

AUG 05 2013

RECEIVED

Surface Use Plan of Operations

Introduction

The following surface use plan of operations will be followed and carried out once the APD is approved. No other disturbance will be created other than what was submitted in this surface use plan. If any other surface disturbance is needed after the APD is approved, a BLM approved sundry notice or right of way application will be acquired prior to any new surface disturbance.

Before any surface disturbance is created, stakes or flagging will be installed to mark boundaries of permitted areas of disturbance, including soils storage areas. As necessary, slope, grade, and other construction control stakes will be placed to ensure construction in accordance with the surface use plan. All boundary markers will be maintained in place until final construction cleanup is completed. If disturbance boundary markers are disturbed or knocked down, they will be replaced before construction proceeds.

If terms and conditions are attached to the approved APD and amend any of the proposed actions in this surface use plan, we will adhere to the terms and conditions.

1. Existing Roads

- a. The existing access road route to the proposed project is depicted on PAP MAP. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of this surface use plan..
- b. The existing access road route to the proposed project does cross lease boundaries and a BLM road right-of-way will be acquired from the BLM prior to construction activities.
- c. Existing oil and gas roads utilized to access the proposed project will be maintained by blade, water & repair as required/needed. All existing structures on the entire access route such as catterguards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.
- c. Existing oil and gas roads utilized to access the proposed project will be maintained by blade, water & repair as required/needed. All existing structures on the entire access route such as catterguards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.

2. New or Reconstructed Access Roads

- a. An access road will be needed for this proposed project. See the survey plat for the location of the access road.
- b. The length of access road needed to be constructed for this proposed project is about 247 feet.
- c. The maximum driving width of the access road will be 15 feet. The maximum width of surface disturbance when constructing the access road will not exceed 25 feet. All areas outside of the driving surface will be revegetated.
- d. The access road will be constructed with 6 inches of compacted caliche.
- e. The proposed access road will be constructed to BLM Gold Book standards and/or BLM CFO specifications.
- f. The access road will be constructed with a ditch on each side of the road.
- g. The maximum grade for the access road will be 1 percent.
- h. No turnouts will be constructed on the proposed access road.

- i. No cattleguards will be installed for this proposed access road.
- j. No BLM right-of-way grant is needed for the construction of this access road.
- k. No culverts will be constructed for this proposed access road.
- l. No low water crossings will be constructed for the access road.
- m. Since the access road is on level ground, no lead-off ditches will be constructed for the proposed access road.
- n. Newly constructed or reconstructed roads, on surface under the jurisdiction of the Bureau of Land Management, will be constructed as outlined in the BLM "Gold Book" and to meet the standards of the anticipated traffic flow and all anticipated weather requirements as needed. Construction will include ditching, draining, crowning and capping or sloping and dipping the roadbed as necessary to provide a well-constructed and safe road.

3. Location of Existing Wells

- a. One Mile Radius of the APD depicts all known wells within a one mile radius of the proposed well.
- b. There is no other information regarding wells within a one mile radius.

4. Location of Existing and/or Proposed Production Facilities

- a. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, meter housing that are not subject to safety requirements will be painted a non-reflective paint color that blends in with the surrounding landscape. The paint color will be one of the colors from the BLM Standard Environmental Colors chart selected by the BLM authorized officer.
- b. All proposed production facilities that are located on the well pad will be strategically placed to allow for maximum interim reclamation, recontouring, and revegetation of the well location.
- c. A production facility is proposed to be installed off the proposed well location. Production from the well will be processed at this production facility. Flowline Route depicts the location of the production facilities.
- d. The proposed production facility will have a secondary containment structure that is constructed to hold the capacity of 1-1/2 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.
- e. There is no other diagram that depicts production facilities.
- f. A pipeline to transport production from the proposed well to the existing production facility will be installed.
 - i. We plan to install a 4 inch surface polyethylene pipeline from the proposed well to the offsite production facility. The working pressure of the pipeline will be about 125 psi. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.
 - ii. Flowline Route depicts the proposed production pipeline route from the well to the existing production facility.
 - iii. The proposed pipeline does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

If any plans change regarding the production facility or other infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation of construction.

Electric Line(s)

- a. An electric line will be applied for through a sundry notice or BLM right of way at a later date.

