



FREEPORT-McMoRAN
OIL & GAS

STRENGTH IN RESOURCES

Baldwin Hills

COMMUNITY ENERGY
DIALOGUE

SIXTH EDITION

Designed to improve the communities' understanding of Freeport-McMoRan Oil & Gas philosophy and operations at the Inglewood Oil Field.



www.inglewoodoilfield.com

“Collaboration Built On Mutual Respect”

Dear Neighbor:

As many of you are aware, operations at the Inglewood Oil Field are subject to a site specific set of comprehensive regulations known as the Baldwin Hills Community Standards District (CSD) that was adopted in 2008 by the Los Angeles County Board of Supervisors. Over the past 6 years we have successfully implemented the regulations and complied with the CSD. We are proud of our compliance record and remain committed to conducting our operations in a manner that protects the health and safety of our employees and the surrounding communities. The CSD is unique to the Inglewood Oil Field and regulates nearly every aspect of the oil field’s daily operations. These regulations make the Inglewood Oil Field the most stringently regulated urban oil field in California.

While the Inglewood Oil Field continues to have substantial oil and natural gas resources remaining, the CSD imposes limits on future growth and caps on the number of new wells that can be drilled over the next 20 years. Since the inception of the CSD, 127 new wells have been drilled through July 2014. Thirty-two wells have been plugged and abandoned during this same timeframe. The most publicly noticeable components of the CSD are the landscaping improvements that remain ongoing around the perimeter of the oil field. The Landscaping Plan is consistent with the conceptual plan prepared for the oil field by Mia Lehrer & Associates dated October 2008. As of today, three phases have been completed, they include the area along La Brea Avenue, a portion of La Cienega Boulevard, and the area behind the Lewis homes tract. The completed phases include new plant material covering a total area of over 230,000 square feet with more than 400 trees, 1,500 shrubs, and 26,000 square feet of ground cover. The landscape development design committee considered the use of materials to enhance the streetscapes by reinforcing and recalling existing species in the surrounding communities, drought tolerant capability, and Leadership in Energy and Environmental Design (LEED).

The Inglewood Oil Field is a significant contributor to the local economy and will continue to be so for the foreseeable future with the on-going development of the oil field’s long lived reserves. Approximately \$13 million dollars is paid annually in property tax revenue generated by the oil field and tens of millions of dollars annually are generated in royalty revenue from the oil field’s operation.

As we move forward we will continue working with our neighbors and stakeholders through groups like the Baldwin Hills Community Advisory Panel (CAP). We are committed to planning, assessing and maintaining the Inglewood Oil Field in a manner that protects your health, safety and welfare which we believe is demonstrated by our implementation and ongoing compliance with the CSD.

