Surface Use Plan of Operations

Operator Name/Number:	**OXY USA Inc. – 16696**
Lease Name/Number:	**Mammoth 1 Federal #1H**
Pool Name/Number:	**Jabalina Delaware, Southwest – 97597**
Surface Location:	**220 FSL 380 FEL SESE (P) Sec 1 T26S R34E NMNM113970**
Bottom Hole Location:	**180 FNL 380 FEL NENE (A) Sec 1 T26S R34E**

1. Existing Roads

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

b. The well was staked by Terry J. Asel, Certificate No. 15079 on 3/3/15, certified 3/5/15.

c. Directions to Location: Beginning in Bennett go southwest on CR #3 for 4.6 miles. Turn right on Beckham Road and go west for 5.4 miles. Turn right and go northwest/west for 3.5 miles. Turn right and go north for 2.6 miles. Turn left and go west for 0.8 miles. Turn right on proposed road and go north for 57.1' to location.

2. New of Reconstructed Access Roads:

a. A new access road will be built. The access road will run approximately 57.1' north from an existing road to 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 and repair existing caliche roads 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 Facilities:

a. In the event the well is found productive, the Mammoth 1 Federal tank battery would be utilized and the necessary production equipment will be installed at the well site. See proposed Production Facilities Layout diagram.

b. Electric line information is not available at this time, but if necessary will follow a route approved by the BLM.

c. All flow lines will adhere to API standards, see attached for detail and proposed route.

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:

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 alongside the 120' X 120' within the pad site.
d. When caliche is found, material will be stockpiled 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 the well is drilled the stockpiled 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 stockpiled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the attached plat.

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. Solids-CRI, 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 pickup 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:

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

V-Door – East CL Tanks – North Pad – 390' X 490'

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 topsoil will again be returned to the pad and contoured, as close as possible, to the original topography, and the area will be seeded with an approved BLM mixture to re-establish vegetation.

b. If the well is deemed commercially productive, caliche from the areas of the pad site not required for operations will be reclaimed. The original topsoil 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: Beckham Ranch, 236 Beckham Rd., Jal, NM 88252. 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 one mile of the proposed well site.

d. Cultural Resources Examination – This well is located in the Permian Basin MOA.

Pad + ¼ mile road	$1552.00	$.20/ft over ¼ mile	$0.00	$1552.00
Pipeline-up to 1 mile	$1433.00	$299 per ¼ mile	$0.00	$1433.00
Total	$2985.00		$0.00	$2985.00

13. Bond Coverage:

Bond coverage is Individual-NMB000862, Nationwide-ESB00226.

14. 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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Cellular – 575-602-1484

Charles Wagner
Manager Field Operations
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Calvin (Dusty) Weaver
Operation Specialist
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Omar Lisigurski
RMT Leader
P.O. Box 4294
Houston, TX 77210
Office – 713-215-7506
Cellular – 281-222-7248

OC

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 27th day of March, 2015.

Signature: _____

Name: Omar Lisigurski

Position: Reservoir Management Team Leader

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

Telephone: 713-215-7506

E-mail: (optional): omar_lisigurski@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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