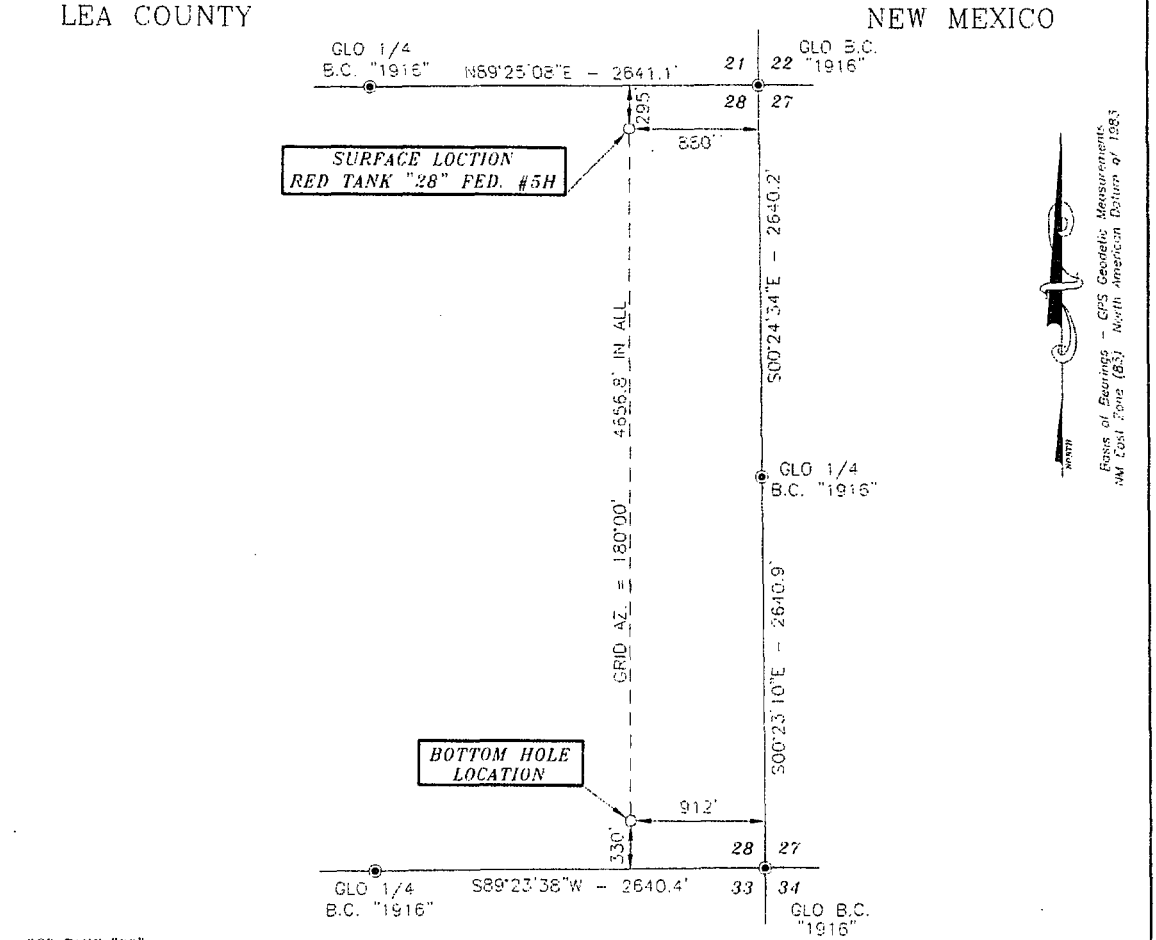
OPERATOR OXY USA INC.

