

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|--|--|---|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMMS15302 |
| 1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator XTO Energy Inc. | | 7. Unit or CA Agreement Name and No. <31421> |
| 3a. Address 200 LORAIN STE. 800 MIDLAND, TX 79701 | 3b. Phone No. (include area code) 432-620-6714 | 8. Lease Name and Well No. Corral Canyon Federal #3H |
| 4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 170 FSL & 2210 FEL, O-5-25S-29E At proposed prod. zone 2310 S 1930' 32 245 330 FSL & 1980 FEL, B-5-25S-29E | | 9. API Well No. 30-015-42922 |
| 14. Distance in miles and direction from nearest town or post office* 6.7 MI SE of Malaga, New Mexico | | 10. Field and Pool, or Exploratory Willow Lake; Bone Spring, SE |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) SHL: 170', BHL: 330' | 16. No. of Acres in lease 1917.02 | 11. Sec., T., R., M., or Blk. and Survey or Area O-5-25S-29E |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50' (to #15H) | 19. Proposed Depth 15691 MD TVD: 8620' | 12. County or Parish Eddy |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3003' GL | 22. Approximate date work will start* ASAP | 13. State NM |
| 17. Spacing Unit dedicated to this well 159.62 | | |
| 20. BLM/BIA Bond No. on file UTB000138 | | |
| 23. Estimated duration 40 Days | | |

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|--|--|----------------------------|
| 25. Signature Stephanie Rabadue | Name (Printed/Typed) Stephanie Rabadue | Date 07/15/2014 |
| Title Regulatory Analyst | | |
| Approved by (Signature) Steve Caffey | Name (Printed/Typed) | Date JAN 20 2015 |
| Title FIELD MANAGER | Office CARLSBAD FIELD OFFICE | |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NM OIL CONSERVATION

ARTESIA DISTRICT

JAN 23 2015

RECEIVED

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

Carlsbad Controlled Water Basin



Certification

July 1, 2014

Stephanie Rabadue
XTO Energy Inc.
200 N. Loraine St., Ste. 800
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-234-5972

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill sites and access roads proposed herein (see Exhibit A & Exhibit B); 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 terms and conditions under which it is approved. I also certify that I, or XTO Energy, Inc., 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 1st day of July 2014.

Thank you,

A handwritten signature in cursive script that reads 'Stephanie Rabadue'.

Stephanie Rabadue
Regulatory Analyst

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-015-42922 | Pool Code 910217 | Pool Name willow lake, Bone Spring, SE |
| Property Code 31421 | Property Name CORRAL CANYON FEDERAL | Well Number 3H |
| OGRID No. 005380 | Operator Name XTO ENERGY | Elevation 3004' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| O | 5 | 25-S | 29-E | | 170 | SOUTH | 2210 | EAST | EDDY |

Bottom Hole Location If Different From Surface

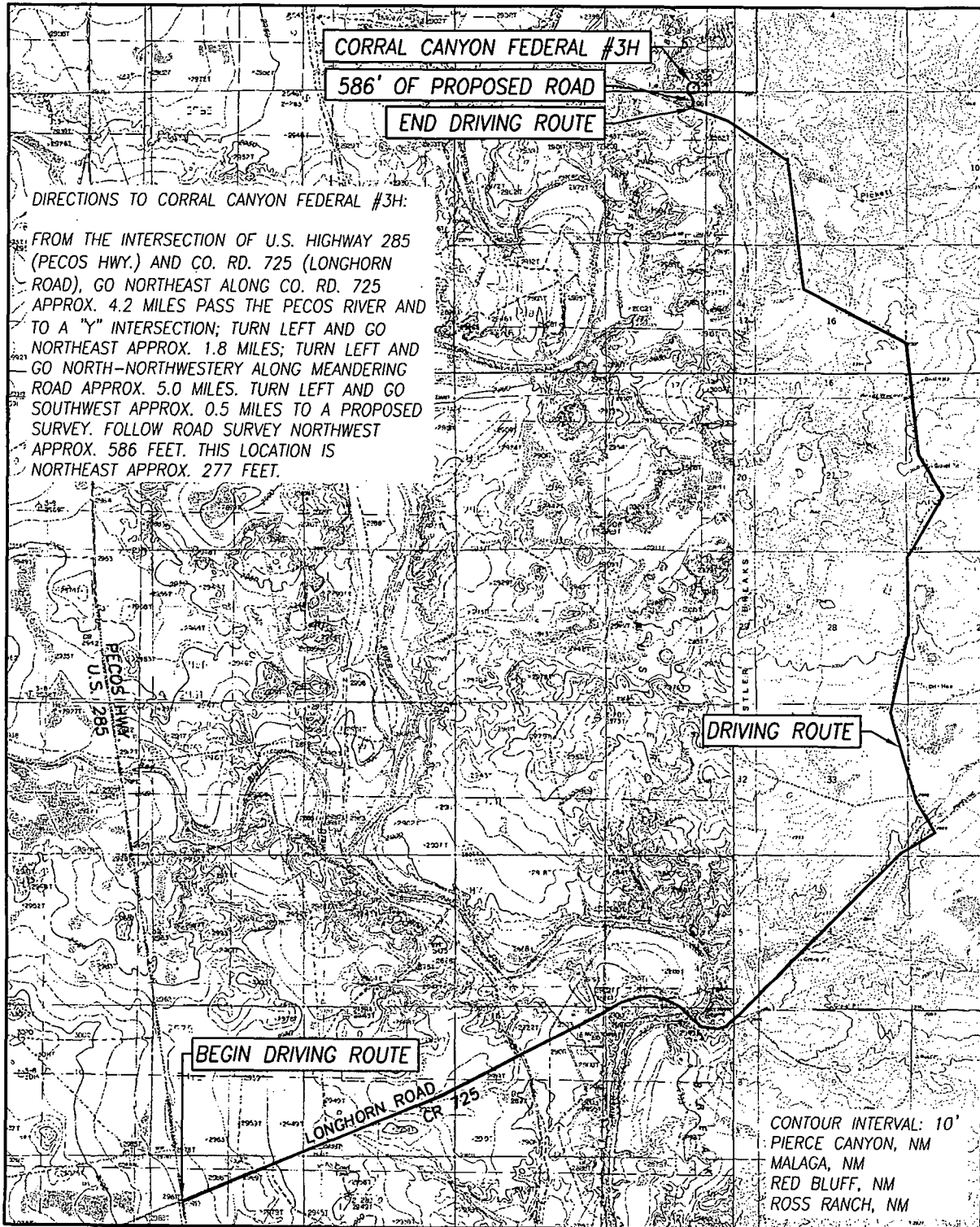
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| J | 32 | 24-S | 29-E | | 2310 | SOUTH | 1930 | EAST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 239.62 | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

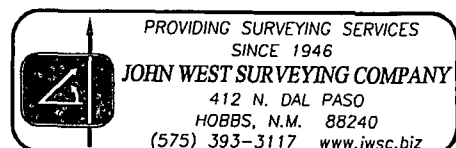
| | | |
|----------------------|--|--|
| <p>DETAIL</p> | <p>SCALE: 1"=2000'</p> <p>GEODETC COORDINATES NAD 27 NME GEODETC COORDINATES NAD 83 NME</p> <p>BOTTOM HOLE LOCATION BOTTOM HOLE LOCATION</p> <p>Y=426709.1 N Y=426767.6 N X=601953.3 E X=643137.5 E</p> <p>LAT.=32.172711° N LAT.=32.172834° N LONG.=104.003828° W LONG.=104.004316° W</p> <p>CORNER COORDINATES TABLE NAD 27 NME</p> <p>A - Y=427059.2 N, X=601249.0 E B - Y=427057.0 N, X=602565.3 E C - Y=424399.8 N, X=602578.0 E D - Y=419108.9 N, X=602590.6 E E - Y=419118.8 N, X=601262.5 E F - Y=424399.4 N, X=601264.7 E</p> <p>CORNER COORDINATES TABLE NAD 83 NME</p> <p>A - Y=427117.7 N, X=642433.3 E B - Y=427115.5 N, X=643749.6 E C - Y=424458.4 N, X=643762.4 E D - Y=419167.3 N, X=643775.1 E E - Y=419177.2 N, X=642446.9 E F - Y=424457.9 N, X=642449.0 E</p> <p>GEODETC COORDINATES NAD 27 NME GEODETC COORDINATES NAD 83 NME</p> <p>SURFACE LOCATION SURFACE LOCATION</p> <p>Y=419285.5 N Y=419343.9 N X=601708.2 E X=642892.7 E</p> <p>LAT.=32.152306° N LAT.=32.152429° N LONG.=104.004693° W LONG.=104.005180° W</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Stephanie Rabreau</i> 6/10/14 Signature Date</p> <p><i>Stephanie Rabreau</i> Printed Name</p> <p><i>Stephanie.rabreau@xtoenergy.com</i> E-mail Address</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 5, 2014</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>GARY G. EIDSON</i> 12641</p> <p>Certified Number Gary G. Eidson 12641 Ronald F. Eidson 3239</p> <p>ACK JWSC W.O.: 14.11.0218</p> | |

LOCATION VERIFICATION MAP

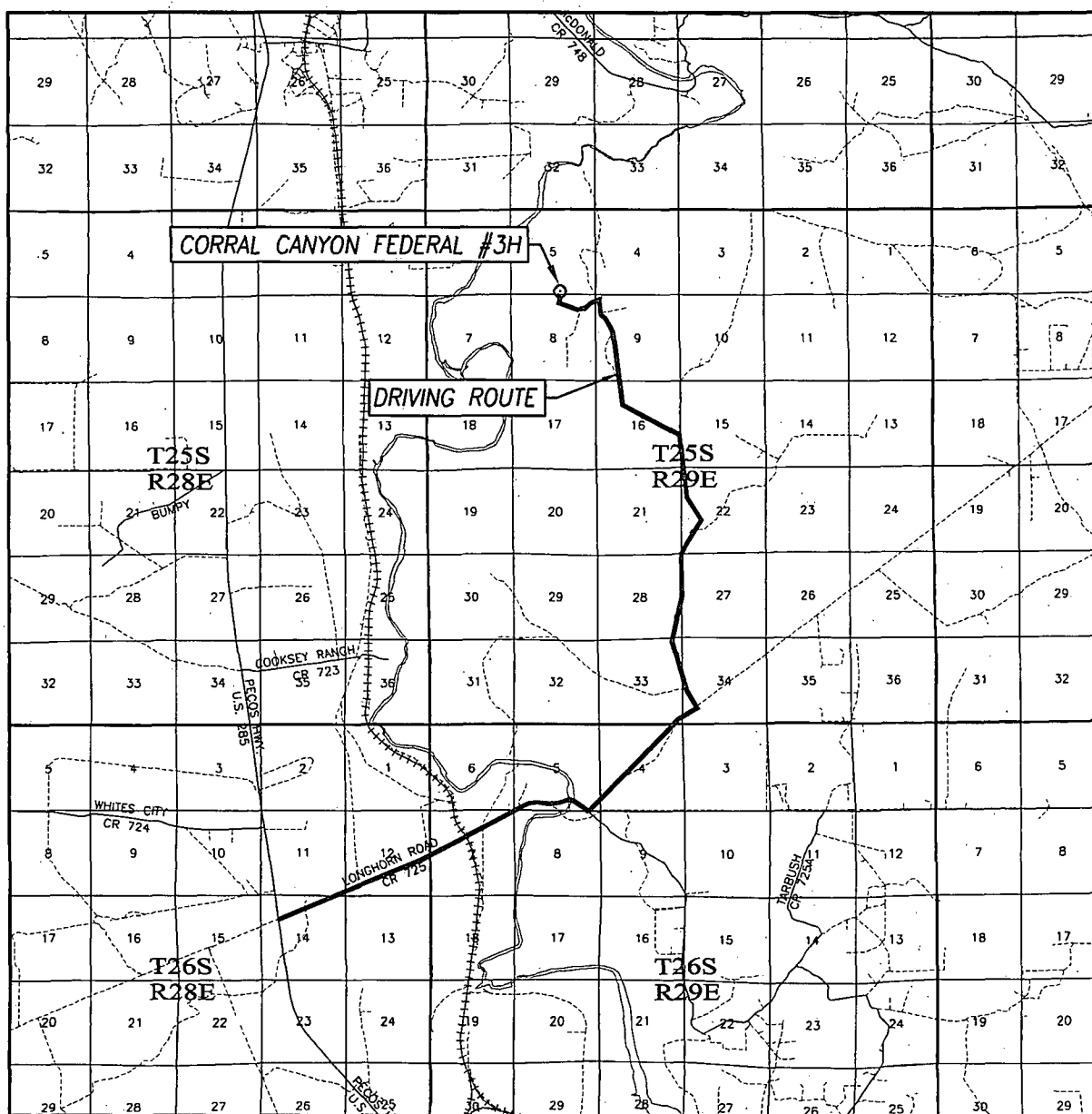


SEC. 5 TWP. 25-S RGE. 29-E
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 170' FSL & 2210' FEL
 ELEVATION 3004'
 OPERATOR XTO ENERGY
 LEASE CORRAL CANYON FEDERAL
 U.S.G.S. TOPOGRAPHIC MAP
 MALAGA, NM SURVEY N.M.P.M.

SCALE: 1" = 1 MILE

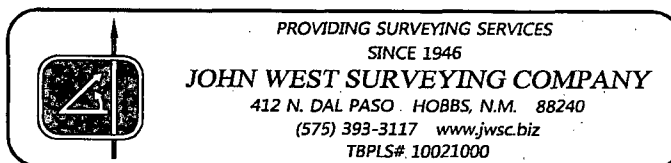


SOUTH



DRIVING ROUTE: SEE LOCATION VERIFICATION MAP

LEASE CORRAL CANYON FEDERAL



DRILLING PLAN: BLM COMPLIANCE
(Supplement to BLM 3160-3)

XTO Energy Inc.
Corral Canyon Fed 3H
Projected TD: 15691' MD / 8620' TVD
SHL: 170' FSL & 2210' FEL, SECTION 5, T25S, R29E
BHL: 2310' FSL & 1930' FEL, SECTION 32, T24S, R29E
Eddy County, NM

1. GEOLOGIC NAME OF SURFACE FORMATION:

A. Quaternary

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS & DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS:

| Formation | Well Depth (TVD) | Water / Oil / Gas |
|--------------------------------|------------------|-------------------|
| Rustler | 330' | Water |
| Top of Salt | 724' | Water |
| Base of Salt | 2725' | Water |
| Delaware | 2923' | Water |
| Brushy Canyon | 5396' | Water/Oil/Gas |
| Bone Spring | 6654' | Water/Oil/Gas |
| 1 st Bone Spring Ss | 7591' | Water/Oil/Gas |
| 2 nd Bone Spring Ss | 8411' | Water/Oil/Gas |
| Target/Land Curve | 8620' | Water/Oil/Gas |

*** Hydrocarbons @ Brushy Canyon

*** Groundwater depth 40' (per NM State Engineers Office).

See COA

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8" casing @ 675' above the salt and circulating cement back to surface. The salt will be isolated by setting 9-5/8" casing at 2900' and circulating cement to surface. An 8-3/4" curve and lateral hole will be drilled to MD/TD and 5-1/2" casing with sliding frac sleeves will be set at TD and cemented back up to the 9-5/8" casing shoe.