5. Location and Types of Water

- a. The source and location of the water supply are as follows: This well will be drilled using a combination of water mud systems. It will be obtained from commercial water stations in the area.
- b. Water will be transported to location by truck, using existing and proposed roads.

6. Construction Materials

- a. Construction material that will be used to build the well pad and road will be caliche.
- b. You, the operator must provide a map or plat or description depicting the location of the source of construction material.
- c. The location of the source of construction material that will be used to construct the proposed project is located will be obtained from an existing BLM approved pit or from prevailing deposits found under the location.

7. Methods for Handling Waste

- a. Drilling fluids and produced oil and water from the well during completion operations will be stored safely and disposed of properly in an NMOCD approved disposal facility.
- b. Garbage and trash produced during drilling and completion operations will be collected in a trash bin and disposed of properly at a state approved site. All trash on and around the well site will be collected for disposal.
- c. Human waste and grey water will be properly contained and disposed of properly at a disposal facility.
- d. After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a disposal site.
- e. The well will be drilled utilizing a closed loop system. Drill cutting will be properly disposed of into steel tanks and taken to an NMOCD approved disposal facility.

8. Ancillary Facilities

- a. No ancillary facilities will be needed for this proposed project.

9. Well Site Layout

- a. Make sure that the survey plat or other diagrams have the following necessary information for the BLM:
 - i. reasonable scale (near 1":50')
 - ii. well pad dimensions
 - iii. well pad orientation
 - iv. drilling rig components
 - v. proposed access road
 - vi. elevations of all points
 - vii. topsoil stockpile

- viii. reserve pit location/dimensions if applicable
 - ix. other disturbances needed (flare pit, stinger, frac farm pad, etc.)
 - x. existing structures within a 600' x 600' area (pipelines, electric lines, well pads, etc.)
- b. The proposed drilling pad was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.
- c. A title of a well site diagram is FLEX 3 RIG DIAGRAM. This diagram depicts the reclaimed area, dimensions of pad.
- d. Topsoil Salvaging
- i. Grass, forbs, and small woody vegetation, such as sagebrush will be excavated as the topsoil is removed. Large woody vegetation will be stripped and stored separately and respread evenly on the site following topsoil respreading. Topsoil depth is defined as the top layer of soil that contains 80% of the roots. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and stockpiled on the perimeter of the well location and along the perimeter of the access road to control run-on and run-off, to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoils. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

10. Plans for Surface Reclamation

a. Reclamation Objectives

- i. The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities. The long-term objective of final reclamation is to return the land to a condition approximating that which existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.
- ii. The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.
- iii. If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.

iv. Interim Reclamation

1. Interim reclamation will be performed on the well site after the well is drilled and completed. FLEX 3 RIG DIAGRAM depicts the location and dimensions of the planned interim reclamation for the well site.
2. Within 30 days of well completion, the well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production.
3. In areas planned for interim reclamation, all the surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
4. The areas planned for interim reclamation will then be recontoured to the original contour if feasible, or if not feasible, to an interim contour that blends with the surrounding topography as much as

possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio, unless the adjacent native topography is steeper. Note: Constructed slopes may be much steeper during drilling, but will be recontoured to the above ratios during interim reclamation.

5. Topsoil will be evenly respread and aggressively revegetated over the entire disturbed area not needed for all-weather operations including cuts & fills. To seed the area, the proper BLM seed mixture, free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

6. Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area.

7. The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion is controlled.

v. Final Reclamation (well pad, buried pipelines, etc.)

1. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.

2. All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.

3. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.

4. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture, free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.

5. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

6. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.

7. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

11. Surface Ownership

- a. The surface ownership of the proposed project is BLM.

12. Other Information

- a. No other information is needed at this time.

