

**Master Production Water Custody Transfer Agreement
Between OXY USA WTP LP
and WPX Energy Rocky Mountain, LLC**

This MASTER PRODUCTION WATER CUSTODY TRANSFER AGREEMENT ("Master Transfer Agreement") is made effective as of July 23, 2013 between OXY USA WTP LP ("Oxy") and WPX Energy Rocky Mountain, LLC ("WPX"), sometimes referred to collectively as "Parties" or singularly as "Party" or "Supplier/Shipper" or "Receiver." This Master Transfer Agreement together with executed Records of Transfer, as defined below, if any, shall be referred to as the "Water Custody Transfer Agreement" or "Agreement."

1. Scope and Purpose. Oxy and WPX hereby mutually agree that water from either company's operations in the Piceance Basin of Colorado consisting primarily of produced water from non-tributary, non-coalbed methane wells and flowback water from completion operations (collectively "Production Water") may be transferred, at times and volumes agreeable to both Parties, for re-use in the other company's oil and gas extraction operations within that Basin. In addition to benefitting both Parties by providing a supply of water for completion operations, transfer of Production Water between the Parties is expected to significantly reduce water disposal volumes, wastes, haul distances and truck traffic, and monetary costs. The Parties also believe that transfer of Production Water is consistent with State of Colorado regulatory agency objectives of resource conservation, waste minimization and recycling and re-use of water.

2. Master Agreement; Records of Transfer. The Parties are entering into this Master Transfer Agreement to facilitate the timely and efficient administration and transfer of Production Water between them by agreeing in advance to certain terms and conditions which will be applicable to such transfers, if and when performed. This Master Transfer Agreement does not obligate either Party to transfer Production Water. Either Party may initiate a transfer by providing the other Party with the information set out in the form attached as Exhibit A or Exhibit B to the Memorandum of Master Production Water Custody Transfer Agreement ("Record of Transfer"). Each Record of Transfer shall set out the process and terms and conditions applicable to a specific transfer of Production Water including a description of the mutually agreed upon transfer location ("Transfer Location"). Upon execution of a Record of Transfer by both Parties, the Parties will become subject to the terms and conditions of this Master Transfer Agreement and the applicable Record of Transfer. Each Record of Transfer, upon execution by the Parties, creates a separate contract between Parties.

3. Custody Transfer/Measurement. It is agreed that the transferring company ("Supplier/Shipper") shall maintain all legal and regulatory responsibility, custody and control for any Production Water that is transferred under this Agreement until such time as it is Delivered to the receiving company ("Receiver") or its designee at which point the Receiver will assume all legal and regulatory responsibility, custody and control for the Production Water. For purposes of this Agreement, "Delivered" or "Delivery" shall mean the instant the water leaves the water truck(s) or water pipeline(s) at the mutually agreed upon Transfer Location of the Receiver. The Parties shall agree on a water measurement protocol. The Party having legal

custody of the Production Water, as described in this Paragraph, shall be the Party with primary responsibility for any spills or releases of Production Water, including notifications and clean-up, if and as applicable.

4. Compensation: Costs and Expenses. As between the Parties, no fees are due for Production Water transferred under this Agreement as it is the express intent of the Parties that certain volumes of Production Water arising from their respective oil and gas extraction operations be made available, from time to time, for each Party's further use rather than discarded or disposed of as a waste. The Supplier/Shipper is responsible for all cost and expense related to transporting its Production Water to the Transfer Location. The Receiver is responsible for all cost and expense related to its use of the Production Water from the Transfer Location.

5. Quality. The Supplier/Shipper is also responsible for ensuring that its Production Water is of a quality that can be re-used for fracture stimulation operations or other intended use by the Receiver, and is further responsible for documenting the quality of its Production Water (at least once annually) and volumes transferred in accordance with applicable laws and regulations, including maintaining laboratory analytical results for water samples that are representative of its Production Water quality. By executing a Record of Transfer, the Supplier/Shipper agrees to meet any specific water quality standards described in such Record of Transfer. Either Party receiving water from the other Party has the right to refuse acceptance of said water for any reason at any time.

6. Quantity. Although no specific quantities of Production Water are owed by either Party under this Master Transfer Agreement, each Party shall use reasonable commercial efforts to transfer Production Water in sufficient volumes to meet requests for transfer initiated by the other Party.

7. Usage. The Shipper/Supplier warrants and represents that it has the right to use and consume all of the Production Water to be delivered to the Receiver and that such Production Water will come from non-coalbed methane wells determined to be "non-tributary" in accordance with applicable laws and regulations. In addition, the Shipper/Supplier warrants and represents that it has complied with all permitting and other legal requirements concerning its Production Water, including but not limited to any requirements from the Colorado State Engineer's office and Bureau of Land Management (BLM), where applicable.

8. Compliance. Each Party shall comply with all applicable laws and regulations of governmental entities having jurisdiction over the Production Water, the Transfer Location, or the transfer process including without limitation: a) maintaining an approved plan for the management of its Production Water and its reuse of Production Water; b) timely notifying and reporting reportable spills or releases of Production Water; c) maintaining laboratory analytical results of representative samples of its Production and waste generator/transfer records; d) conducting and maintaining records of environmental, health safety training of personnel and procedures; e) submitting electronically an annual report to the Colorado Oil and Gas Conservation Commission ("COGCC") summarizing Production Water transfers for the previous calendar year by February 15 of the following year (as more fully described in paragraph 9 of this Agreement); (f) for Production Water originating from wells completed on federal oil and

gas leases, submitting an annual report as required by the BLM for the previous year's transfers; and (g) complying with COGCC 900 and 1000 Series Rules for equipment, tanks and pits receiving the Production Water. Each Party shall also comply with all written policies and procedures provided to it by the other Party pertaining to the Transfer Location or the transfer process, or comply with its own such policies that are substantially similar, but no less stringent than the other party's policies.