3. CASING PROGRAM:

See COA

| Hole Size | Depth | OD Csg. | Weight | Collar | Grade | New/Used | SF Burst | SF Collapse | SF Tension |
|-----------|-------------|---------|--------|--------|-------|----------|----------|-------------|------------|
| 17-1/2" | 0' - 675' | 13-3/8" | 48# | STC | H-40 | New | 5.77 | 2.40 | 9.94 |
| 12-1/4" | 0' - 2900' | 9-5/8" | 36# | LTC | J-55 | New | 2.71 | 1.31 | 4.34 |
| 8-3/4" | 0' - 15691' | 5-1/2" | 17# | BTC | P-110 | New | 1.12 | 1.85 | 2.13 |

WELLHEAD:

- A. Starting Head: 13-5/8" 3000 psi top flange x 13-3/8" SOW bottom
- B. "B" Section/ Drilling Spool: 13-5/8" 3000psi bottom flange x 11" 5M top flange
- C. Tubing Head: 11" 5000psi bottom flange x 7-1/16" 10,000psi top flange

4. CEMENT PROGRAM:

- A. Surface Casing: 13-3/8", 48#, NEW H-40, STC casing to be set at $\pm 675'$.

695 sx HalCem-C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft³/sk, 6.39 gal/sx wtr)

Compr Strengths: 12 hr - 900 psi 24 hr - 1500 psi

***All volumes 100% excess in open hole. Cement to surface.

- B. Intermediate Casing: 9-5/8", 36#, NEW J-55, LTC casing to be set at $\pm 2900'$. ✓

Lead: 20 bbls FW, then 800 sx EconoCem-HLC + 5% salt + 5 lbm/sk Kol-Seal (mixed at 12.9 ppg, 1.88 ft³/sk, 9.61 gal/sx wtr) Compr Strengths 12 hr - 320 psi 24 hr - 623 psi

Tail: 250 sx HalCem-C (mixed at 14.8 ppg, 1.33 ft³/sk, 6.34 gal/sx wtr)

Compr Strengths: 12 hr - 900 psi 24 hr - 1500 psi

***All volumes 100% excess in open hole. Cement to surface.

- C. Production Casing: 5-1/2", 17#, NEW P-110, BTC casing to be set at $\pm 15691'$. Casing will be cemented and will include sliding sleeves for the completion.

Lead: 20 bbls FW, then 560 sx Tuned Light + 0.5 lbm/sk CFR-3 + 1.5 lbm/sk salt + 0.1% HR601 (mixed at 10.5 ppg, 2.69 ft³/sk, 12.26 gal/sx wtr) Compr Strengths 12 hr - 126 psi 16 hr - 500 psi 48 hr - 1106 psi

Tail: 1780 sx VersaCem PBHS2 + 0.5% LAP-1 + 0.25 lbm/sk D-air 5000 + 0.2% HR 601 + 0.4% CFR-3 + 1 pps Salt (mixed at 13.2 ppg, 1.61 ft³/sk, 8.38 gal/sx wtr)

Compr Strengths: 12 hr - 1375 psi 24 hr - 2285 psi

***All volumes 30% excess in open hole. Planned top of cement 500' into intermediate casing shoe

5. PRESSURE CONTROL EQUIPMENT: See CoA

The blow out preventer equipment (BOP) for this well consists of a 13-5/8" minimum 3M Hydril and a 13-5/8" minimum 3M Double Ram BOP. Max bottom hole pressure should not exceed 4025 psi.

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nipping up on the 13-5/8" 3M bradenhead and flange, the BOP test will be limited to 3000psi. When nipping up on the 9-5/8", the BOP will be tested to a minimum of 3000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 3M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

See COA

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

6. PROPOSED MUD CIRCULATION SYSTEM:

| INTERVAL | Hole Size | Mud Type | MW (ppg) | Viscosity (sec/qt) | Fluid-Loss (cc) |
|-----------------|-----------|------------------------------|----------|--------------------|-----------------|
| 0' to 675' | 17-1/2" | FW/Native | 8.4-8.8 | 35-40 | NC |
| 675' to 2900' | 12-1/4" | Brine/Gel Sweeps | 9.8-10.2 | 30-32 | NC |
| 2900' to 15691' | 8-3/4" | FW / Cut Brine / Poly-Sweeps | 8.4-9.0 | 29-32 | NC - 20 |

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 13-3/8" surface casing with brine solution. A 9.8ppg-10.2ppg brine mud will be used while drilling through the salt formation. Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Use available solids controls equipment to help keep mud weight down after mud up. Rig up solids control equipment to operate as a closed loop system.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
- C. H₂S monitors will be on location when drilling below the 13-3/8" casing.

8. LOGGING, CORING AND TESTING PROGRAM:

Mud Logger: Mud Logging Unit (2 man) on @ 2900'.
Catch 20' samples from 2900' to landing point
Catch 30' samples from landing point to TD/MD.
Send 1 set of dry samples to Midland Sample Library.

See COA

Open hole logging to include Density/Neutron/PE/Dual Laterlog/Spectral Gamma from kick-off point to intermediate casing shoe.

9. ABNORMAL PRESSURES AND TEMPERATURES / POTENTIAL HAZARDS:

None anticipated. BHT of 150 F is anticipated. No H₂S is expected but monitors will be in place to detect any H₂S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment.

1/12/2015

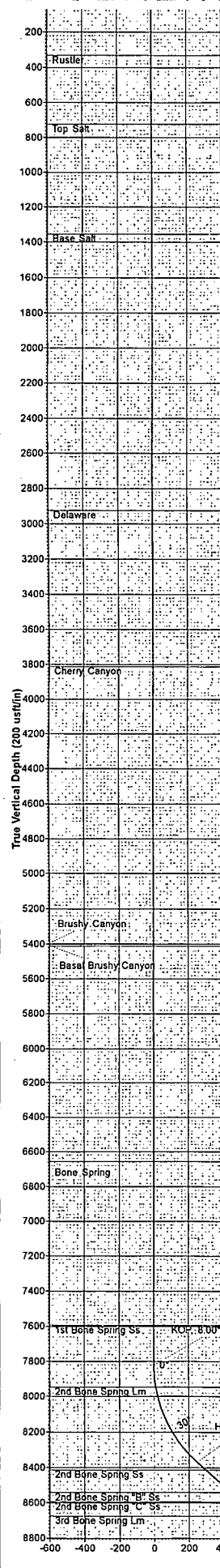
Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location construction will begin after Santa Fe and BLM have approved the APD. Anticipated spud date will be as soon after Santa Fe and BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 40 days. If production casing is run, an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

11. SPECIAL INSTRUCTIONS:

- A. Reports should be filled out on the XTO Drilling Report form, and the Casing/Cementing Detail Forms provided.
- B. *See COA*
WOC a minimum of 24 hours before drilling out shoe joint on surface and intermediate casing strings. Use minimal WOB and RPM until drill collars are below the shoe joints.
- C. Function test BOP blind rams each trip and pipe rams each day. Strap out of hole for logging and/or casing jobs.
- D. A trash trailer will be provided on each location. Keep trash picked up and the location as clean as possible. All drilling line, oil filters, etc. should be hauled away at the Drilling Contractor's expense. At the conclusion of drilling operations, the contents of the trash trailer will be disposed of into a commercial sanitary landfill.
- E. The reserve pits should be lined with a plastic liner in order to contain the drill cuttings and drilling fluids. At the conclusion of the drilling operations, all re-usable drilling fluid should be moved to the next well in the drilling order.



SECTION DETAILS

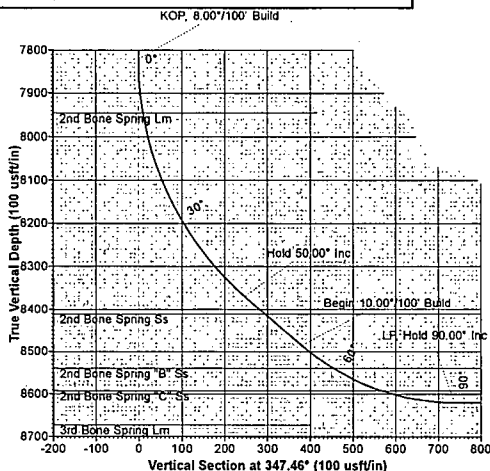
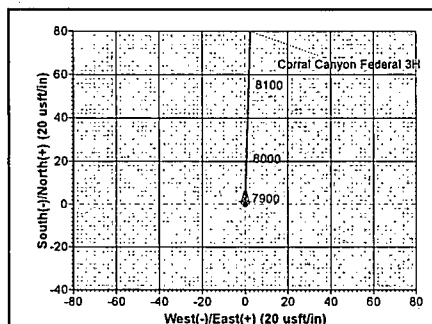
| Sec | MD | Inc' | Azi | TVD | +N-S | +E-W | Deg | TFace | V-Set | Target | Annotation |
|-----|----------|-------|------|---------|---------|--------|-------|-------|---------|--|-----------------------|
| 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | KOP, 8.00'/100' Build |
| 2 | 7820.61 | 0.00 | 0.00 | 7820.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 3 | 8445.61 | 50.00 | 1.89 | 8369.25 | 255.70 | 8.44 | 8.00 | 1.89 | 247.77 | BHL Corral Canyon Fed 3H Hold 50.00' Inc | |
| 4 | 8625.61 | 50.00 | 1.89 | 8484.95 | 393.51 | 12.99 | 0.00 | 0.00 | 381.31 | Begin 10.00'/100' Build | |
| 5 | 9025.61 | 90.00 | 1.89 | 8619.00 | 761.60 | 25.15 | 10.00 | 0.00 | 737.98 | BHL Corral Canyon Fed 3H LP, Hold 90.00' Inc | |
| 6 | 15691.24 | 90.00 | 1.89 | 8619.00 | 7423.60 | 245.10 | 0.00 | 0.00 | 7193.39 | BHL Corral Canyon Fed 3H TD at 13004.03 | |

DESIGN TARGET DETAILS

| Name | TVD | +N-S | +E-W | Northing | Easting | Latitude | Longitude | Shape |
|---------------------------|---------|---------|--------|-----------|-----------|--------------------|--------------------|-------|
| BHL Corral Canyon Fed 3H | 8619.00 | 7423.60 | 245.10 | 426709.10 | 601953.30 | 32° 10' 21.76015 N | 104° 0' 13.77987 W | Point |
| - plan hits target center | | | | | | | | |

WELL DETAILS

| +N-S | +E-W | Northing | Ground Level | Easting | Latitude | Longitude |
|------|------|-----------|--------------|-----------|------------------|--------------------|
| 0.00 | 0.00 | 419285.50 | 3004.00 | 601708.20 | 32° 9' 8.30126 N | 104° 0' 16.89527 W |



FORMATION TOP DETAILS

| TVDPath | MDPath | Formation | DpAngle | DpDir |
|---------|---------|------------------------|---------|-------|
| 329.00 | 329.00 | Rustle | 0.00 | 1.89 |
| 723.00 | 723.00 | Top Salt | 0.00 | 1.89 |
| 1351.00 | 1351.00 | Base Salt | 0.00 | 1.89 |
| 2922.00 | 2922.00 | Delaware | 0.00 | 1.89 |
| 3808.00 | 3808.00 | Cherry Canyon | 0.00 | 1.89 |
| 5395.00 | 5395.00 | Brushy Canyon | 0.00 | 1.89 |
| 5408.00 | 5408.00 | Basal Brushy Canyon | 0.00 | 1.89 |
| 6653.00 | 6653.00 | Bone Spring | 0.00 | 1.89 |
| 7590.00 | 7590.00 | 1st Bone Spring Ss | 0.00 | 1.89 |
| 7944.00 | 7944.62 | 2nd Bone Spring Lm | 0.00 | 1.89 |
| 8410.00 | 8509.01 | 2nd Bone Spring Ss | 0.00 | 1.89 |
| 8538.00 | 8717.24 | 2nd Bone Spring 'B' Ss | 0.00 | 1.89 |
| 8591.00 | 8845.76 | 2nd Bone Spring 'C' Ss | 0.00 | 1.89 |

Map System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone Name: New Mexico East 3001

Local Origin: Well Corral Canyon Federal 3H, Grid North

Latitude: 32° 9' 8.30126 N
 Longitude: 104° 0' 16.89527 W

Grid East: 601708.20
 Grid North: 419285.50
 Scale Factor: 1.000

Geomagnetic Model: IGRF2010_14

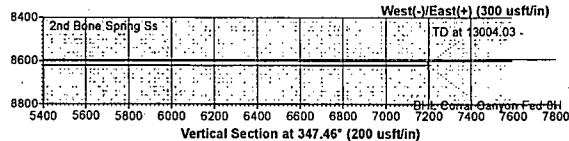
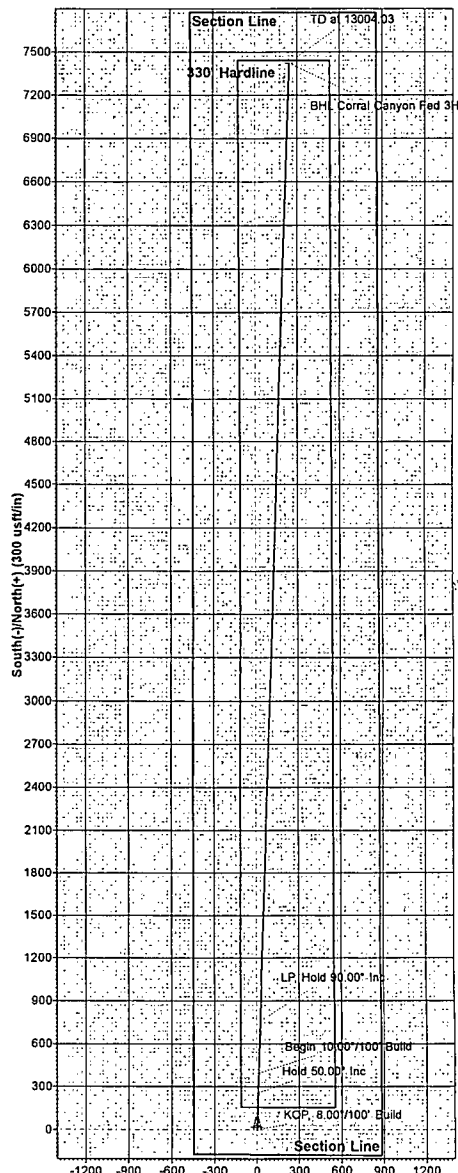
Sample Date: 24-Apr-14

Magnetic Declination: 7.43°

Dip Angle from Horizontal: 59.98°

Magnetic Field Strength: 48244

To convert a Magnetic Direction to a Grid Direction, Add 7.25°
 To convert a Magnetic Direction to a True Direction, Add 7.43° East
 To convert a True Direction to a Grid Direction, Subtract 0.17°





PHOENIX
TECHNOLOGY SERVICES

XTO Energy Inc

Eddy County, NM (NAD 27)