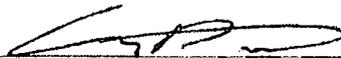
13. Maps and Diagrams

DARMAP, Final - Red

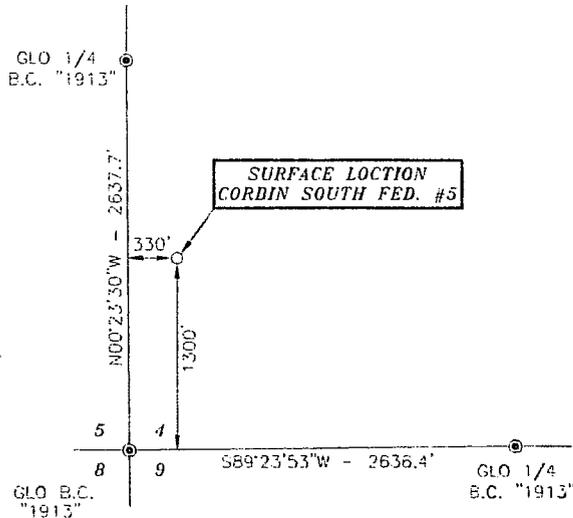
One Mile Radius - Wells Within One Mile
Flowline Route - Production Facilities Diagram
Flowline Route - Production Pipeline
FLEX 3 RIG DIAGRAM - Well Site Diagram
FLEX 3 RIG DIAGRAM - Interim Reclamation

OPERATOR CERTIFICATION

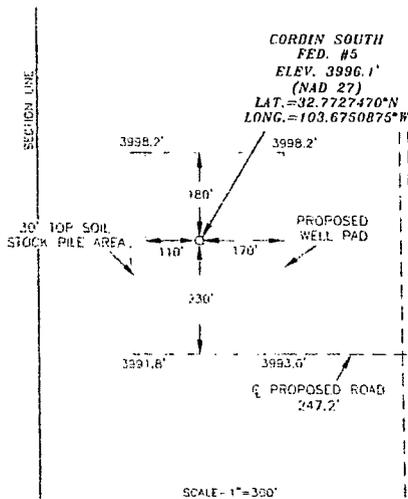
I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in 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 18th day of April, 2013.

Name: Anthony D'Addieco 
Position: Reservoir Management Team Leader
Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046
Telephone: 713-350-4964
E-mail: (optional): Anthony_DAddieco@oxy.com
Company: Occidental Permian LP / OXY USA Inc / OXY USA WTP LP
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 4, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY NEW MEXICO



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



DRIVING DIRECTIONS:
 BEGINNING AT THE INTERSECTION OF HWY. #529 AND COUNTY ROAD #125 (DOG LAKE ROAD), GO SOUTHEAST ON HWY. #529 FOR 0.9 MILES, TURN RIGHT ON CALICHE ROAD AND GO SOUTH FOR 0.8 MILES, TURN RIGHT AND GO WEST FOR 0.2 MILES, TURN RIGHT AND GO NORTH FOR 0.1 MILES, TURN LEFT ON PROPOSED ROAD AND GO WEST FOR 247.2 FEET TO LOCATION.



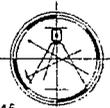
SURVEYORS CERTIFICATE

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 6/25/2013
 Terry J. Asel, N.M. R.P.L.S. No. 15079

Asel Surveying

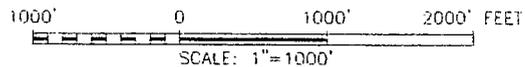
P.O. BOX 383 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146