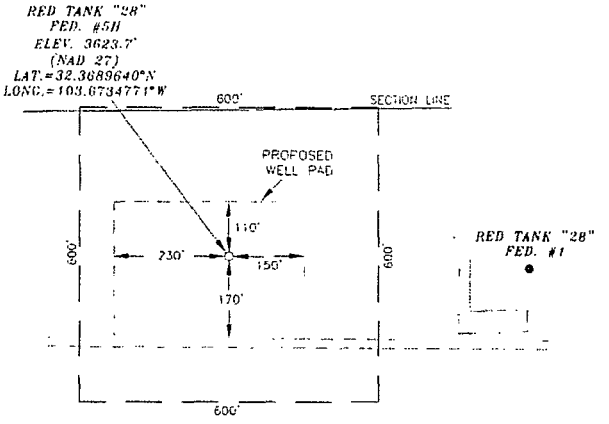
LEASE RED TANK "28" FED. #5H

U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, N.M.

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

SECTION 28, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY NEW MEXICO





SCALE = 1"=300'

DRIVING DIRECTIONS:
BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTH ON EDDY COUNTY ROAD #798 FOR 7.3 MILES, TURN RIGHT AND GO NORTHEAST ON CALICHE ROAD FOR 2.7 MILES, CONTINUE EAST SOUTHEAST FOR 2.5 MILES, TURN RIGHT AND GO SOUTHEAST FOR 0.3 MILES, TURN RIGHT AND GO SOUTH FOR 0.2 MILES, TURN RIGHT AND GO WEST FOR 0.1 MILES TO LOCATION.

TERRY J. ASEL
NEW MEXICO
15079
REGISTERED PROFESSIONAL LAND SURVEYOR

LEGEND

◉ - DENOTES FOUND MONUMENT AS NOTED

1000' 0 1000' 2000' FEET

SCALE: 1"=1000'