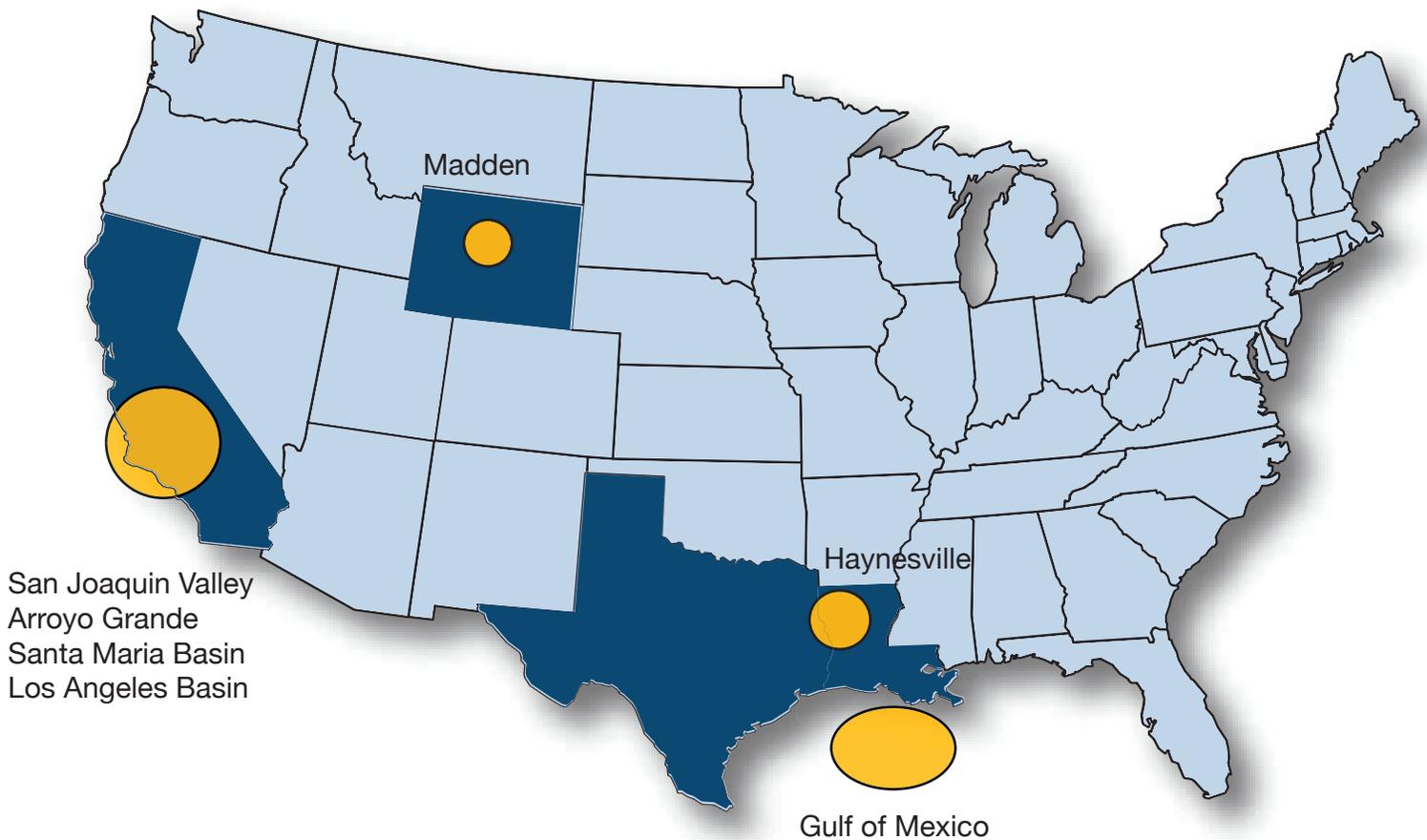
It is our hope this newsletter provides a brief overview of our operations and we look forward to seeing you at our annual meeting where we will provide more detail. Should you wish to contact us directly, or desire to have a presentation made to your local homeowners association about the operations at the Inglewood Oil Field, please do not hesitate to call our Ombudsperson, Lisa Paillet, at 800.766.4108.

Sincerely,
Steve Rusch
Vice President
Environmental, Health & Safety and
Government Affairs