EXISTING CALICHE ROAD

LEGEND

⊙ - DENOTES FOUND MONUMENT AS NOTED

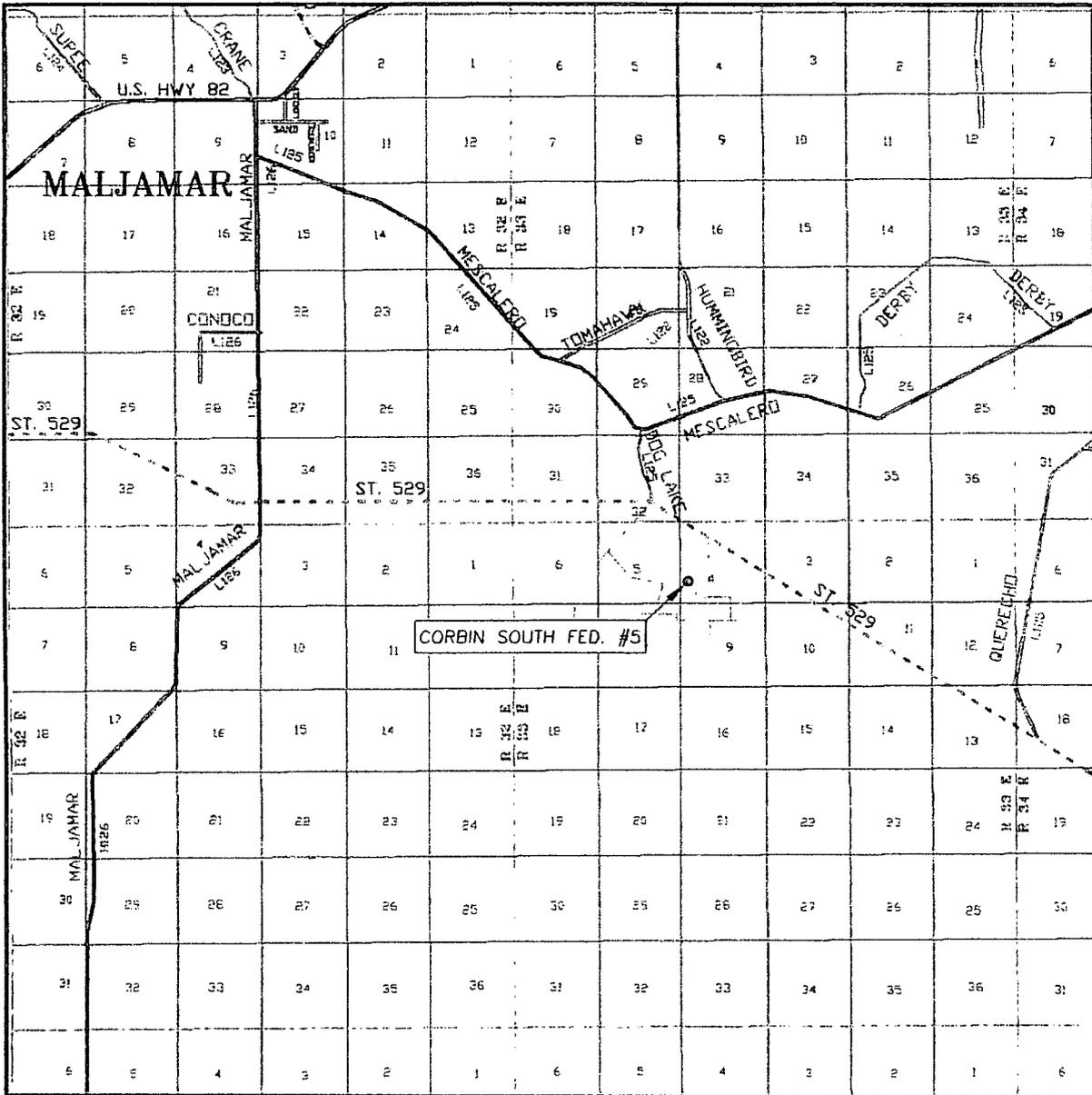


OXY USA INC.

CORBIN SOUTH FED. #5 LOCATED AT
 1300' FSL & 330' FWL IN SECTION 4,
 TOWNSHIP 18 SOUTH, RANGE 33 EAST,
 N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 12/18/12	Sheet 1 of 1 Sheets
W.O. Number: 121218WL-d (Rev. A)	Drawn By: KA Rev: A
Date: 06/29/13	121218WL-d Scale: 1"=1000'

VICINITY MAP

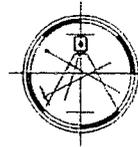


SEC. 4 TWP. 18-S RGE. 33-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 1300' FSL & 330' FWL
 ELEVATION 3996.1'
 OPERATOR OXY USA INC.
 LEASE CORBIN SOUTH FED. #5