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 4/19/2012

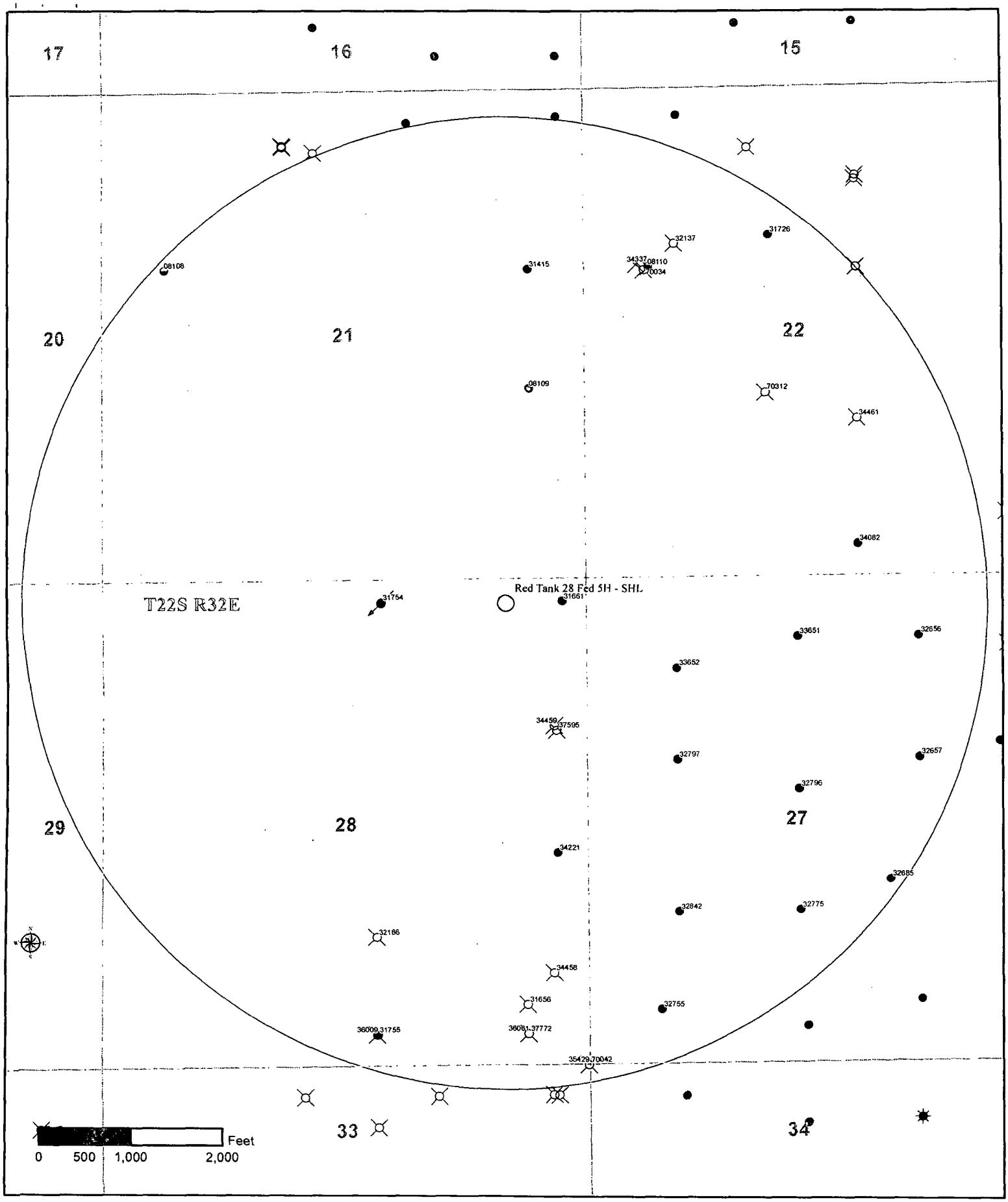
Terry J. Asel, N.M. R.P.S. No. 15079

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

OXY USA INC.

RED TANK "28" FED. #5H LOCATED AT 295' FNL & 880' FEL IN SECTION 28, TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 03/01/12	Sheet 1 of 1 Sheets	
W.O. Number: 120301WL-b (Rev. A)	Drawn By: KA	Rev: A
Date: 04/18/12	120301WL-b	Scale: 1"=1000'