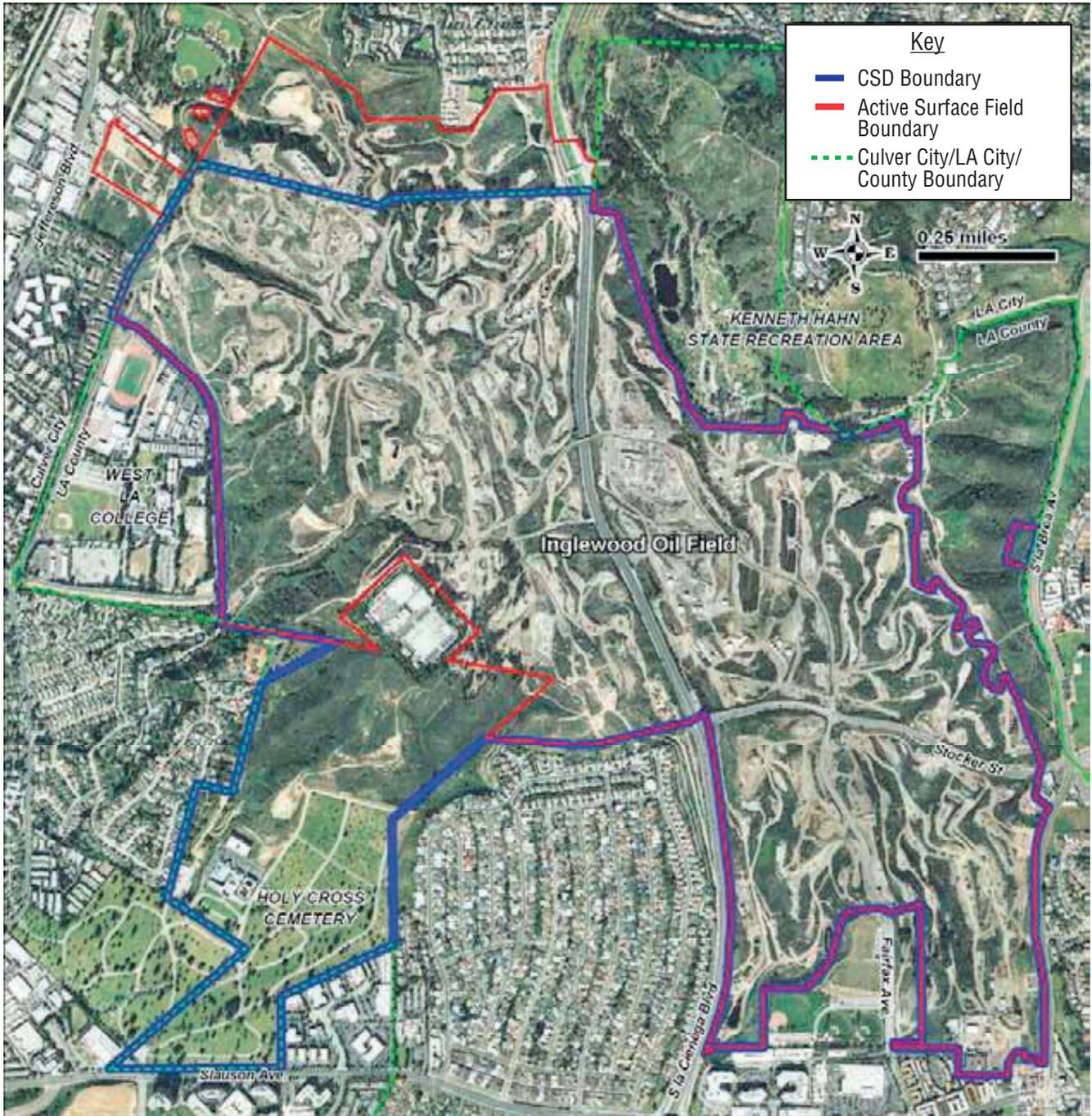
“Producing California Oil to Meet California’s Energy Needs”

ASSET AREAS

- Los Angeles and San Joaquin Basins Onshore California
- Santa Maria Basin Offshore California
- Gulf Coast Region and Haynesville Shale
- Gulf of Mexico
- Wind River Basin in the Rocky Mountains



Baldwin Hills Community Standards District Boundary Map



The following summarizes notable operational activities Freeport-McMoRan Oil & Gas conducted during 2013 and 2014

ASSET AREAS

- 179 well workovers (reworking of wells) were performed in 2013 and thus far 169 well workovers were performed in 2014. A workover entails activities such as liner replacement, adding perforations, modifying injection profiles, and routine maintenance activities.
- The 2013 approved Drilling Plan identified 53 wells, 45 new wells and 8 re-drills. FM O&G drilled 30 new wells as part of the 2013 drilling program. 8 wells were plugged and abandoned in 2013.
- The 2014 approved drilling plan identified 53 wells, 52 new wells, and 1 re-drills. As of November 2014, 18 wells have been drilled. 4 wells were plugged and abandoned in 2014.
- As of June 2014, the Inglewood Oil Field produced approximately 1,311,000 barrels of oil and 635,457 cubic feet of natural gas.
- FM O&G paid more than \$13 million in taxes to Los Angeles County in 2013. As of June 2014 more than \$6.9 million have been paid to Los Angeles County.