9. Record Keeping and Reporting. The Supplier/Shipper shall be the primary Party to maintain records of its Production Water and all transfers of Production Water between the Parties in accordance with applicable laws and promulgated regulations. The Supplier/Shipper shall provide copies of its Record of Transfer to Receiver within thirty (30) days of completing such transfer. WPX and Oxy will each separately submit an Annual Report to the COGCC summarizing the transfers of Production Water (both as the Supplier/Shipper and the Receiver) during the previous calendar year and including laboratory analytical results for representative sample(s) of the Production Water provided as the Supplier/Shipper by February 15 of the following year. In addition, for Production Water originating from wells completed on federal oil and gas leases, the Supplier/Shipper will prepare and submit an annual report as required by the BLM for the previous year's transfers

10. Indemnities. **EACH PARTY SHALL INDEMNIFY THE OTHER PARTY AND ITS PARENTS, AFFILIATES, SUBSIDIARIES, PARTNERS, JOINT OWNERS, JOINT VENTURERS, AND CONTRACTORS AND THEIR RESPECTIVE DIRECTORS, AGENTS, REPRESENTATIVES, EMPLOYEES, INSURERS, INVITEES, AND CONSULTANTS FROM AND AGAINST ANY AND ALL LOSSES, LIABILITIES, DAMAGES (INCLUDING FEES AND PENALTIES) AND ALL RELATED COSTS AND EXPENSES, INCLUDING REASONABLE LEGAL FEES AND DISBURSEMENTS, COSTS OF INVESTIGATION, LITIGATION, SETTLEMENT, JUDGMENT, INTEREST AND PENALTIES (COLLECTIVELY "LOSSES"), AND THREATENED LOSSES, RELATING TO THE PRODUCTION WATER WHILE IN ITS CUSTODY AND CONTROL INCLUDING, WITHOUT LIMITATION, LOSSES OR THREATENED LOSSES ON ACCOUNT OF POLLUTION OR CONTAMINATION DUE TO, ARISING FROM OR RELATING TO THE PRODUCTION WATER. EXCEPT AS SET FORTH ABOVE, THE SUPPLIER/SHIPPER MAKES NO OTHER WARRANTIES OR REPRESENTATIONS, WHETHER EXPRESS OR IMPLIED. THE SUPPLIER/SHIPPER DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTION WATER DELIVERED TO AND ACCEPTED BY THE RECEIVER.**

11. Governing Law; Dispute Resolution. This Water Custody Transfer Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without giving effect to the principles of conflict of laws. Should a dispute arise under this Water Custody Transfer Agreement, either Party may initiate dispute resolution by providing written notice of a dispute to the other Party. The Parties prefer to resolve any disputes that may arise under this Agreement informally to the extent possible. If the dispute is not resolved by good faith informal negotiations within thirty (30) days from the delivery of the notice of dispute, each

Party shall designate in writing to the other Party a company representative having settlement authority for the dispute, and such representatives shall attempt to resolve such dispute within a further period of thirty (30) days. Unless the Parties otherwise agree, if the period of sixty (60) days referred to above has expired and the dispute remains unresolved, either Party may submit the dispute to binding arbitration, by a single neutral arbitrator having more than fifteen (15) years of experience in the oil and gas industry, in Colorado in accordance with the then-current American Arbitration Association Rules. If the Parties are unable to agree upon the arbitrator within thirty (30) days of the non-initiating Party's receipt of the notice to arbitrate, an arbitrator will be appointed in accordance with the then-current American Arbitration Association Rules. The prevailing party shall be entitled to recover its reasonable attorneys' fees incurred during the Arbitration proceedings.

12. Term. This Master Transfer Agreement shall be in effect for all time periods and volumes of Production Water transferred between the Parties pursuant to one or more Record(s) of Transfer or until terminated by either Party by providing written notice to the other Party at least thirty (30) days prior to the effective date of the termination. The terminating Party is also responsible for notifying the COGCC in writing of the termination of the Agreement between the Parties.

13. Relationship of the Parties. Neither Party is the partner, agent or legal representative of the other, nor is there any fiduciary relationship between them.

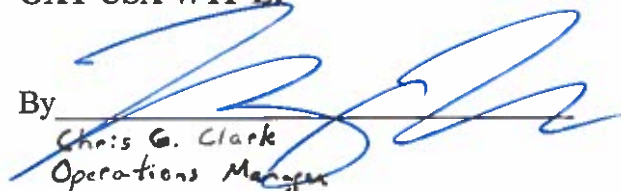
14. No Third Beneficiary Rights. This Water Custody Transfer Agreement shall be construed to benefit the Parties and their respective successors and assigns only and shall not be construed to create third party beneficiary rights.

15. Entire Agreement; Successors and Assigns. This Water Custody Transfer Agreement contains the entire understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter hereof. This Water Transfer Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

16. Memorandum. Pursuant to the COGCC's direction, the Parties have prepared a Memorandum of this Master Transfer Agreement to be attached as an Appendix to their Production Water Reuse and Waste Minimization Plan.

OXY USA WTP LP

By


Chris G. Clark
Operations Manager

WPX ENERGY ROCKY MOUNTAIN, LLC

By


Chad Odegard
Vice President, Piceance Basin