Corral Canyon Federal

Corral Canyon Federal 3H

Wellbore #1

Plan: Plan#1 042414

Standard Planning Report

25 April, 2014



PHOENIX
TECHNOLOGY SERVICES

| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

| | | | |
|-------------|--------------------------------------|---------------|----------------|
| Project: | Eddy County, NM (NAD 27) | | |
| Map System: | US State Plane 1927 (Exact solution) | System Datum: | Mean Sea Level |
| Geo Datum: | NAD 1927 (NADCON CONUS) | | |
| Map Zone: | New Mexico East 3001 | | |

| | | | | | |
|-----------------------|-----------------------|--------------|-----------------|-------------------|--------------------|
| Site | Corral Canyon Federal | | | | |
| Site Position: | | Northings: | 419,285.50 usft | Latitude: | 32° 9' 8.30126 N |
| From: | Map | Easting: | 601,708.20 usft | Longitude: | 104° 0' 16.89527 W |
| Position Uncertainty: | 0.00 usft | Slot Radius: | 13-3/16 " | Grid Convergence: | 0.17 |

| | | | | | | |
|----------------------|--------------------------|-----------|---------------------|-----------------|---------------|--------------------|
| Well | Corral Canyon Federal 3H | | | | | |
| Well Position | +N/-S | 0.00 usft | Northings: | 419,285.50 usft | Latitude: | 32° 9' 8.30126 N |
| | +E/-W | 0.00 usft | Easting: | 601,708.20 usft | Longitude: | 104° 0' 16.89527 W |
| Position Uncertainty | | 0.00 usft | Wellhead Elevation: | | Ground Level: | 3,004.00 usft |

| | | | | | |
|-----------|-------------|-------------|--------------------|------------------|------------------------|
| Wellbore | Wellbore #1 | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2010_14 | 4/24/2014 | 7.43 | 59.98 | 48,244 |

| | | | | |
|-------------------|------------------|-----------|---------------|-----------|
| Design: | Plan#1 042414 | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.00 |
| Vertical Section: | Depth From (TVD) | +N/-S | +E/-W | Direction |
| | (usft) | (usft) | (usft) | (°) |
| | 0.00 | 0.00 | 0.00 | 347.46 |

| Plan Sections: | | | | | | | | | | |
|----------------|-------------|---------|----------------|----------|--------|-------------|-------------|-------------|------|---------------------|
| Measured Depth | Inclination | Azimuth | Vertical Depth | +N/-S | +E/-W | Dogleg Rate | Build Rate | Turn Rate | TFO | Target |
| (usft) | (°) | (°) | (usft) | (usft) | (usft) | (°/100usft) | (°/100usft) | (°/100usft) | (°) | |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 7,820.61 | 0.00 | 0.00 | 7,820.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 8,445.61 | 50.00 | 1.89 | 8,369.25 | 255.70 | 8.44 | 8.00 | 8.00 | 0.00 | 1.89 | BHL Corral Canyon F |
| 8,625.61 | 50.00 | 1.89 | 8,484.95 | 393.51 | 12.99 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 9,025.61 | 90.00 | 1.89 | 8,619.00 | 761.60 | 25.15 | 10.00 | 10.00 | 0.00 | 0.00 | BHL Corral Canyon F |
| 15,691.24 | 90.00 | 1.89 | 8,619.00 | 7,423.60 | 245.10 | 0.00 | 0.00 | 0.00 | 0.00 | BHL Corral Canyon F |

| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

| Planned Survey | | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 329.00 | 0.00 | 0.00 | 329.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Rustler | | | | | | | | | | |
| 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 723.00 | 0.00 | 0.00 | 723.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Top Salt | | | | | | | | | | |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,100.00 | 0.00 | 0.00 | 1,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,300.00 | 0.00 | 0.00 | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,351.00 | 0.00 | 0.00 | 1,351.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Base Salt | | | | | | | | | | |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,600.00 | 0.00 | 0.00 | 1,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,700.00 | 0.00 | 0.00 | 1,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,800.00 | 0.00 | 0.00 | 1,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 1,900.00 | 0.00 | 0.00 | 1,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,100.00 | 0.00 | 0.00 | 2,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,200.00 | 0.00 | 0.00 | 2,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,300.00 | 0.00 | 0.00 | 2,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,400.00 | 0.00 | 0.00 | 2,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,500.00 | 0.00 | 0.00 | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,600.00 | 0.00 | 0.00 | 2,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,700.00 | 0.00 | 0.00 | 2,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,800.00 | 0.00 | 0.00 | 2,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,900.00 | 0.00 | 0.00 | 2,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,922.00 | 0.00 | 0.00 | 2,922.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Delaware | | | | | | | | | | |
| 3,000.00 | 0.00 | 0.00 | 3,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,100.00 | 0.00 | 0.00 | 3,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,200.00 | 0.00 | 0.00 | 3,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,300.00 | 0.00 | 0.00 | 3,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,400.00 | 0.00 | 0.00 | 3,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,500.00 | 0.00 | 0.00 | 3,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,600.00 | 0.00 | 0.00 | 3,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,700.00 | 0.00 | 0.00 | 3,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,800.00 | 0.00 | 0.00 | 3,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3,808.00 | 0.00 | 0.00 | 3,808.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Cherry Canyon | | | | | | | | | | |
| 3,900.00 | 0.00 | 0.00 | 3,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,100.00 | 0.00 | 0.00 | 4,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,200.00 | 0.00 | 0.00 | 4,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 4,300.00 | 0.00 | 0.00 | 4,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |

| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 4,400.00 | 0.00 | 0.00 | 4,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 0.00 | 0.00 | 4,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 0.00 | 0.00 | 4,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 0.00 | 0.00 | 4,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,800.00 | 0.00 | 0.00 | 4,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 0.00 | 0.00 | 4,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 0.00 | 0.00 | 5,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 0.00 | 0.00 | 5,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,300.00 | 0.00 | 0.00 | 5,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,395.00 | 0.00 | 0.00 | 5,395.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Brushy Canyon | | | | | | | | | |
| 5,400.00 | 0.00 | 0.00 | 5,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,408.00 | 0.00 | 0.00 | 5,408.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Basal Brushy Canyon | | | | | | | | | |
| 5,500.00 | 0.00 | 0.00 | 5,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 0.00 | 0.00 | 5,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 0.00 | 0.00 | 5,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 0.00 | 0.00 | 5,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 0.00 | 0.00 | 5,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 0.00 | 0.00 | 6,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 0.00 | 0.00 | 6,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 0.00 | 0.00 | 6,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,300.00 | 0.00 | 0.00 | 6,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,400.00 | 0.00 | 0.00 | 6,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,500.00 | 0.00 | 0.00 | 6,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,600.00 | 0.00 | 0.00 | 6,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,653.00 | 0.00 | 0.00 | 6,653.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bone Spring | | | | | | | | | |
| 6,700.00 | 0.00 | 0.00 | 6,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 0.00 | 0.00 | 6,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 0.00 | 0.00 | 6,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 0.00 | 0.00 | 7,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 0.00 | 0.00 | 7,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 0.00 | 0.00 | 7,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 0.00 | 0.00 | 7,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 0.00 | 0.00 | 7,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 0.00 | 0.00 | 7,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,590.00 | 0.00 | 0.00 | 7,590.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1st Bone Spring Ss | | | | | | | | | |
| 7,600.00 | 0.00 | 0.00 | 7,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 0.00 | 0.00 | 7,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 0.00 | 0.00 | 7,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,820.61 | 0.00 | 0.00 | 7,820.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| KOP, 8.00°/100' Build | | | | | | | | | |
| 7,900.00 | 6.35 | 1.89 | 7,899.84 | 4.39 | 0.15 | 4.26 | 8.00 | 8.00 | 0.00 |
| 7,944.62 | 9.92 | 1.89 | 7,944.00 | 10.70 | 0.35 | 10.37 | 8.00 | 8.00 | 0.00 |
| 2nd Bone Spring Lm | | | | | | | | | |
| 8,000.00 | 14.35 | 1.89 | 7,998.13 | 22.34 | 0.74 | 21.64 | 8.00 | 8.00 | 0.00 |
| 8,100.00 | 22.35 | 1.89 | 8,092.97 | 53.78 | 1.78 | 52.11 | 8.00 | 8.00 | 0.00 |
| 8,200.00 | 30.35 | 1.89 | 8,182.50 | 98.11 | 3.24 | 95.06 | 8.00 | 8.00 | 0.00 |
| 8,300.00 | 38.35 | 1.89 | 8,265.00 | 154.46 | 5.10 | 149.67 | 8.00 | 8.00 | 0.00 |
| 8,400.00 | 46.35 | 1.89 | 8,338.84 | 221.73 | 7.32 | 214.86 | 8.00 | 8.00 | 0.00 |

| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

Planned Survey

| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|--------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| 8,445.61 | 50.00 | 1.89 | 8,369.25 | 255.70 | 8.44 | 247.77 | 8.00 | 8.00 | 0.00 |
| Hold 50.00° Inc | | | | | | | | | |
| 8,500.00 | 50.00 | 1.89 | 8,404.21 | 297.34 | 9.82 | 288.12 | 0.00 | 0.00 | 0.00 |
| 8,509.01 | 50.00 | 1.89 | 8,410.00 | 304.23 | 10.04 | 294.80 | 0.00 | 0.00 | 0.00 |
| 2nd Bone Spring Ss | | | | | | | | | |
| 8,600.00 | 50.00 | 1.89 | 8,468.49 | 373.90 | 12.34 | 362.31 | 0.00 | 0.00 | 0.00 |
| 8,625.61 | 50.00 | 1.89 | 8,484.95 | 393.51 | 12.99 | 381.31 | 0.00 | 0.00 | 0.00 |
| Begin 10.00°/100' Build | | | | | | | | | |
| 8,700.00 | 57.44 | 1.89 | 8,528.94 | 453.40 | 14.97 | 439.34 | 10.00 | 10.00 | 0.00 |
| 8,717.24 | 59.16 | 1.89 | 8,538.00 | 468.06 | 15.45 | 453.55 | 10.00 | 10.00 | 0.00 |
| 2nd Bone Spring "B" Ss | | | | | | | | | |
| 8,800.00 | 67.44 | 1.89 | 8,575.15 | 541.89 | 17.89 | 525.09 | 10.00 | 10.00 | 0.00 |
| 8,845.76 | 72.01 | 1.89 | 8,591.00 | 584.78 | 19.31 | 566.65 | 10.00 | 10.00 | 0.00 |
| 2nd Bone Spring "C" Ss | | | | | | | | | |
| 8,900.00 | 77.44 | 1.89 | 8,605.28 | 637.06 | 21.03 | 617.30 | 10.00 | 10.00 | 0.00 |
| 9,000.00 | 87.44 | 1.89 | 8,618.43 | 736.01 | 24.30 | 713.19 | 10.00 | 10.00 | 0.00 |
| 9,025.61 | 90.00 | 1.89 | 8,619.00 | 761.60 | 25.15 | 737.98 | 10.00 | 10.00 | 0.00 |
| LP, Hold 90.00° Inc | | | | | | | | | |
| 9,100.00 | 90.00 | 1.89 | 8,619.00 | 835.95 | 27.60 | 810.02 | 0.00 | 0.00 | 0.00 |
| 9,200.00 | 90.00 | 1.89 | 8,619.00 | 935.89 | 30.90 | 906.87 | 0.00 | 0.00 | 0.00 |
| 9,300.00 | 90.00 | 1.89 | 8,619.00 | 1,035.84 | 34.20 | 1,003.72 | 0.00 | 0.00 | 0.00 |
| 9,400.00 | 90.00 | 1.89 | 8,619.00 | 1,135.78 | 37.50 | 1,100.56 | 0.00 | 0.00 | 0.00 |
| 9,500.00 | 90.00 | 1.89 | 8,619.00 | 1,235.73 | 40.80 | 1,197.41 | 0.00 | 0.00 | 0.00 |
| 9,600.00 | 90.00 | 1.89 | 8,619.00 | 1,335.67 | 44.10 | 1,294.26 | 0.00 | 0.00 | 0.00 |
| 9,700.00 | 90.00 | 1.89 | 8,619.00 | 1,435.62 | 47.40 | 1,391.10 | 0.00 | 0.00 | 0.00 |
| 9,800.00 | 90.00 | 1.89 | 8,619.00 | 1,535.57 | 50.70 | 1,487.95 | 0.00 | 0.00 | 0.00 |
| 9,900.00 | 90.00 | 1.89 | 8,619.00 | 1,635.51 | 54.00 | 1,584.79 | 0.00 | 0.00 | 0.00 |
| 10,000.00 | 90.00 | 1.89 | 8,619.00 | 1,735.46 | 57.30 | 1,681.64 | 0.00 | 0.00 | 0.00 |
| 10,100.00 | 90.00 | 1.89 | 8,619.00 | 1,835.40 | 60.60 | 1,778.49 | 0.00 | 0.00 | 0.00 |
| 10,200.00 | 90.00 | 1.89 | 8,619.00 | 1,935.35 | 63.90 | 1,875.33 | 0.00 | 0.00 | 0.00 |
| 10,300.00 | 90.00 | 1.89 | 8,619.00 | 2,035.29 | 67.20 | 1,972.18 | 0.00 | 0.00 | 0.00 |
| 10,400.00 | 90.00 | 1.89 | 8,619.00 | 2,135.24 | 70.50 | 2,069.03 | 0.00 | 0.00 | 0.00 |
| 10,500.00 | 90.00 | 1.89 | 8,619.00 | 2,235.18 | 73.80 | 2,165.87 | 0.00 | 0.00 | 0.00 |
| 10,600.00 | 90.00 | 1.89 | 8,619.00 | 2,335.13 | 77.10 | 2,262.72 | 0.00 | 0.00 | 0.00 |
| 10,700.00 | 90.00 | 1.89 | 8,619.00 | 2,435.08 | 80.40 | 2,359.56 | 0.00 | 0.00 | 0.00 |
| 10,800.00 | 90.00 | 1.89 | 8,619.00 | 2,535.02 | 83.70 | 2,456.41 | 0.00 | 0.00 | 0.00 |
| 10,900.00 | 90.00 | 1.89 | 8,619.00 | 2,634.97 | 87.00 | 2,553.26 | 0.00 | 0.00 | 0.00 |
| 11,000.00 | 90.00 | 1.89 | 8,619.00 | 2,734.91 | 90.30 | 2,650.10 | 0.00 | 0.00 | 0.00 |
| 11,100.00 | 90.00 | 1.89 | 8,619.00 | 2,834.86 | 93.60 | 2,746.95 | 0.00 | 0.00 | 0.00 |
| 11,200.00 | 90.00 | 1.89 | 8,619.00 | 2,934.80 | 96.90 | 2,843.79 | 0.00 | 0.00 | 0.00 |
| 11,300.00 | 90.00 | 1.89 | 8,619.00 | 3,034.75 | 100.20 | 2,940.64 | 0.00 | 0.00 | 0.00 |
| 11,400.00 | 90.00 | 1.89 | 8,619.00 | 3,134.69 | 103.50 | 3,037.49 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 90.00 | 1.89 | 8,619.00 | 3,234.64 | 106.80 | 3,134.33 | 0.00 | 0.00 | 0.00 |
| 11,600.00 | 90.00 | 1.89 | 8,619.00 | 3,334.59 | 110.10 | 3,231.18 | 0.00 | 0.00 | 0.00 |
| 11,700.00 | 90.00 | 1.89 | 8,619.00 | 3,434.53 | 113.40 | 3,328.03 | 0.00 | 0.00 | 0.00 |
| 11,800.00 | 90.00 | 1.89 | 8,619.00 | 3,534.48 | 116.70 | 3,424.87 | 0.00 | 0.00 | 0.00 |
| 11,900.00 | 90.00 | 1.89 | 8,619.00 | 3,634.42 | 120.00 | 3,521.72 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 90.00 | 1.89 | 8,619.00 | 3,734.37 | 123.30 | 3,618.56 | 0.00 | 0.00 | 0.00 |
| 12,100.00 | 90.00 | 1.89 | 8,619.00 | 3,834.31 | 126.59 | 3,715.41 | 0.00 | 0.00 | 0.00 |
| 12,200.00 | 90.00 | 1.89 | 8,619.00 | 3,934.26 | 129.89 | 3,812.26 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 90.00 | 1.89 | 8,619.00 | 4,034.20 | 133.19 | 3,909.10 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 90.00 | 1.89 | 8,619.00 | 4,134.15 | 136.49 | 4,005.95 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 90.00 | 1.89 | 8,619.00 | 4,234.10 | 139.79 | 4,102.80 | 0.00 | 0.00 | 0.00 |

| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

| Planned Survey | | | | | | | | | | |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | |
| 12,600.00 | 90.00 | 1.89 | 8,619.00 | 4,334.04 | 143.09 | 4,199.64 | 0.00 | 0.00 | 0.00 | |
| 12,700.00 | 90.00 | 1.89 | 8,619.00 | 4,433.99 | 146.39 | 4,296.49 | 0.00 | 0.00 | 0.00 | |
| 12,800.00 | 90.00 | 1.89 | 8,619.00 | 4,533.93 | 149.69 | 4,393.33 | 0.00 | 0.00 | 0.00 | |
| 12,900.00 | 90.00 | 1.89 | 8,619.00 | 4,633.88 | 152.99 | 4,490.18 | 0.00 | 0.00 | 0.00 | |
| 13,000.00 | 90.00 | 1.89 | 8,619.00 | 4,733.82 | 156.29 | 4,587.03 | 0.00 | 0.00 | 0.00 | |
| 13,100.00 | 90.00 | 1.89 | 8,619.00 | 4,833.77 | 159.59 | 4,683.87 | 0.00 | 0.00 | 0.00 | |
| 13,200.00 | 90.00 | 1.89 | 8,619.00 | 4,933.71 | 162.89 | 4,780.72 | 0.00 | 0.00 | 0.00 | |
| 13,300.00 | 90.00 | 1.89 | 8,619.00 | 5,033.66 | 166.19 | 4,877.57 | 0.00 | 0.00 | 0.00 | |
| 13,400.00 | 90.00 | 1.89 | 8,619.00 | 5,133.61 | 169.49 | 4,974.41 | 0.00 | 0.00 | 0.00 | |
| 13,500.00 | 90.00 | 1.89 | 8,619.00 | 5,233.55 | 172.79 | 5,071.26 | 0.00 | 0.00 | 0.00 | |
| 13,600.00 | 90.00 | 1.89 | 8,619.00 | 5,333.50 | 176.09 | 5,168.10 | 0.00 | 0.00 | 0.00 | |
| 13,700.00 | 90.00 | 1.89 | 8,619.00 | 5,433.44 | 179.39 | 5,264.95 | 0.00 | 0.00 | 0.00 | |
| 13,800.00 | 90.00 | 1.89 | 8,619.00 | 5,533.39 | 182.69 | 5,361.80 | 0.00 | 0.00 | 0.00 | |
| 13,900.00 | 90.00 | 1.89 | 8,619.00 | 5,633.33 | 185.99 | 5,458.64 | 0.00 | 0.00 | 0.00 | |
| 14,000.00 | 90.00 | 1.89 | 8,619.00 | 5,733.28 | 189.29 | 5,555.49 | 0.00 | 0.00 | 0.00 | |
| 14,100.00 | 90.00 | 1.89 | 8,619.00 | 5,833.22 | 192.59 | 5,652.33 | 0.00 | 0.00 | 0.00 | |
| 14,200.00 | 90.00 | 1.89 | 8,619.00 | 5,933.17 | 195.89 | 5,749.18 | 0.00 | 0.00 | 0.00 | |
| 14,300.00 | 90.00 | 1.89 | 8,619.00 | 6,033.12 | 199.19 | 5,846.03 | 0.00 | 0.00 | 0.00 | |
| 14,400.00 | 90.00 | 1.89 | 8,619.00 | 6,133.06 | 202.49 | 5,942.87 | 0.00 | 0.00 | 0.00 | |
| 14,500.00 | 90.00 | 1.89 | 8,619.00 | 6,233.01 | 205.79 | 6,039.72 | 0.00 | 0.00 | 0.00 | |
| 14,600.00 | 90.00 | 1.89 | 8,619.00 | 6,332.95 | 209.09 | 6,136.57 | 0.00 | 0.00 | 0.00 | |
| 14,700.00 | 90.00 | 1.89 | 8,619.00 | 6,432.90 | 212.39 | 6,233.41 | 0.00 | 0.00 | 0.00 | |
| 14,800.00 | 90.00 | 1.89 | 8,619.00 | 6,532.84 | 215.69 | 6,330.26 | 0.00 | 0.00 | 0.00 | |
| 14,900.00 | 90.00 | 1.89 | 8,619.00 | 6,632.79 | 218.99 | 6,427.10 | 0.00 | 0.00 | 0.00 | |
| 15,000.00 | 90.00 | 1.89 | 8,619.00 | 6,732.73 | 222.29 | 6,523.95 | 0.00 | 0.00 | 0.00 | |
| 15,100.00 | 90.00 | 1.89 | 8,619.00 | 6,832.68 | 225.59 | 6,620.80 | 0.00 | 0.00 | 0.00 | |
| 15,200.00 | 90.00 | 1.89 | 8,619.00 | 6,932.63 | 228.89 | 6,717.64 | 0.00 | 0.00 | 0.00 | |
| 15,300.00 | 90.00 | 1.89 | 8,619.00 | 7,032.57 | 232.19 | 6,814.49 | 0.00 | 0.00 | 0.00 | |
| 15,400.00 | 90.00 | 1.89 | 8,619.00 | 7,132.52 | 235.49 | 6,911.34 | 0.00 | 0.00 | 0.00 | |
| 15,500.00 | 90.00 | 1.89 | 8,619.00 | 7,232.46 | 238.79 | 7,008.18 | 0.00 | 0.00 | 0.00 | |
| 15,600.00 | 90.00 | 1.89 | 8,619.00 | 7,332.41 | 242.09 | 7,105.03 | 0.00 | 0.00 | 0.00 | |
| 15,691.24 | 90.00 | 1.89 | 8,619.00 | 7,423.60 | 245.10 | 7,193.39 | 0.00 | 0.00 | 0.00 | |
| TD at 13004.03 | | | | | | | | | | |

| Design Targets | | | | | | | | | | |
|-----------------------|---------------------------|---------------|--------------|------------|--------------|--------------|-----------------|----------------|--------------------|--------------------|
| Target Name | hit/miss target | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| BHL Corral Canyon Fed | - plan hits target center | 0.00 | 0.00 | 8,619.00 | 7,423.60 | 245.10 | 426,709.10 | 601,953.30 | 32° 10' 21.76015 N | 104° 0' 13.77987 W |
| | - Point | | | | | | | | | |

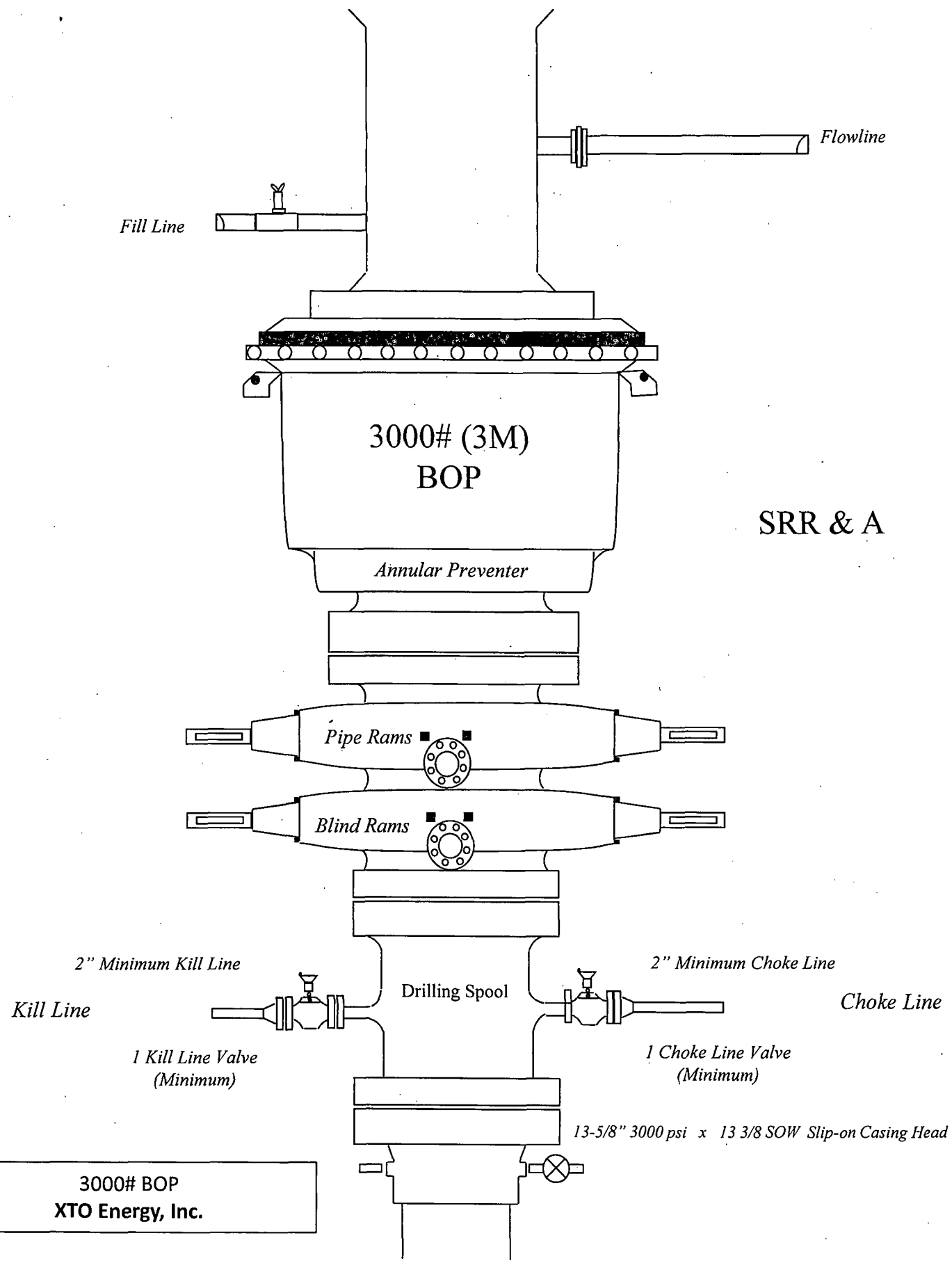
| | | | |
|-----------|--------------------------|------------------------------|---------------------------------|
| Database: | Compass 5000 GCR DB | Local Co-ordinate Reference: | Well Corral Canyon Federal 3H |
| Company: | XTO Energy Inc | TVD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Project: | Eddy County, NM (NAD 27) | MD Reference: | Well @ 3021.00usft (Pioneer 33) |
| Site: | Corral Canyon Federal | North Reference: | Grid |
| Well: | Corral Canyon Federal 3H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Plan#1 042414 | | |

Formations

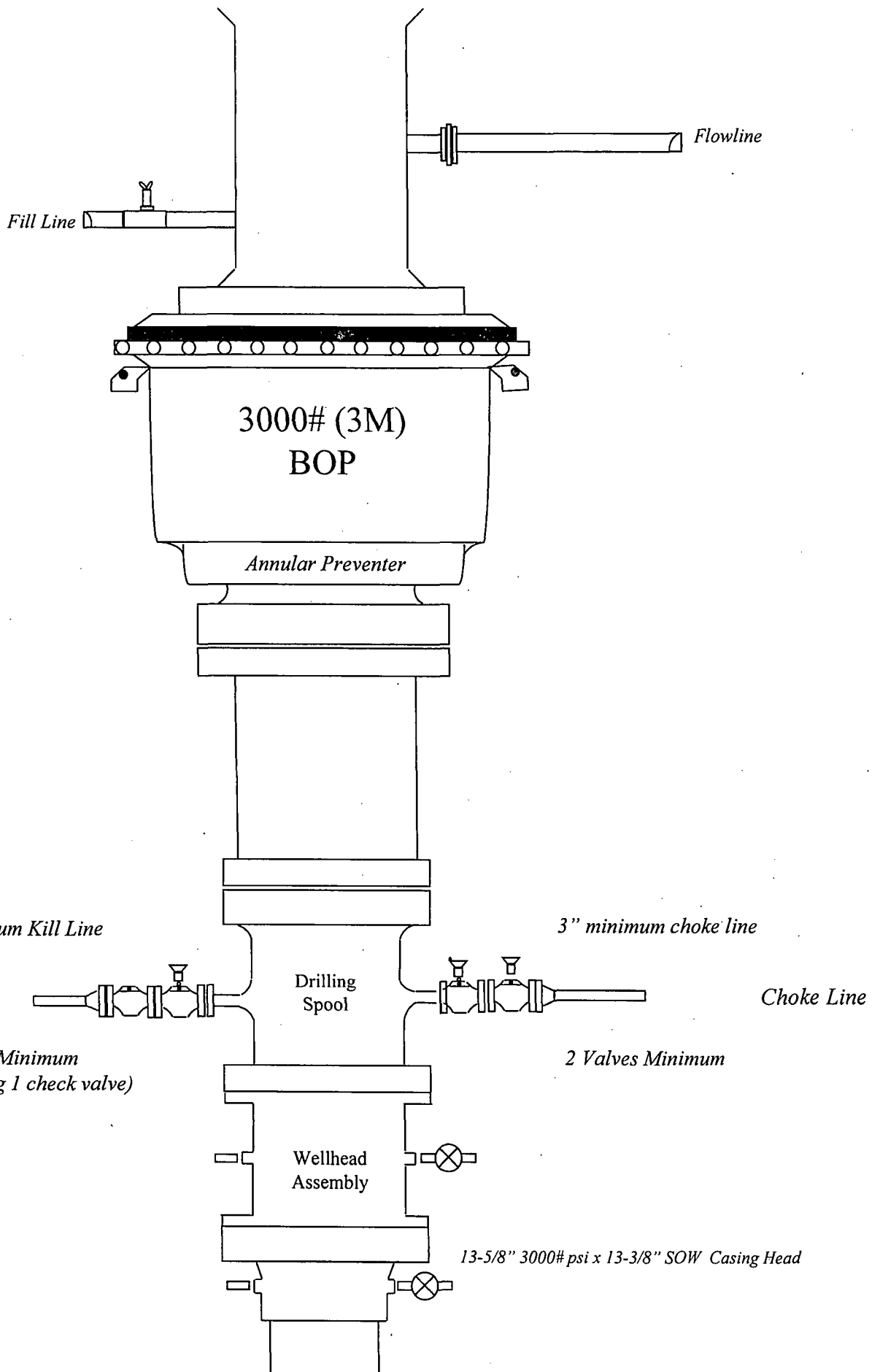
| Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|-----------------------|-----------------------|------------------------|-----------|---------|-------------------|
| 329.00 | 329.00 | Rustler | | 0.00 | 1.89 |
| 723.00 | 723.00 | Top Salt | | 0.00 | 1.89 |
| 1,351.00 | 1,351.00 | Base Salt | | 0.00 | 1.89 |
| 2,922.00 | 2,922.00 | Delaware | | 0.00 | 1.89 |
| 3,808.00 | 3,808.00 | Cherry Canyon | | 0.00 | 1.89 |
| 5,395.00 | 5,395.00 | Brushy Canyon | | 0.00 | 1.89 |
| 5,408.00 | 5,408.00 | Basal Brushy Canyon | | 0.00 | 1.89 |
| 6,653.00 | 6,653.00 | Bone Spring | | 0.00 | 1.89 |
| 7,590.00 | 7,590.00 | 1st Bone Spring Ss | | 0.00 | 1.89 |
| 7,944.62 | 7,944.00 | 2nd Bone Spring Lm | | 0.00 | 1.89 |
| 8,509.01 | 8,410.00 | 2nd Bone Spring Ss | | 0.00 | 1.89 |
| 8,717.24 | 8,538.00 | 2nd Bone Spring "B" Ss | | 0.00 | 1.89 |
| 8,845.76 | 8,591.00 | 2nd Bone Spring "C" Ss | | 0.00 | 1.89 |