Freeport-McMoRan Oil & Gas Landscaping Improvements Are The Most Publicly Visible Components Of The CSD

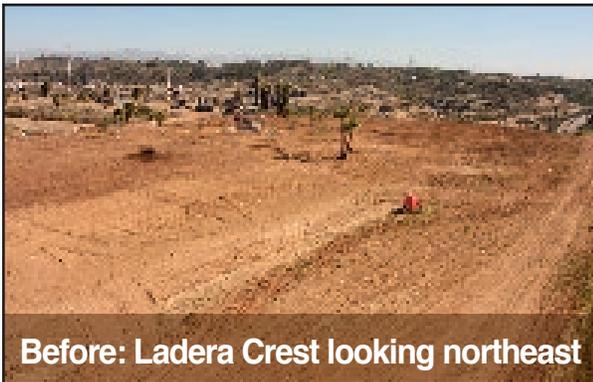




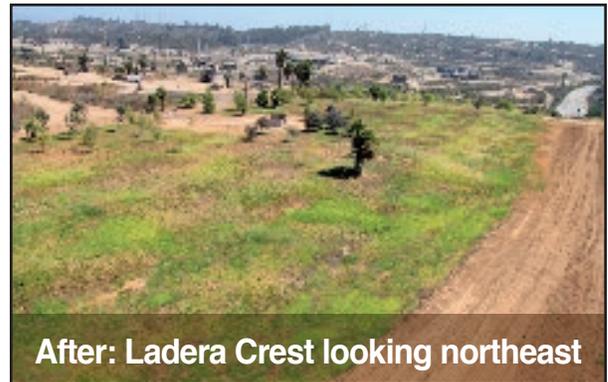
Before: La Cienega looking west near Stocker Street



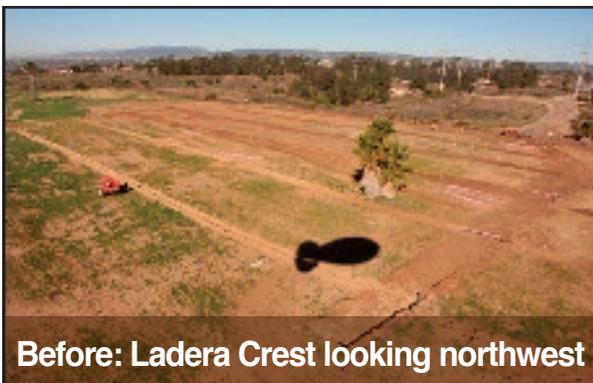
After: La Cienega looking west near Stocker Street



