



12-POINT SURFACE USE PLAN OF OPERATIONS

OXY USA Inc.

My Way Ranch Federal A 5-15C Well
NWNW, Section 8, Township 10S, Range 94W, 6th PM (Surface Location)
SWSE, Section 5, Township 10S, Range 94W, 6th PM (Mineral Location)
Lease No. COC 64799
Mesa County, CO

Overview

The My Way Ranch Federal A 5-15C well will be drilled from the existing My Way Ranch 8-4 pad which will be constructed on private lands owned by the Mesa Land Trust. Access to the location will be across private land. An Accommodation and Surface Disturbance Agreement between Laramie Energy LLC and the Landowner is attached to this permit. PXP entered into a Purchase and Sale Agreement with Laramie Energy LLC (Laramie) dated April 18th, 2007 and effective January 1st, 2007 which transferred ownership of the attached Accommodation and Surface Disturbance Agreement from Laramie to PXP. OXY USA Inc. (Oxy) entered into a Purchase and Sale Agreement with Plains Exploration & Production Company (PXP) dated September 24, 2008 and effective December 1, 2008 which transferred ownership of the attached Accommodation and Surface Disturbance Agreement from PXP to Oxy.

1. Existing Roads

To access the My Way Ranch 8-4 pad, follow Highway 330 east to Collbran, Colorado, and at Church in Collbran, turn south on 58 ½ Road. Travel 1.9 miles to T, turn east on NE Road ½ mile and follow turn south 1 mile on 59 Road, turn left (east) on ME Road. Travel 2 miles to mailboxes. Turn left (northeast) and travel ½ mile to fork in road, turn left (North) 1 mile to location.

2. Planned access road

The existing access road for the My Way Ranch 8-4 pad is entirely on private surface and was constructed to be compatible with the anticipated load traffic.

Any navigable waters crossed during construction of the access road, gathering lines, or the pad will be permitted as necessary with a section 404 permit through the Army Corp of Engineers prior to actual disturbance activities.

Refer to E. Plateau /Brush Creek Field POD for road standards and maintenance.

3. Location of Existing Wells

As of July 23, 2010, there were 32 gas wells identified by the COGCC in some stage of activity within a one-mile radius of the proposed well. Refer to the "Well Vicinity Map" figure supplied in the My Way Ranch Federal A 5-15C well plat package.

4. Location of Tank Batteries, Production Facilities and Production Gathering and Service Lines

The My Way Ranch Federal A 5-15C well plat package has a Production Schematic showing the equipment layout for the proposed wells on the My Way Ranch 8-4 pad. Each well will have its own individual treatment, metering and tankage setup. The final site facility layout will be submitted to the BLM upon completion.

There is an existing gas gathering line which exits the pad location and follows the access road.

5. Location and Type of Water Supply

Refer to E. Plateau /Brush Creek Field POD for water supply source, see page 48 of the POD.

6. Source of Construction Materials

Refer to E. Plateau /Brush Creek Field POD.

7. Method of Handling Waste Disposal

Refer to E. Plateau /Brush Creek Field POD.

8. Ancillary Facilities

Refer to E. Plateau /Brush Creek Field POD.

9. Wellsite Layout

The My Way Ranch Federal A 5-15C plat package shows the surface location and bottom hole location for the proposed well, refer to Well Location Map figure. The proposed well pad will be partially located within a rangeland and grazing pasture vegetative community, refer to the pad layout figure in the plat package. The drill site layout will consist of a lined cuttings pit, the rig and appurtenant equipment, and support trailers for the drilling crew, refer to the typical rig layout figure in the plat package. The plat package also contains the proposed access road map, topographic map, construction layout drawings, and the proposed multi-well orientation.

10. Plans for Restoration of the Surface

After the drilling and completion operations, the pad will be reclaimed in accordance to the terms in the Accommodation and Surface Disturbance Agreement between Laramie and the private landowner, which has been transferred to Oxy through the Purchase and Sales Agreements noted in overview above.

The Production Schematic in the plat package shows the area expected to be reclaimed after the drilling and completion operations.

11. Surface Ownership:

The existing pad and access road are located on surface property owned by the Mesa Land Trust. An Accommodation and Surface Disturbance Agreement between Laramie and the Landowner is attached.

12. Other Information

Oxy will follow and adhere to the Noxious and Invasive Weed Management Plan for Oil and Gas Operators published from the Grand Junction Field Office of the BLM and the Grand Valley Ranger District for the U.S. Forest service dated March, 2007. A Class III Cultural Resource Inventory of the proposed drill sites, access roads and other facilities on federal lands has been or will be conducted and a report filed with the appropriate BLM office. Plant and wildlife surveys of the proposed drill sites, access roads and other facilities on Federal lands have been or will be conducted and a report filed with the appropriate BLM office. Operator will notify the BLM at least three (3) working days prior to construction of the well pad and/or related facilities and within two (2) working days after completion of the well pad. If archaeological, historical or vertebrate fossil materials are discovered during the course of any construction activities, Oxy will immediately suspend all activities and contact the appropriate BLM office. Operations in the area of discovery will not resume until written authorization to proceed has been issued by the BLM. Oxy will be fully responsible for the actions of their subcontractors. A copy of the approved APD and Conditions of Approval will be on location during drilling and completion operations.



Lessee's or Operator's Representative and Certification

My Way Ranch Federal A 5-15C
Fed Lease No.: COC 64799

A) Representative: Sean Norris
Regulatory Lead
OXY USA Inc.
760 Horizon Drive, Suite 101
Grand Junction, CO 81506
(970) 263-3628
(970) 263-3694 Fax
(970) 773-3890 Cell

B) Field Representative: Warner Meece
Production Coordinator
OXY USA Inc.
(970) 985-3004 Cell

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. The operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.


C) Representative 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 which currently 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 ____ day of _____, 2010.

Name: Sean Norris
Position Title: Regulatory Lead
Address: 760 Horizon Drive, Suite 101, Grand Junction, CO 81506
Telephone: (970) 263-3628
Email: sean_norris@oxy.com

Field representative (if not above signatory)
Name: Warner Meece, Production Coordinator
Address (if different from above): Same as above
Telephone (if different from above): 970.985.3004
E-mail (optional): Warner.Meece@oxy.com

By: 
Sean Norris
Regulatory Lead
OXY USA Inc.

Date: 8/26/2010