Plan Annotations

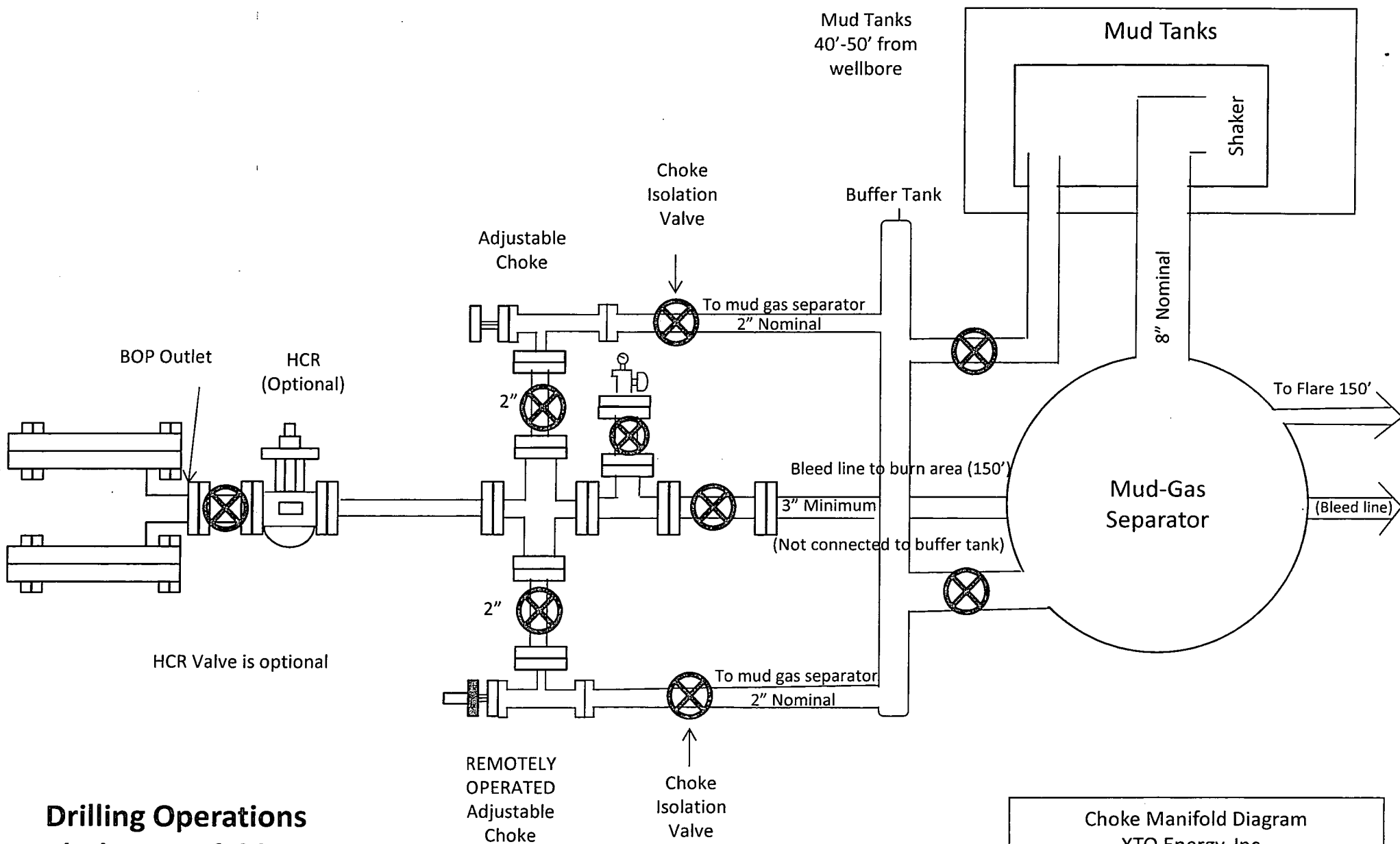
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates | | Comment |
|-----------------------|-----------------------|-------------------|--------------|-------------------------|
| | | +N/-S (usft) | +E/-W (usft) | |
| 7,820.61 | 7,820.61 | 0.00 | 0.00 | KOP, 8.00°/100' Build |
| 8,445.61 | 8,369.25 | 255.70 | 8.44 | Hold 50.00° Inc |
| 8,625.61 | 8,484.95 | 393.51 | 12.99 | Begin 10.00°/100' Build |
| 9,025.61 | 8,619.00 | 761.60 | 25.15 | LP, Hold 90.00° Inc |
| 15,691.24 | 8,619.00 | 7,423.60 | 245.10 | TD at 13004.03 |



SRR & A



3000# BOP



Drilling Operations
Choke Manifold
3M Service

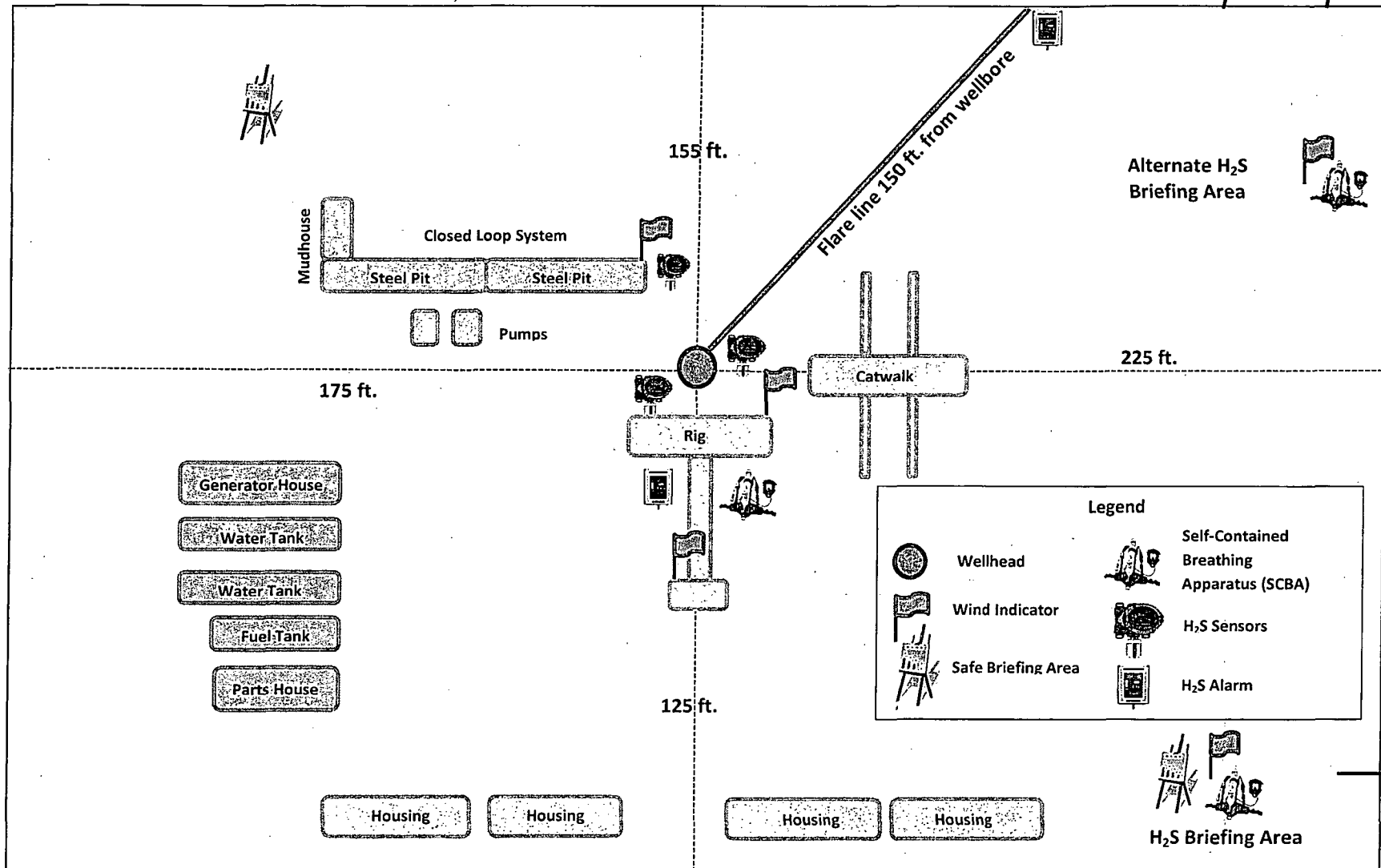
Choke Manifold Diagram
 XTO Energy, Inc..

↑
S
|

Prevailing Winds
Direction SW

H₂S Briefing Areas and Alarm Locations

Access Road





July 01, 2014

Stephanie Rabadue
XTO Energy Inc.
200 N. Loraine St., Ste. 800
Midland, TX 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220
575-887-6544

Dear Sirs:

XTO Energy Inc. does not anticipate encountering H₂S while drilling the Corral Canyon Federal #3H located in Section 5, T25S, R29E, in Eddy County, New Mexico. As a precaution, I have attached an H₂S contingency plan along with a gas analysis of our well stream. If you need anything further, please contact me at the telephone number or email listed above.

Thank you,

A handwritten signature in cursive script that reads 'Stephanie Rabadue'.

Stephanie Rabadue
Regulatory Analyst



HYDROGEN SULFIDE (H₂S) CONTINGENCY PLAN

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - o Detection of H₂S, and
 - o Measures for protection against the gas,
 - o Equipment used for protection and emergency response.

Ignition of Gas source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever this is an ignition of the gas.

Characteristics of H₂S and SO₂

| Common Name | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentration |
|------------------|------------------|------------------|-----------------|-----------------|----------------------|
| Hydrogen Sulfide | H ₂ S | 1.189 Air = 1 | 10 ppm | 100 ppm/hr | 600 ppm |
| Sulfur Dioxide | SO ₂ | 2.21 Air = 1 | 2 ppm | N/A | 1000 ppm |

Contacting Authorities

XTO Energy Inc's personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

EUNICE OFFICE – EDDY & LEA COUNTIES

EMSU @ Oil Center, NM, 8/10ths mile west of Hwy 8 on Hwy 175
Eunice, NM

575-394-2089

XTO ENERGY INC PERSONNEL:

| | |
|---|--------------|
| Boogie Armes, Sr. Drilling Superintendent | 432-556-7403 |
| Bob Chance, Drilling Superintendent | 432-296-3926 |
| Chip Amrock, Sr. Drilling Engineer | 432-638-8372 |
| Jeff Raines, Construction Foreman | 432-557-3159 |
| Dudley McMinn, EH & S Manager | 432-557-7976 |
| Rick Wilson, Production Foreman | 575-441-1147 |

SHERIFF DEPARTMENTS:

| | |
|-------------|--------------|
| Eddy County | 575-887-7551 |
| Lea County | 575-396-3611 |

NEW MEXICO STATE POLICE:

575-392-5588

FIRE DEPARTMENTS:

| | |
|-----------|--------------|
| | 911 |
| Carlsbad | 575-885-2111 |
| Eunice | 575-394-2111 |
| Hobbs | 575-397-9308 |
| Jal | 575-395-2221 |
| Lovington | 575-396-2359 |

HOSPITALS:

| | |
|-----------------------------|--------------|
| | 911 |
| Carlsbad Medical Emergency | 575-885-2111 |
| Eunice Medical Emergency | 575-394-2112 |
| Hobbs Medical Emergency | 575-397-9308 |
| Jal Medical Emergency | 575-395-2221 |
| Lovington Medical Emergency | 575-396-2359 |

AGENT NOTIFICATIONS:

| | |
|--------------------------------------|--------------|
| Bureau of Land Management | 575-393-3612 |
| New Mexico Oil Conservation Division | 575-393-6161 |
| Mosaic Potash - Carlsbad | 575-887-2871 |

CONTRACTORS:

| | |
|--------------------------------------|--------------|
| ABC Rental – Light Towers | 575-394-3155 |
| Bulldog Services – Trucking/Forklift | 575-391-8543 |
| Champion – Chemical | 575-393-7726 |
| Indian Fire & Safety | 575-393-3093 |
| Key – Dirt Contractor | 575-393-3180 |
| Key Tools – Light Towers | 575-393-2415 |
| Sweatt – Dirt Contractor | 575-397-4541 |
| RWI – Contract Gang | 575-393-5305 |

Corral Canyon Oil and Gas Exploration Project

Master Surface Use Plan

Eddy County, New Mexico

XTO Energy, Incorporated

200 N. Loraine St Ste 800

Midland, TX 79701

July 2014

Corral Canyon Oil and Gas Exploration Project
Master Surface Use Plan

Introduction

The following Exhibits are attached to this Surface Use Plan of Operations (SUPO):

| | |
|-------------|--|
| Exhibit "A" | Project Map <i>Displays:</i> Existing roads, proposed roads, proposed well pads, proposed facility location, proposed flowline route, proposed gas pipeline route, proposed salt water disposal flowline route, proposed electrical route A.1 Legend & Distance Summary |
| Exhibit "B" | Proposed Well List (includes v-door orientation) |
| Exhibit "C" | One-Mile Radius Maps C.1 Section 6 C.2 Section 5 C.3 Section 4 C.4 Section 3 |
| Exhibit "D" | Production Facilities D.1 Facilities Plat D.2 Facilities Diagram D.3 Salt Water Disposal Permit |
| Exhibit "E" | New Mexico Office of the State Engineer Water Documents |
| Exhibit "F" | Rig Layout Diagrams F.1 V-Door East F.2 V-Door West |
| Exhibit "G" | 600'x600' Well Maps (24 Total) |
| Exhibit "H" | Interim Reclamation Diagrams H.1 Corral Canyon #1H/#13H H.2 Corral Canyon #2H/#14H H.3 Corral Canyon #3H/#15H H.4 Corral Canyon #4H/#16H H.5 Corral Canyon #5H/#17H H.6 Corral Canyon #6H/#18H H.7 Corral Canyon #7H/#19H H.8 Corral Canyon #8H/#20H H.9 Corral Canyon #9H/#21H H.10 Corral Canyon #10H/#22H H.11 Corral Canyon #11H/#23H H.12 Corral Canyon #12H/#24H |

XTO Energy, Incorporated (XTO Energy) proposes to conduct an oil and gas exploratory drilling program in the Rustler Bluff/Corral Draw, North project area which includes drilling, completion and abandonment of a maximum of 24 wells with a centralized tank battery on Bureau of Land Management (BLM) administered lands located 6.7 miles Southeast of Malaga in Eddy County, New Mexico. XTO Energy has identified and staked 12 dual-well pad locations and 1 Central Tank Battery pad with BLM representatives present.