Permian Primary

New Mexico
Eddy & Lea Counties
Oxy 2012 Wells with
1 Mile Raduis

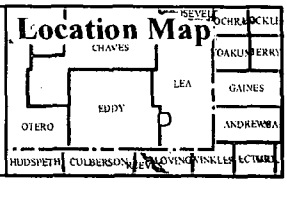
KL - 05/12/2012

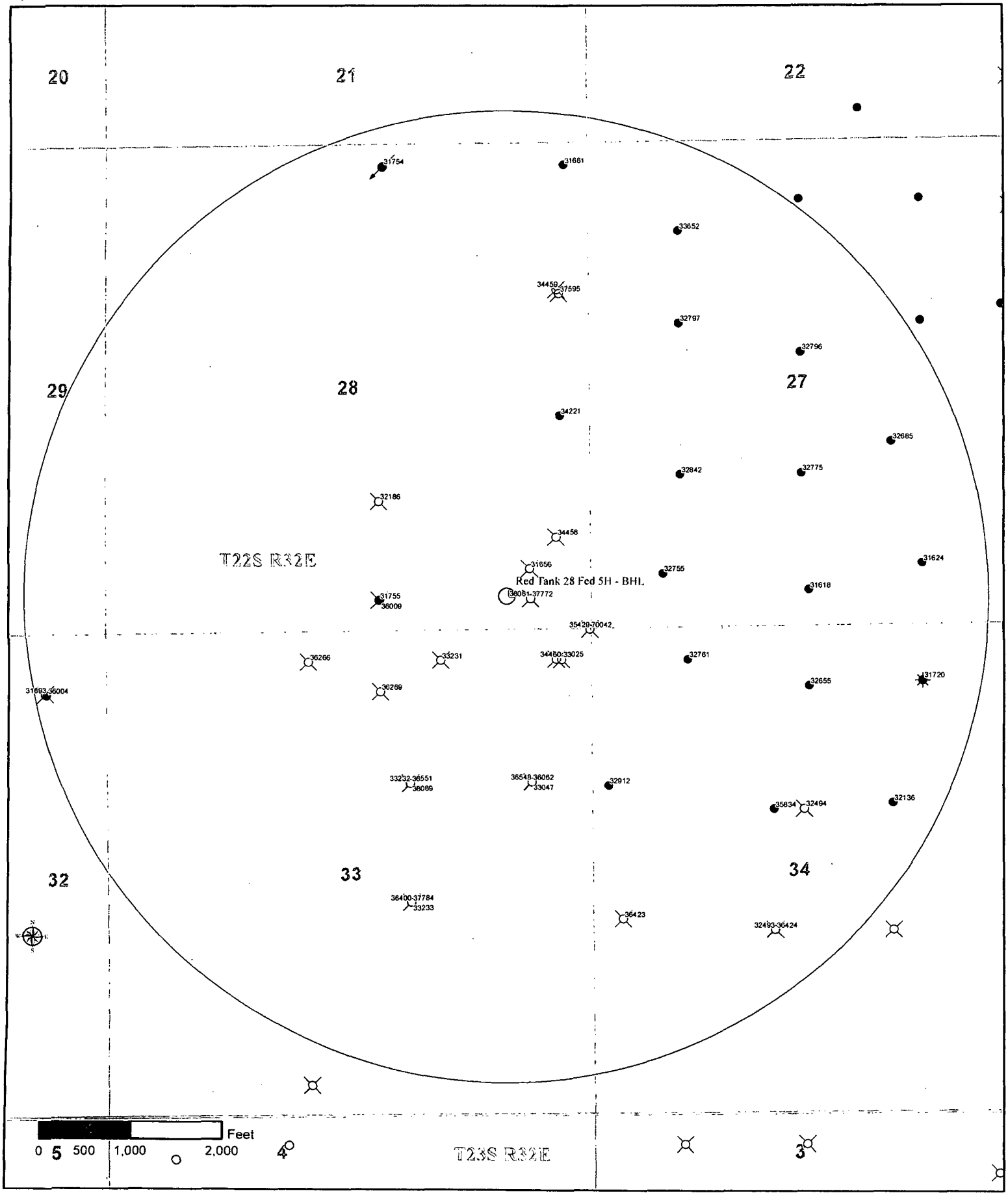
OXY WELL
1 MILE RADIUS
GAS
OIL
O&G
GAS SHOWS
OIL SHOWS
O&G SHOWS
LOC
SUS
AGW
AOW
AO&GW
ABANDONED LOC
ABANDONED-NO SHOWS
INJ-NO SHOWS
OTHER

Coordinate System Information

Geographic Coordinate System North American 1927
Datum: North American 1927
NAD 1927 State Plane New Mexico East FIPS 3001
Projection: Transverse Mercator
False Easting: 500000.000000
False Northing: 0.000000
Central Meridian: -104.333333
Scale Factor: 0.999909
Latitude Of Origin: 31.000000
Linear Unit: Foot US

