30-025-42620

SURFACE USE PLAN OF OPERATIONS

Operator Name/Number:	**OXY USA Inc.**	**16696**
Lease Name/Number:	**Federal 8 #3H**	
Pool Name/Number:	**Livingston Ridge Delaware, East**	**39366**
Surface Location:	**110 FNL 1830 FWL NENW(C) Sec 17 T22S R32E**	**Federal Lease No NMNM128362**
Bottom Hole Location:	**180 FNL 2088 FWL NENW(C) Sec 8 T22S R32E**	**Federal Lease No NMNM069373**

1. Existing Roads

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.

b. The well was staked by Terry J. Asel, Certificate No. 15079 on 4/25/13, certified 7/25/14.

c. Directions to Location: From the intersection of SH 128 and CR 798, go north on CR 798 for 9.0 miles, at paved road curving to the right continue northeast/north on Campbell Rd. for 1.7 miles. Turn right on caliche road and go east for 1.3 miles. Turn right and go south for 0.1 miles. Turn left on proposed road and go east for 516.1' to location.

2. New or Reconstructed Access Roads:

a. A new access road will be built. The access road will run approximately 516.1' east from an existing road.

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(s) as 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. All permanent, lasting more than 6 months, above ground structures including but not limited to pumpjacks, storage tanks, pipeline risers, meter housing, etc. 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. In the event the well is found productive, the East Livingston Ridge central tank battery would be utilized and the necessary production equipment will be installed and will be stategically placed to allow for maximum interim reclamation of the well site. See proposed Production Facilities Layout diagram.

c. A flowline to transport production will be installed from the proposed well to an existing production facility and will adhere to API Standards, see attached for detail and route.

d. Electric line information is not available at this time. If necessary will be applied for by sundry notice or BLM right of way at a later date and will follow a route approved by the BLM.

e. If plans change regarding the production facility or other infrastructure, a sundry notice or right of way will be submitted prior to installation or construction.

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.

JUN 08 2015

6. Construction Materials:

Primary

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM/State/Fee approved pit or from prevailing deposits found on the location. Will use BLM recommended extra caliche from other locations close by for roads, if available.

Secondary

The secondary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from BLM prior to pushing up any caliche. 2400 cubic yards is max amount of caliche needed for pad and roads. Amount will vary for each pad. The procedure below has been approved by BLM personnel:

A. The top 6" of topsoil is pushed off and stockpiled along the side of the location.
B. An approximate 120' X 120' area is used within the proposed well site to remove caliche.
C. Subsoil is removed and piled along side the 120' X 120' are within the pad site.
D. When caliche is found, material will be stocked piled within the pad site to build the location and road.
E. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
F. Once well is drilled the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced. Neither caliche nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in attached plat.

7. Methods of Handling Waste Material:

a. The well will be drilled utilizing a closed loop system. Drill cuttings will be properly contained in steel tanks and taken to an NMOCD approved disposal facility.

b. Drilling fluids and produced oil and water from the well during completion operations will be stored safely in closed containers and disposed of properly in an NMOCD approved disposal facility.

c. Garbage and trash produced during drilling and completion operations will be collected in trash containers and disposed of properly at a state approved site. All trash on and around the well site will be collected for disposal.

d. All human waste and grey water from drilling and completion operations will be properly contained and disposed of properly at a disposal facility.

e. 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.

8. Ancillary Facilities: None needed

9. Well Site Layout

a. The proposed drilling pad to be built was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.

b. The proposed well site layout with dimensions of the pad layout and equipment location.

V-Door - East CL Tanks- North Pad - 280' X 410'

10. Plans for Surface Reclamation:

Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible.

Interim Reclamation (well pad)

a. Interim reclamation will be performed on the well site after the well is drilled and completed. See attached for the location and dimensions of the planned interim reclamation for the well site.

b. The well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not required for production.

c. 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.

d. 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.

e. 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.

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

g. The interim reclamation will be monitored periodically to ensure that vegetation has reestablished and that erosion and invasive/noxious weeds are controlled.

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

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

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

c. 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.

d. 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.

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

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

g. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion and invasive/noxious weeds are controlled.

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: The Jimmy Mills GST Trust, 1602 Avenue J Abernathy, TX 79311
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 1 miles of the proposed well site.

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

Pad + 1/4 mile road	$1,552.00	$0.20/ft over 1/4 mile	$0.00	$1,552.00
Pipeline - up to 1mile	$1,433.00	$299 per 1/4 mile	$0.00	$1,433.00
Total	$2,985.00		$0.00	$2,985.00

e. Notice of this application was mailed to the following:
None with 1 mile of surface location

13. Bond Coverage:

Bond Coverage is Individual-NMB000862, Nationwide-ESB00226

Operators Representatives:

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

Don Kendrick
Production Coordinator
1502 West Commerce Dr.
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Office Phone: 575-628-4132
Cellular: 575-602-1484

Charles Wagner
Manager Field Operations
1502 West Commerce Dr.
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Drilling Superintendent
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Houston, TX 77210
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Cellular: 281-682-3919

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

Sebastian Millan
Drilling Engineering Supervisor
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Linsay Earle
Drilling Engineer
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Cellular: 832-596-5507

Oxy U.S.A Inc.

New Mexico Staking Form

Date Staked: 4-25-13

Lease/Well Name: Federal 8 #3H

Legal Description: 1830 FWL 110 FNL Sec 17 T22S R32

Latitude: 32° 23' 54.81"

Longitude: 103° 41' 57.94"

Move Information: 260' South 150' West

County: Lea

Surface Owner/Tenant: BLM

Nearest Residence: 5 miles

Nearest Water Well:

V-Door: East

Road Description: Road into SW corner from West

New Road: 400

Upgrade Existing Road:

Interim Reclamation: 50' North 30' East

Source of Caliche:

Top Soil: North

Onsite Date Performed: 4-25-13

Onsite Attendees: Legion Brumlow - BLM Terry Asel - Asel Survey
Jim Wilson - Oxy

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 31st day of July, 2014.

Name: Jeff Gartland
Position: Reservoir Management Team Leader
Address: 5 Greenway Plaza, Suite 110, Houston, TX 77046
Telephone: 713-552-8567
E-mail: (optional): jeff_gartland@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
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