Before: Ladera Crest looking northeast



After: Ladera Crest looking northeast

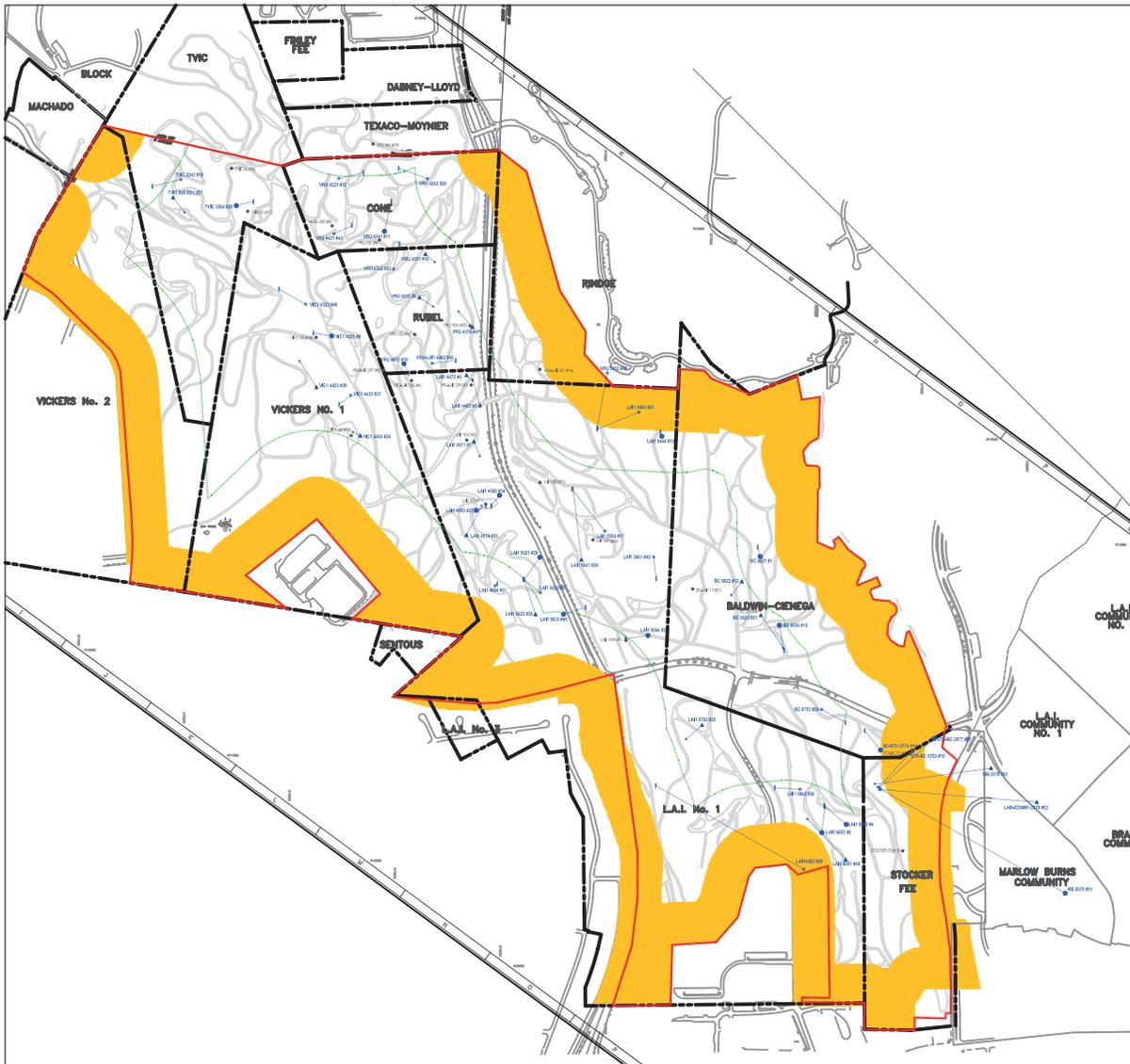


Before: Ladera Crest looking northwest



After: Ladera Crest looking northwest

Drilling Map 2015



2015 DRILLING & PRODUCTION PLAN WELLS			
WELL	TYPE	WELL NAME	STATUS
W-1001	Production	W-1001	Active
W-1002	Production	W-1002	Active
W-1003	Production	W-1003	Active
W-1004	Production	W-1004	Active
W-1005	Production	W-1005	Active
W-1006	Production	W-1006	Active
W-1007	Production	W-1007	Active
W-1008	Production	W-1008	Active
W-1009	Production	W-1009	Active
W-1010	Production	W-1010	Active
W-1011	Production	W-1011	Active
W-1012	Production	W-1012	Active
W-1013	Production	W-1013	Active
W-1014	Production	W-1014	Active
W-1015	Production	W-1015	Active
W-1016	Production	W-1016	Active
W-1017	Production	W-1017	Active
W-1018	Production	W-1018	Active
W-1019	Production	W-1019	Active
W-1020	Production	W-1020	Active
W-1021	Production	W-1021	Active
W-1022	Production	W-1022	Active
W-1023	Production	W-1023	Active
W-1024	Production	W-1024	Active
W-1025	Production	W-1025	Active
W-1026	Production	W-1026	Active
W-1027	Production	W-1027	Active
W-1028	Production	W-1028	Active
W-1029	Production	W-1029	Active
W-1030	Production	W-1030	Active
W-1031	Production	W-1031	Active
W-1032	Production	W-1032	Active
W-1033	Production	W-1033	Active
W-1034	Production	W-1034	Active
W-1035	Production	W-1035	Active
W-1036	Production	W-1036	Active
W-1037	Production	W-1037	Active
W-1038	Production	W-1038	Active
W-1039	Production	W-1039	Active
W-1040	Production	W-1040	Active
W-1041	Production	W-1041	Active
W-1042	Production	W-1042	Active
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W-1045	Production	W-1045	Active
W-1046	Production	W-1046	Active
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W-1197	Production	W-1197	Active
W-1198	Production	W-1198	Active
W-1199	Production	W-1199	Active
W-1200	Production	W-1200	Active

LEGEND

- WELLS TO BE DRILLED & ABANDONED
- WELLS TO BE DRILLED FROM EXISTING LEASES
- WELLS TO BE DRILLED FROM NEW LEASES
- WELLS TO BE DRILLED FROM EXISTING LEASES
- WELLS TO BE DRILLED FROM NEW LEASES
- WELLS TO BE DRILLED FROM EXISTING LEASES
- WELLS TO BE DRILLED FROM NEW LEASES

SCALE

Graphic scale showing 0, 100, 200, 300 feet.