Location Map





Permian Primary

New Mexico
Eddy & Lea Counties
Oxy 2012 Wells with
1 Mile Raduis

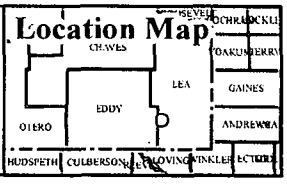
KL - 09/12/2012

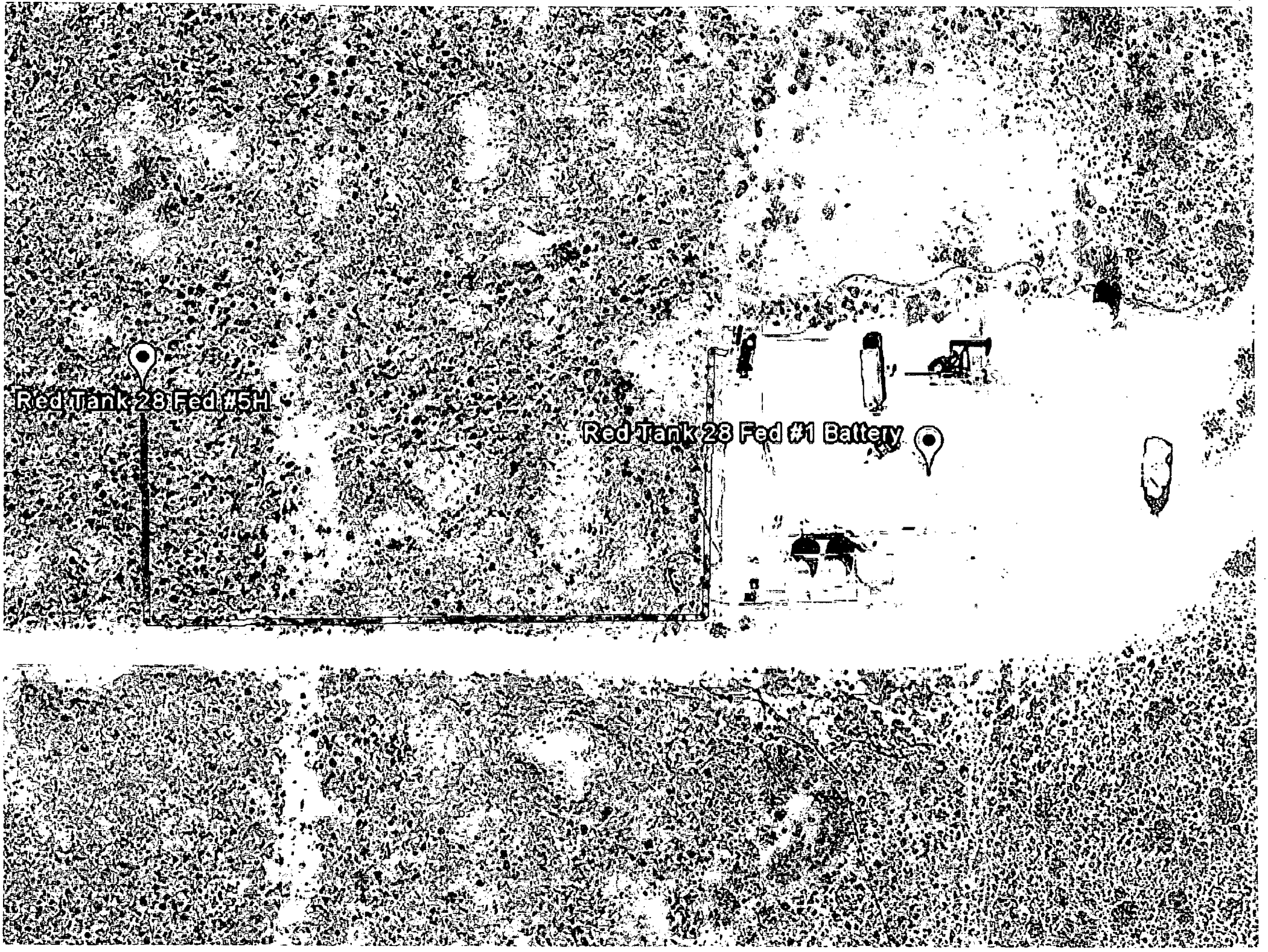
OXY WELL
1 MILE RADIUS
GAS
OIL
O&G
GAS SHOWS
OIL SHOWS
O&G SHOWS
LOC
SUS
AGW
AOW
AO&GW
ABANDONED LOC
ABANDONED-NO SHOWS
INJ-NO SHOWS
OTHER

Coordinate System Information

Geographic Coordinate System North American 1927
Datum: North American 1927
NAD 1927 State Plane New Mexico East FIPS 5001
Projection: Transverse Mercator
False Easting: 500000.000000
False Northing: 0.000000
Central Meridian: -104.333333
Scale Factor: 0.999909
Latitude Of Origin: 31.000000
Linear Unit: Foot US

Location Map




Red Tank 28 Fed #5H
Red Tank 28 Fed #1 Battery