One drilling rig and one completion team will be required throughout the duration of the project.

Well Site Locations

The results of the Corral Canyon Exploration Program will determine whether economic quantities of oil and gas can be produced in the Corral Canyon area with two primary formations targeted. Fewer wells may be drilled during exploration than are proposed due to well test results and geologic and market uncertainties. Well locations will be determined based on cross-section variations and details. Locations will be selected to minimize the likelihood of encountering faults and/or drilling hazards while still targeting suitably productive zones.

If drilling results in an unproductive well, the well will be plugged and abandoned as soon as practical after the conclusion of production testing. Productive wells may be shut-in temporarily for BLM authorization for production activities and facilities.

Surface Use Plan

1. Existing Roads

- A. The Corral Canyon area is accessed by existing U.S. Highway 285 (Pecos Hwy.) and County Road 725 (Longhorn Road). Going Northeast on Co. Rd. 725 approximately 4.2 miles, across the Pecos River and unnamed State and BLM roads adjacent to and within the project area. A Transportation Plan identifying existing roads that will be used to access the project area is included in Exhibit "A".
- B. There is 16,168' of existing roads in the Corral Canyon lease area. Existing roads will be maintained in as good or better condition as they existed prior to commencement of the exploration program. All equipment and vehicles will be confined to the routes shown in Exhibit "A". Maintenance of the access roads will continue until abandonment and reclamation of the well pads is completed.

2. New or Upgraded Access Roads

- A. **New Roads.** There is a total of 6,233' of proposed and staked access roads in the Corral Canyon lease area.
- B. **Well Pads.** The well pads selected for development will determine which existing roads will be upgraded and which new roads will be built. The Project Map (Exhibit "A") shows the locations of existing and proposed roads that will need to be upgraded or constructed to access the well pads.
- C. **Anticipated Traffic.** After well completion, travel to each well site will include one lease operator truck and two oil trucks per day until the Central Tank Battery is completed. Upon completion of the Central Tank Battery, one lease operator truck will continue to travel to each well site to monitor the working order of the wells and to check well equipment for proper operation. Two oil trucks will continue to travel to the Central Tank Battery only for oil hauling. Additional traffic will include one maintenance truck periodically throughout the year for pad upkeep and weed removal. Well service trips will include only the traffic necessary to work on the wells or provide chemical treatments periodically and as needed throughout the year.
- D. **Routing.** All equipment and vehicles will be confined to the travel routes laid out in Exhibit "A" unless otherwise approved by the BLM and applied for by XTO Energy.
- E. **Road Dimensions.** The maximum width of the driving surface of new roads will be 14 feet. The roads will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.



Level Ground Section

- F. **Surface Material.** Surface material will be native caliche. The average grade of all roads will be approximately 3%.
- G. **Fence Cuts:** No.
- H. **Fences:**
 - a. *Corral Canyon Federal #13H/#15H:* A 3-strand fence will be constructed around the Southeast corner extending 60' North and 60' West to keep people and traffic from encroaching on a water run-off as agreed upon during the well staking dated 3/4/2014.
 - b. *Corral Canyon Federal #6H/#18H:* A 3-strand fence will be constructed around the Southwest corner extending 60' North and 60' east to keep people and traffic from encroaching on a water run-off as agreed upon during the well staking dated 4/1/2014.
- I. **Cattle Guards:** No
- J. **Turnouts:** No
- K. **Culverts:** A minimum of 1 culvert will be installed every 240' on the proposed lease road from the #9H/#21H well (#9H/#21H location: 170 FSL & 85 FWL, Section 3-T25S-R29E) to the #10H/#22H (#10H/#22H location: 500 FNL & 2410 FEL, Section 10-T25S-R29E) well pad. Appropriate plat diagrams and Right-of-Ways (SF-299) will be filed if the exploration project continues to this point.
- L. **Cuts and Fills:** Not significant
- M. **Topsoil.** Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road prior to any further construction activity. The topsoil that was stripped will be spread along the edge of the road and within the ditch. The topsoil will be seeded with the proper seed mix designated by the BLM.
- N. **Maintenance.** The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along with access road route.
- O. **Drainage.** The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

3. Location of Proposed Wells

- A. All proposed wells will be on the proposed pads shown on Exhibit "A" and are listed in Exhibit "B".

4. Location of Existing Wells

- A. See Exhibit "C" Figures C.1, C.2, C.3, C.4" displaying wells within a one-mile radius of all well locations.

5. Location of Proposed Production Facilities

- A. **Ancillary Facilities.** No off-pad ancillary facilities are planned during the exploration phase including, but not limited to: campsites, airstrips or staging areas.
- B. **Production Facilities.** A separate 250' x 400' pad was staked with the BLM for construction and use as a Central Tank Battery (Corral Canyon Central Tank Battery). This pad is located in the SE/4 of Section 5-T25S-R29E of Eddy County, New Mexico [See Exhibit "D"] directly adjacent to the Corral Canyon Federal #4H & #16H dual well pad.
- C. **Facility Equipment.** In the event that all 24 wells are drilled, the facility pad is expected to contain: 8-1000bbl oil tanks, 8-1000bbl water tanks, 2-LACT meters, 1-flare scrubber, 1-gas scrubber, 1-compressor pad, 1-dehy pad and 2-heater treaters as well as additional equipment as depicted on Exhibit "D" D.2. This equipment list and the development of these facilities are variable and subject to the number of wells drilled, production results based on well tests and geologic and market uncertainties. In the event that the planned 24 wells are not drilled, excess facility pad will be

reduced in size and reclaimed with prior submission of appropriate 3160-5 sundry notices to the Bureau of Land Management.

- D. **Oil Flowlines.** In the event the wells are found productive, 4" composite spoolable HDE poly pipe flowlines with a maximum pressure rating of 125psi (anticipated pressure: 80psi) will be laid on the surface within existing and proposed lease road corridors from the well to the Corral Canyon Central Tank Battery (SE/4 Section 5) [See Exhibit "A" for flowline route & Exhibit "D" Figure D.1 for facility location.] where the oil, gas and water will be metered and appropriately separated. Oil will be hauled from the location by truck following existing and proposed lease roads. The total distance of proposed oil flowline is: 22,401' (4.24mi) following existing and proposed lease road surface corridors.
- E. **Gas Pipeline.** A gas pipeline is anticipated to be staked and installed along 7949' of existing roads in the area within lease road corridors. All compressor and dehydration facilities for gas sales purchasing will be located on XTO Energy, Incorporated's Corral Canyon Tank Battery facility pad as depicted on Exhibit "D" D.2.
- F. **Disposal Facilities.** All disposal lines will be 4" composite spoolable poly pipe flowlines with a maximum pressure rating of 125psi and will lay on the surface following 7949' of existing and proposed lease road corridors from the proposed Corral Canyon Central Tank Battery located in the SE/4 Section 5-T25S-R29E to the existing Goldenchild 6 State SWD #1, API #: 30-015-41846, NMOCD Order: SWD-1458, located 800 FSL & 330 FEL, Unit P-Section 6-T25S-R29E. A copy of the Goldenchild 6 State SWD #1 C-102 and NMOCD approved SWD permit is included (see Exhibit "D" Figure D.3).
- G. **Flare.** The flare stack will be 50'x50', located at the Southeastern corner of the Corral Canyon Federal #4/#16 well pad (see Exhibit "H" F.4) and will be sized for 10 to 15mmscf/d. The flare will be built only after the Corral Canyon Federal #4/#16 wells are drilled and completed.
- H. **Aboveground Structures.** All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted earth-tone colors such as 'desert tan' that reduce the visual impacts of the built environment.
- I. **Containment Berms.** Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed of compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.
- J. **Electrical.** All electrical poles and lines will be placed within existing and proposed lease roads corridors. The electrical provider is anticipated to be Excel Energy. All powerlines will be tied into the Goldenchild lease located in Section 6-T25S-R29E (surface owner: New Mexico State Lands), directly adjacent to the Corral Canyon project area (see Exhibit "A"). All electrical lines will be primary 12,740 volt to properly run expected production equipment. Provided that all 24 wells are developed, no more than 5.5 miles of electrical lines will be run. This distance is a maximum approximation and may vary based on the lease road corridors, varying elevations and terrain in the area.

6. Location and Types of Water Supply

The well will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck using the existing and proposed roads depicted in the attached exhibits. No water well will be drilled on the location.

Water for drilling, completion and dust control will be purchased from the following company:

SB Oilfield Services
213 S. Mesa
Carlsbad, NM 88220

Water for drilling, completion and dust control will be supplied to SB Oilfield Services for sale to XTO Energy, Inc from the following two sources (see Exhibit "E"):

1st Well: C3423

Section 26-T24S-R28E, SW/NE quarter

Latitude: 32 degrees, 11 minutes, 26.2 seconds

Longitude: 104 degrees, 03 minutes, 29.1 seconds

2nd Well: C3358

Section 26-T24S-R28E, SE/NW quarter

Latitude: 32 degrees, 11 minutes, 31.58 seconds

Longitude: 104 degrees, 03 minutes, 43.11 seconds

Anticipated water usage for drilling includes an estimated 30,000 barrels of water to drill a horizontal well in a combination of fresh water and brine as detailed in the mud program in the drilling plans. These volumes are calculated for ~1.5bbls per foot of hole drilled with 40% excess to accommodate any lost circulation or wash out that may occur. Actual water volumes used during operations will depend on the depth of the well, length of horizontal sections, and the losses that may occur during the operation.

Well completion is expected to require approximately 50,000 barrels of fresh water per horizontal well. Actual water volumes used during operations will depend on the depth of the well and length of horizontal sections. After production is established, XTO may complete wells with approximately 50,000 barrels of produced water. If this decision is made, the BLM will be notified appropriately, proper permitting will ensue with the New Mexico Oil Conservation division and this surface use plan will be amended as needed.

A fresh water frac pond is anticipated after the wells are drilled. The maximum size anticipated for 24 wells is 250'x250'x15' with a HDPE 30mil liner. The potential location of the frac pond is unknown at this time but will be staked with a BLM representative present in order to make certain all wildlife habitat and hydrological areas are protected with minimal environmental impact.

7. Construction Activities

- A. Construction, reclamation, and/or routine maintenance will not be conducted during periods when the soil conditions for construction could lead to impacts to the surrounding environment, or when watershed damage is likely to occur as a result of these activities.
- B. Any construction material that may be required for surfacing of the drill pad and access road will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from federal lands without prior approval from the appropriate surface management agency. All roads and well pads will be constructed of 6" rolled and compacted caliche.

8. Methods for Handling Waste

- **Cuttings.** The well will be drilled utilizing a closed-loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to a New Mexico Oil Conservation Division (NMOCD) approved disposal site.
- **Drilling Fluids.** These will be contained in steel mud pits and then taken to a NMOCD approved commercial disposal facility.
- **Produced Fluids.** Water produced from the well during completion will be held temporarily in steel tanks and then taken to a NMOCD approved commercial disposal facility. Oil produced during operations will be stored in tanks until sold.
- **Sewage.** Portable, self-contained toilets will be provided for human waste disposal. Upon completion of drilling and completion activities, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to the disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- **Garbage and Other Waste Materials.** All garbage, junk and non-flammable waste materials will be contained in a self-contained, portable dumpster or trash cage, to prevent scattering and will be removed and deposited in an approved sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.
- **Debris.** Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned and removed from the well location. No potential adverse materials or substances will be left on location.
- **Hazardous Materials.**
 - i. All drilling wastes identified as hazardous substances by the Comprehensive Environmental Response Compensation Liability Act (CERCLA) removed from the location and not reused at another drilling location will be disposed of at a hazardous waste facility approved by the U.S. Environmental Protection Agency (EPA).
 - ii. XTO Energy, Incorporated and its contractors will comply with all applicable Federal, State and local laws and regulations, existing or hereafter enacted promulgated, with regard to any hazardous material, as defined in this paragraph, that will be used, produced, transported or stored on the oil and gas lease. "Hazardous material" means any substance, pollutant or contaminant that is listed as hazardous under the CERCLA of 1980, as amended, 42 U.S.C 9601 et seq., and its regulation. The definition of hazardous substances under CERCLA includes any "hazardous waste" as defined in the RCRA of 1976, as amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or nuclear by-product material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or designated as a hazardous substance under CERCLA Section 101 (14) U.S.C. 9601 (14) nor does the term include natural gas.
 - iii. No hazardous substances or wastes will be stored on the location after completion of the well.
 - iv. Chemicals brought to location will be on the Toxic Substance Control Act (TSCA) approved inventory list.
 - v. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in Notice to Lessees (NTL) 3A will be reported to the BLM Carlsbad Field Office. Major events will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days.

9. Well Site Layout

- A. **Rig Plat Diagrams:** A drawing of a typical dual-drilling pad is shown in figures F.1 and F.2 in Exhibit "F". A typical drilling pad will be 430 feet by 300 feet. This will allow enough space for cuts and fills, topsoil storage, and storm water control.

- B. **Closed-Loop System:** There will be no reserve pit as each well will be drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17.
- C. **V-Door Orientation:** V-door orientation will vary from well-to-well due to the surface conditions and agreed upon standards with Jesse Rice, BLM Natural Resource Specialist, present at on-site inspections. For individual well v-door orientations, see Exhibit "B" and Exhibit "F".
- D. A 600' x 600' area has been staked and flagged around each well pad. (Exhibit "G").
- E. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e., access road, well pad and topsoil storage areas).