SCALE: 1" = 2 MILES

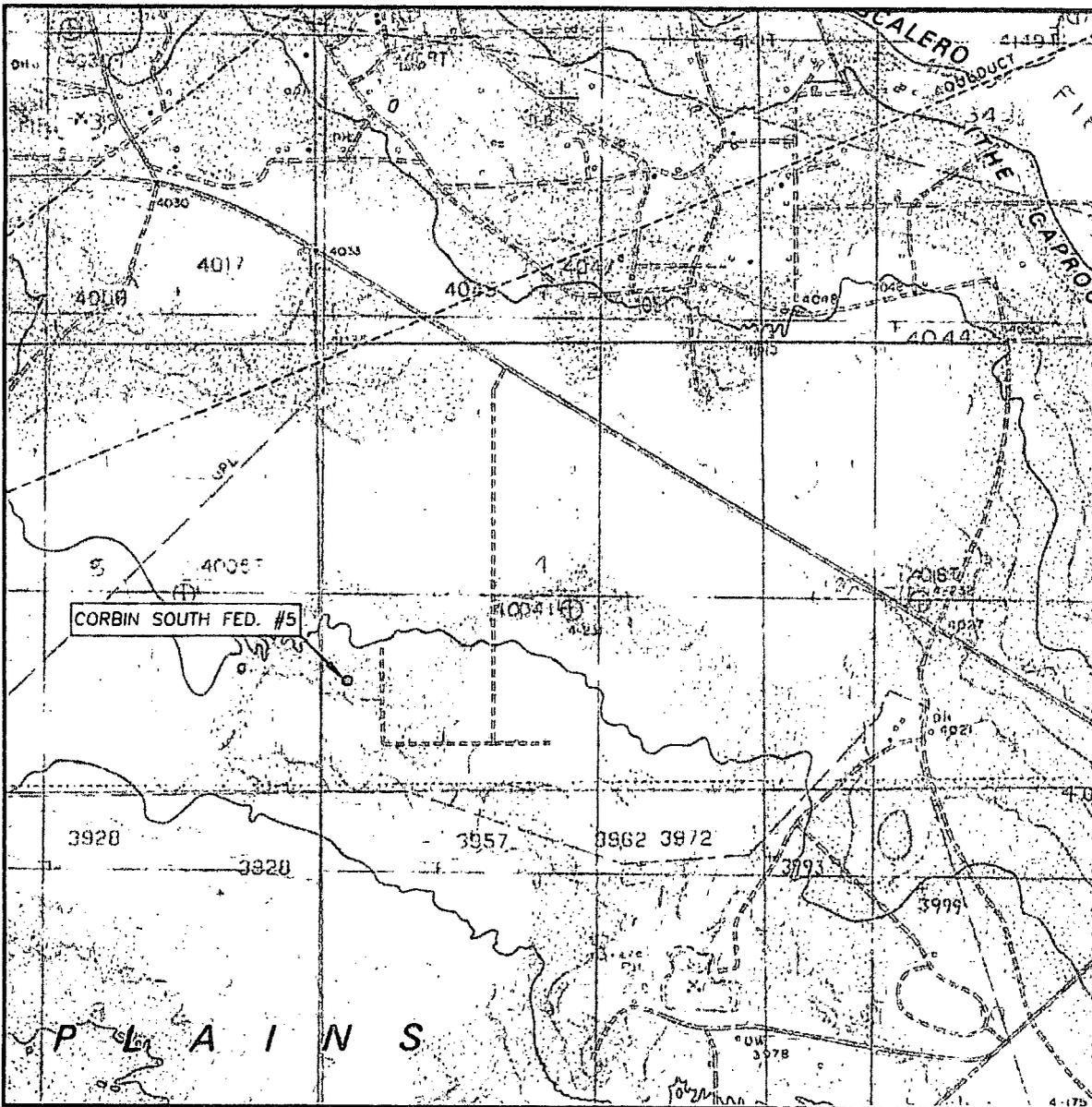
Asel Surveying

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



DIRECTIONS BEGINNING AT THE INTERSECTION OF HWY. #529 AND COUNTY ROAD #125 (DOG LAKE ROAD), GO SOUTHEAST ON HWY. #529 FOR 0.9 MILES, TURN RIGHT ON CALICHE ROAD AND GO SOUTH FOR 0.8 MILES, TURN RIGHT AND GO WEST FOR 0.2 MILES, TURN RIGHT AND GO NORTH FOR 0.1 MILES, TURN LEFT ON PROPOSED ROAD AND GO WEST FOR 247.2 FEET TO LOCATION.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 4 TWP. 18-S RGE. 33-E

SURVEY _____ N.M.P.M.

COUNTY _____ LEA

DESCRIPTION 1300' FSL & 330' FWL

ELEVATION _____ 3996.1'

OPERATOR _____ OXY USA INC.