ORIENTED MAP

Small map showing the location of the main map area within the larger field context.

PREPARED BY

McMORAN

DATE

2015

PROJECT

Baldwin Hills Drilling, Re-Wire and Well Abandonment Map

2015 Operational Forecast

This Plan covers activities for the 2015 calendar year. FM O&G's plan proposes drilling and re-drilling 53 wells using 2 drilling rigs in accordance with the CSD and Settlement Agreement.

The 53 wells are comprised of 34 producers and 19 injectors, of which 1 injector is a re-drill.

Depths range from 6400 ft. (Rubel-Moynier) – 1000 ft. (Investment).

There are no new drilling pads proposed for construction in the 2015 Drilling Plan.

FM O&G currently has 22 wells identified for plugging and abandonment consideration in 2015.

Cumulatively since 2009, 32 wells have been plugged and abandoned (as of June 30, 2014).





Freeport-McMoRan Oil & Gas charitable contributions are geared toward supporting programs that improve the quality of life for citizens in the communities in which we operate.”

FM O&G partners with West LA College to support the Upward Bound 2014 Math & Science Summer Enrichment Academy.

Students from Crenshaw, Dorsey, Hamilton and Los Angeles High Schools participated in this summer’s Academy.

We place an emphasis on programs and initiatives that improve science, technology, engineering and math (STEM) education to help students acquire the skills necessary for success in a global, knowledge-based economy and society.

FM O&G partners with non-profits such as On A Mission and LAPD to fund their annual Catalina Island STEM trip to USC’s Wrigley Institute, Wrigley Marine Science Center.



FM O&G volunteers support the Junior Blind Of America’s Annual Olympics. Employees from the Inglewood Oil Field stuffed 300 athletic backpacks for the 2014 games.



For Questions or Comments
please contact

Lisa Paillet, Ombudsperson
lisa_paillet@fmi.com

or

24 hour notification
1.800.766.4108

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Baldwin Hills

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TO:



EXPANDING RESOURCES

2014 Baldwin Hills CSD Annual Meeting
Tuesday, November 18, 2014, 6:30 pm
Knox Presbyterian Church
5840 La Tijera Blvd
Los Angeles, CA 90056

www.inglewoodoilfield.com