10. Plans for Surface Reclamation

Non-Commercial Well (Not Productive), Interim & Final Reclamation:

Definition: Reclamation includes disturbed areas where the original landform and a natural vegetative community will be restored and it is anticipated the site will not be disturbed for future development.

Reclamation Standards:

The portions of the pad not essential to production facilities or space required for workover operations will be reclaimed and seeded as per BLM requirements for interim reclamation. (See Exhibit "H" Figures H.1-12)

All equipment and trash will be removed, and the surfacing material will be removed from the well pad and road and transported to the original caliche pit or used to maintain other roads. The location will then be ripped and seeded.

The original stock piled topsoil will be spread over the areas being reclaimed and the original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors as close as possible to the original topography. The location will then be ripped and seeded

A self-sustaining, vigorous, diverse, native (or otherwise approved) plant community will be established on the site with a density sufficient to control erosion and invasion by non-native plants and to re-establish wildlife habitat or forage production. At a minimum, the established plant community will consist of species included in the seed mix and/or desirable species occurring in the surrounding natural vegetation.

Erosion features are equal to or less than surrounding area and erosion control is sufficient so that water naturally infiltrates into the soil and gulying, headcutting, slumping, and deep or excessive rills (greater than 3 inches) are not observed.

The site will be free of State-or County-listed noxious weeds, oil field debris and equipment, and contaminated soil. Invasive and non-native weeds will be controlled.

Seeding:

- **Seedbed Preparation:** Initial seedbed preparation will consist of recontouring to the appropriate interim or final reclamation standard. All compacted areas to be seeded will be ripped to a minimum depth of 18 inches with a minimum furrow spacing of 2 feet, followed by recontouring the surface and then evenly spreading the stockpiled topsoil. Prior to seeding, the seedbed will be scarified to a depth of no less than 4-6 inches. If the site is to be broadcast seeded, the surface will be left rough enough to trap seed and snow, control erosion, and increase water infiltration.

- If broadcast seeding is to be used and is delayed, final seedbed preparation will consist of contour cultivating to a depth of 4-6 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.
- Seed Application. Seeding will be conducted no more than two weeks following completion of final seedbed preparation. A certified weed-free seed mix designed by the BLM to meet reclamation standards will be used.
- If the site is harrowed or dragged, seed will be covered by no more than 0.25 inch of soil.

11. Surface Ownership

- A. Within the Corral Canyon project area, 92% of the surface is under the administrative jurisdiction of the Bureau of Land Management and 8% of the surface is under the administrative jurisdiction of the New Mexico State Land Office. (See Exhibit "A").
- B. The surface is multiple-use with the primary uses of the region for grazing and for the production of oil and gas.
- C. The grazing lessee of note for this area is: W.P. Ranches Family Limited Partnership.

12. Other Information

Surveying

- **Well Sites**. Well pad locations have been staked. Surveys of the proposed access roads and well pad locations have been completed by John West Surveying, a registered professional land surveyor. Center stake surveys with access roads have been completed on State and Federal lands with Jesse Rice, Bureau of Land Management Natural Resource Specialist, in attendance.
- **Cultural Resources**. A Class III Cultural Resources Examination has been completed on all wells by Boone Archaeological Services and the results will be forwarded to the BLM Office. XTO has entered into the PA with the BLM on 2/18/2014 where all necessary applications and dues will be paid prior to any construction activities based on the extent of the project development.
- **Dwellings and Structures**. There are no dwellings or structures within 2 miles of this location.

Soils and Vegetation

- **Environmental Setting**. Soil area is a combination of Pajarito-Dune land complex, loamy sand with 0-3% slopes, and Potter-Simona complex, shallow sandy soil with 5 to 25% slopes. These soils support grassland dominated by black grama throughout with dropseeds and bluestems more prevalent in the loamier areas. The areas with shallower soil have fewer shrubs and more litter cover with shrubs such as sand sage, shinnery oak and mesquite appearing as the soil presents more loam. Other vegetation such as creosote, mesquite, catclaw, snakeweed, and soapweed yucca grow within the area.
- **Traffic**. No truck traffic will be operated during periods or in areas of saturated ground when surface rutting could occur. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along the access road route.
- **Water**. There is permanent or live water in the immediate area lying approximately 1-3 miles to the North/Northeast and West (Pecos River) variable to well pad location.

13. Bond Coverage

Bond Coverage is Nationwide. Bond Number: UTB000138

Operator's Representatives:

The XTO Energy, Incorporated representatives for ensuring compliance of the surface use plan are listed below:

Surface:

Stephanie Rabadue
Regulatory Analyst
XTO Energy, Incorporated
200 N. Loraine St., Suite 800
Midland, Texas 79701
432-620-6714
stephanie_rabadue@xtoenergy.com

Jeff Raines
Construction Superintendent
XTO Energy, Incorporated
200 N. Loraine St., Suite 800
Midland, Texas 79701
432-620-4349
jeff_raines@xtoenergy.com

Drilling:

Weston Turner
Drilling Engineer
XTO Energy, Incorporated
200 N. Loraine St., Suite 800
Midland, Texas 79701
432-620-4380
weston_turner@xtoenergy.com

Production:

David Luna
Production Engineer
XTO Energy, Incorporated
200 N. Loraine St., Suite 800
Midland, Texas 79701
432-620-6742
david_luna@xtoenergy.com

Facilities:

Gary Hoke
Facilities Engineer
XTO Energy, Incorporated
200 N. Loraine St., Suite 800
Midland, Texas 79701
432-620-4368
gary_hoke@xtoenergy.com

Corral Canyon Oil and Gas Exploration Project
Master Surface Use Plan

Exhibit A.1 Legend & Distance Summary

| <u>Line</u> | <u>Total Distance</u> | <u>Depicted By</u> |
|--------------------------------------|-----------------------|-------------------------|
| Existing Roads | 16,168' | Track Line |
| Proposed Roads | 6,233' | Solid Black Line |
| Proposed Electrical & Pipeline | 23,379' | Dashed Line |
| Proposed SWD & Anticipated Gas Route | 7,949' | Yellow Highlighted Area |

Corral Canyon Project Development

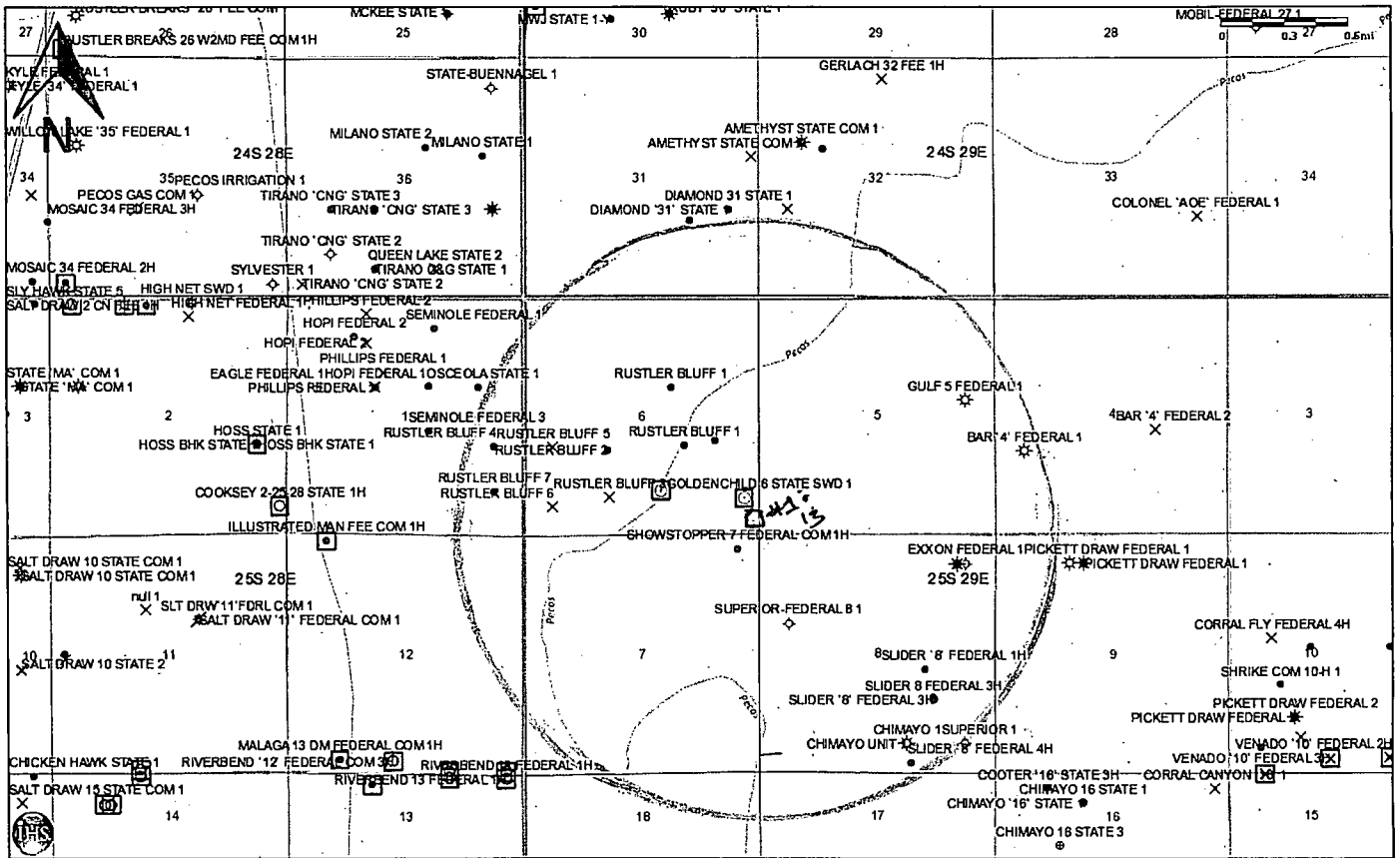
Exhibit "B" - List of Proposed Wells

XTO Energy, Incorporated

| <u>Well Name & Number</u> | <u>Footages</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>Surface Owner</u> | <u>Elevation</u> | <u>V-Door</u> |
|--------------------------------------|------------------------|-----------------------|------------------------|---------------------|-----------------------------|-------------------------|----------------------|
| Corral Canyon Federal 1H | 190 FSL & 470 FEL | 6 | 25S | 29E | State (Fed Minerals) | 2912' | East |
| Corral Canyon Federal 2H | 110 FSL & 1810 FWL | 5 | 25S | 29E | Federal | 2941' | East |
| Corral Canyon Federal 3H | 170 FSL & 2210 FEL | 5 | 25S | 29E | Federal | 3004' | East |
| Corral Canyon Federal 4H | 200 FSL & 710 FEL | 5 | 25S | 29E | Federal | 2948' | West |
| Corral Canyon Federal 5H | 180 FSL & 171 FWL | 4 | 25S | 29E | Federal | 2945' | East |
| Corral Canyon Federal 6H | 175 FNL & 1980 FWL | 9 | 25S | 29E | Federal | 2947' | East |
| Corral Canyon Federal 7H | 170 FSL & 1980 FEL | 4 | 25S | 29E | Federal | 2976' | East |
| Corral Canyon Federal 8H | 170 FSL & 610 FEL | 4 | 25S | 29E | Federal | 2998' | West |
| Corral Canyon Federal 9H | 170 FSL & 85 FWL | 3 | 25S | 29E | Federal | 2998' | West |
| Corral Canyon Federal 10H | 500 FNL & 2410 FWL | 10 | 25S | 29E | Federal | 3032' | West |
| Corral Canyon Federal 11H | 5 FNL & 2155 FEL | 10 | 25S | 29E | Federal | 3024' | West |
| Corral Canyon Federal 12H | 185 FNL & 835 FEL | 10 | 25S | 29E | Federal | 3035' | East |
| Corral Canyon Federal 13H | 190 FSL & 520 FEL | 6 | 25S | 29E | State (Fed Minerals) | 2912' | East |
| Corral Canyon Federal 14H | 120 FSL & 1760 FWL | 5 | 25S | 29E | Federal | 2942' | East |
| Corral Canyon Federal 15H | 170 FSL & 2260 FEL | 5 | 25S | 29E | Federal | 3005' | East |
| Corral Canyon Federal 16H | 200 FSL & 710 FEL | 5 | 25S | 29E | Federal | 2947' | West |
| Corral Canyon Federal 17H | 180 FSL & 221 FWL | 4 | 25S | 29E | Federal | 2944' | East |
| Corral Canyon Federal 18H | 175 FNL & 2030 FWL | 9 | 25S | 29E | Federal | 2948' | East |
| Corral Canyon Federal 19H | 170 FSL & 2030 FEL | 4 | 25S | 29E | Federal | 2973' | East |
| Corral Canyon Federal 20H | 170 FSL & 560 FEL | 4 | 25S | 29E | Federal | 2998' | West |
| Corral Canyon Federal 21H | 170 FSL & 35 FWL | 3 | 25S | 29E | Federal | 2998' | West |
| Corral Canyon Federal 22H | 500 FNL & 2460 FWL | 10 | 25S | 29E | Federal | 3030' | West |
| Corral Canyon Federal 23H | 5 FNL & 2205 FEL | 10 | 25S | 29E | Federal | 3025' | West |
| Corral Canyon Federal 24H | 185 FNL & 885 FEL | 10 | 25S | 29E | Federal | 3035' | East |