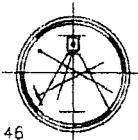
LEASE _____ CORBIN SOUTH FED. #5

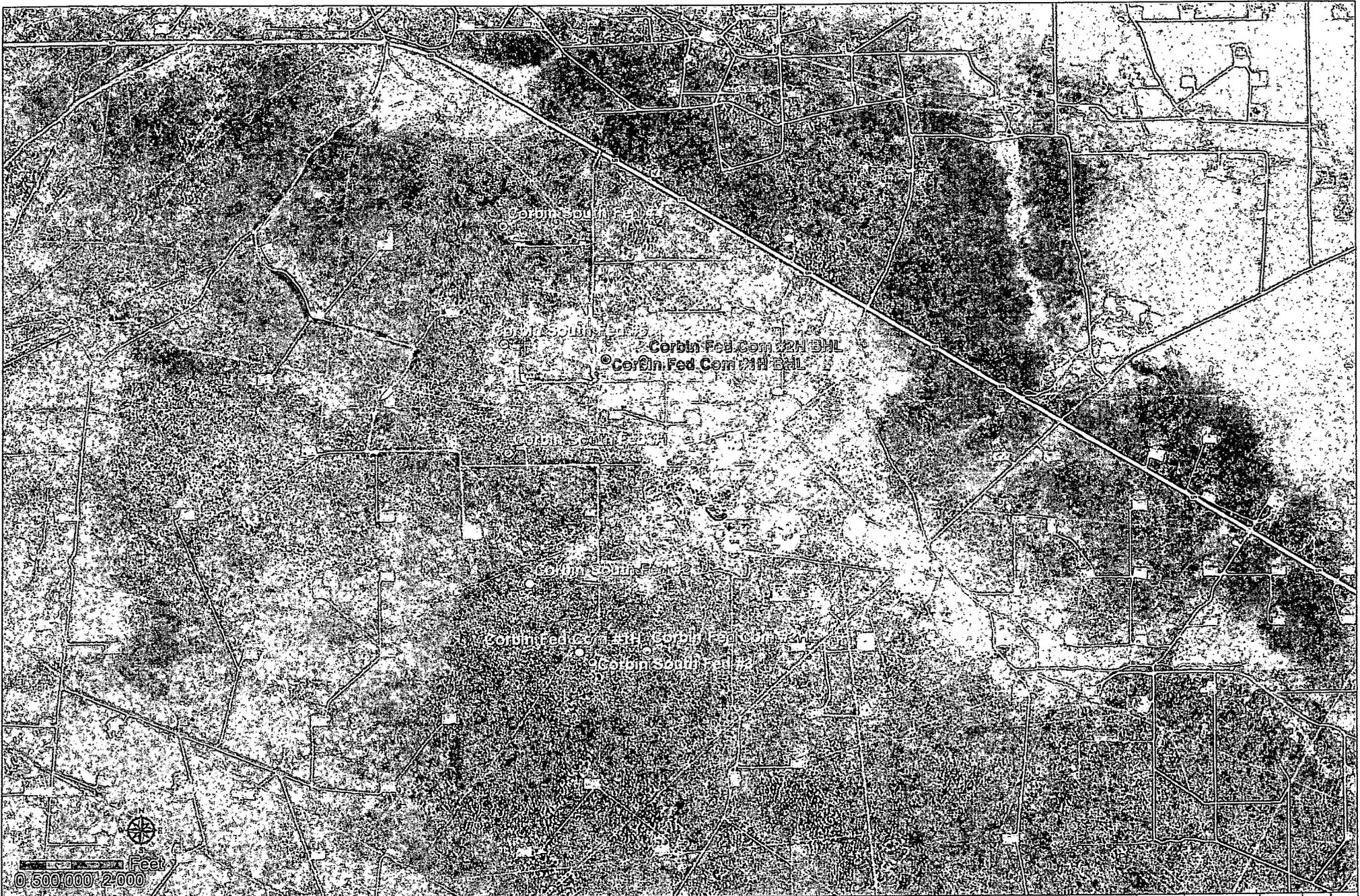
U.S.G.S. TOPOGRAPHIC MAP

DOG LAKE, N.M.

Asel Surveying

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



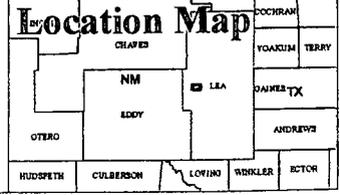


Oxy Permian Primary
 New Mexico
 Eddy & Lea Counties
 Oxy Wells
 Public Access Points
 DL - 03/25/2013

- OXY WELL Bottom Hole
- OXY WELL

PAP Map

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



Corbin South Fed #5

Three (3) flowlines of approximately 6000' each of 4" SDR 7 polyethylene production flowline (1 oil, 1 gas, and 1 water) to be laid on surface to the Corbin South Fed #1. Operating Pressure <125 psig.

Corbin South Fed #1