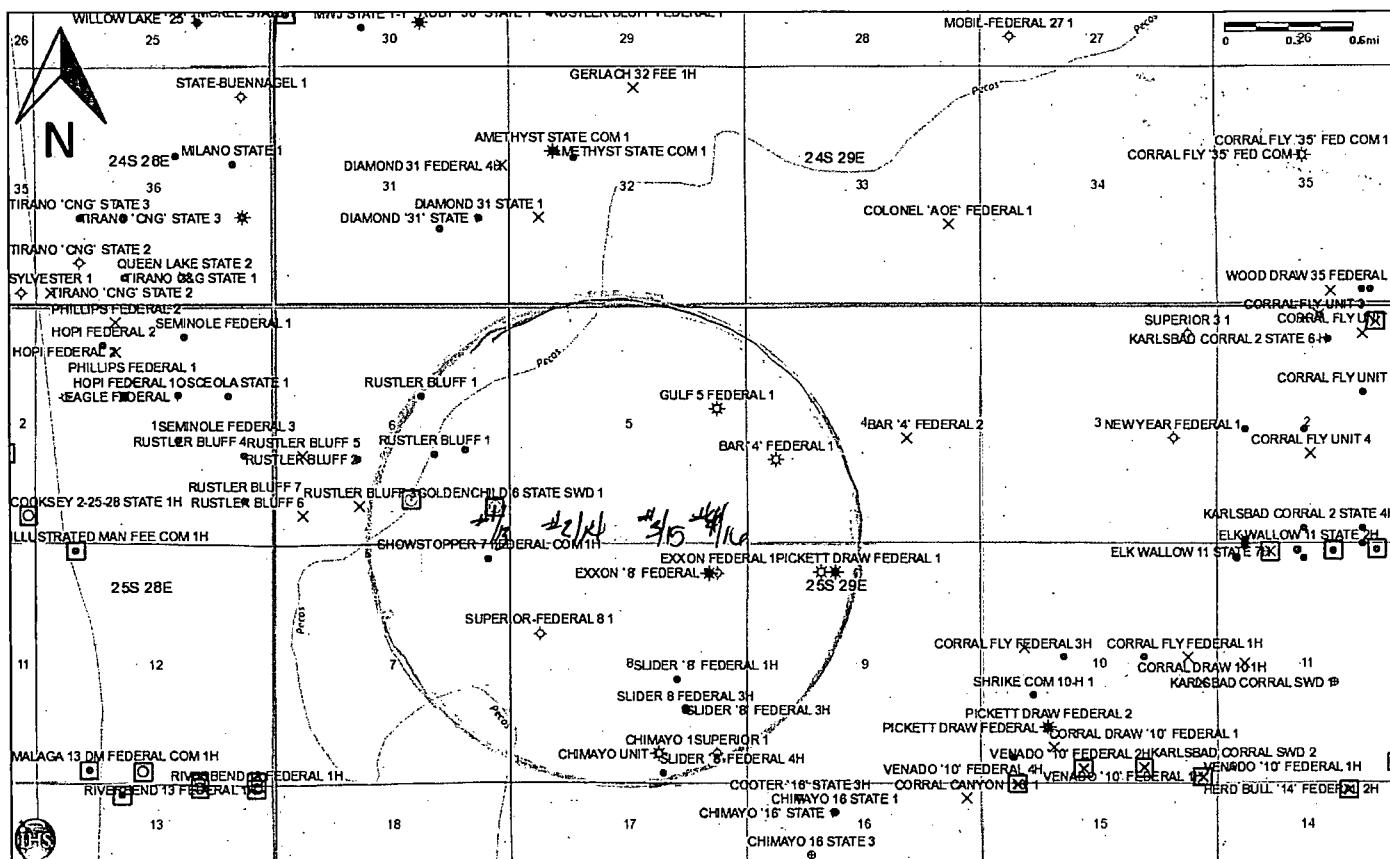
Exhibit "C" C.1 Section 6

One-Mile Radius Map

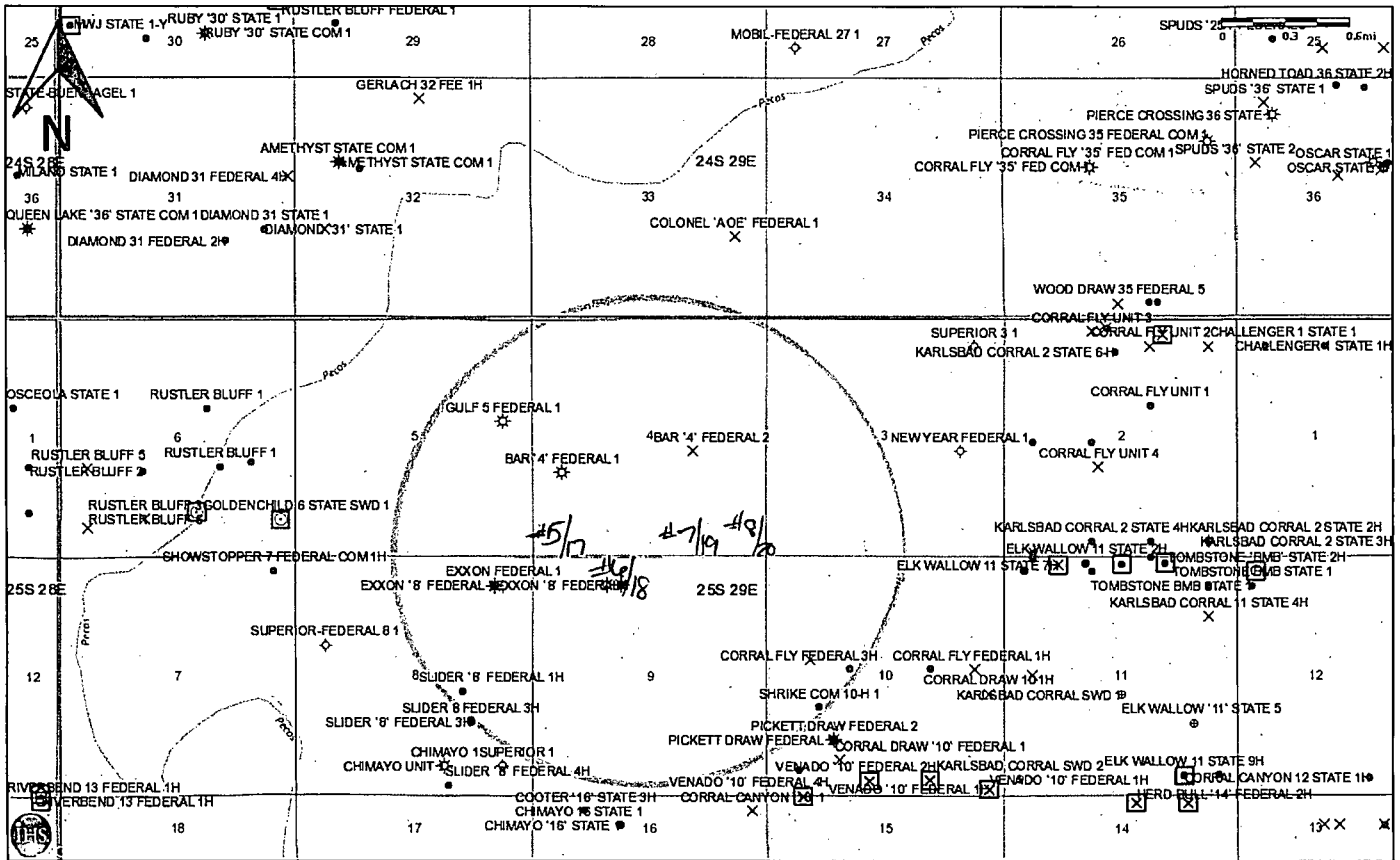


1.25" = 1 mile

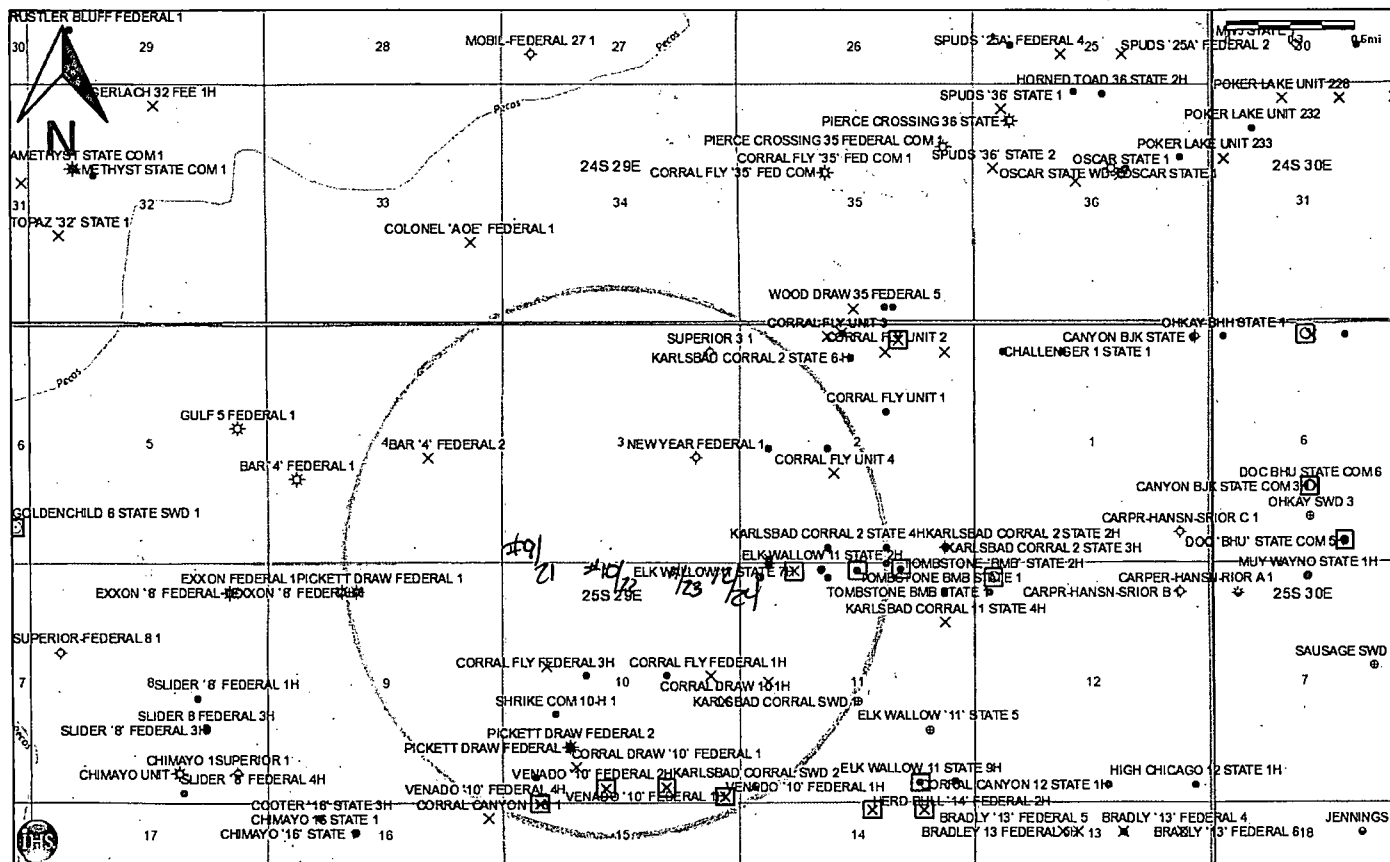
One-Mile Radius Map


$$1.25'' = 1 \text{ mile}$$

One-Mile Radius Map

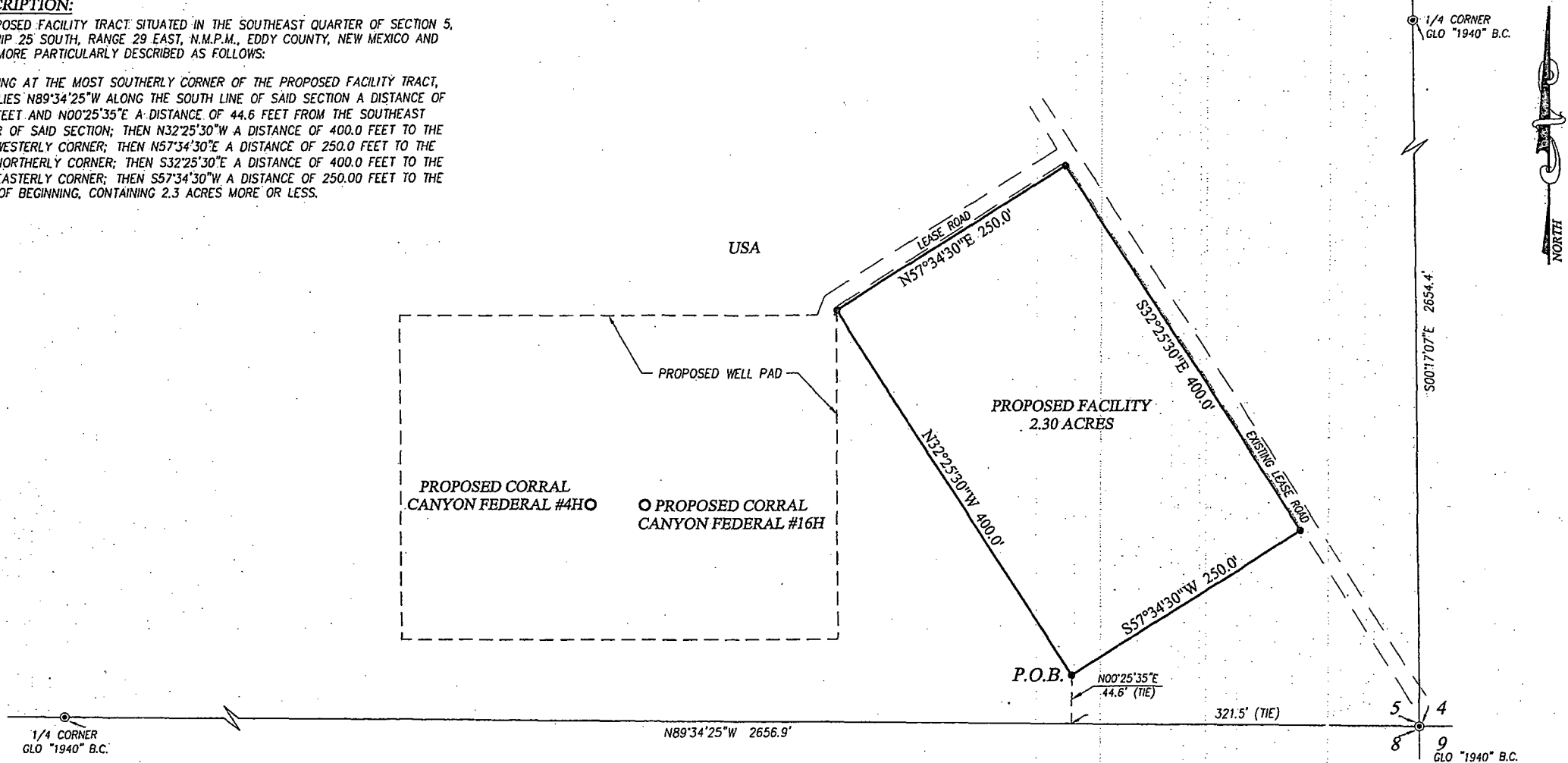

$$1.25'' = 1 \text{ mile}$$

One-Mile Radius Map


$$1.25'' = 1 \text{ mile}$$

A PROPOSED FACILITY TRACT SITUATED IN THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF THE PROPOSED FACILITY TRACT, WHICH LIES N89°34'25"W ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 321.5 FEET AND N00°25'35"E A DISTANCE OF 44.6 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N32°25'30"W A DISTANCE OF 400.0 FEET TO THE MOST WESTERLY CORNER; THEN N57°34'30"E A DISTANCE OF 250.0 FEET TO THE MOST NORTHERLY CORNER; THEN S32°25'30"E A DISTANCE OF 400.0 FEET TO THE MOST EASTERLY CORNER; THEN S57°34'30"W A DISTANCE OF 250.0 FEET TO THE POINT OF BEGINNING, CONTAINING 2.3 ACRES MORE OR LESS.



© DENOTES FOUND CORNER AS NOTED

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

JOHN WEST SURVEYING COMPANY

I, GARY G. EIDSON, NEW MEXICO PROFESSIONAL SURVEYOR No. 12641,
DO HEREBY CERTIFY THAT THIS SURVEY PLAT AND THE ACTUAL
SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE
PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM
RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE
MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT
IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

GARY G. EIDSON

DATE:

4/3/14



XTO ENERGY

SURVEY FOR A PROPOSED FACILITY
SITUATED IN THE SE/4 OF SECTION 5,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Survey Date: 03/05/14

CAD Date: 03/26/14

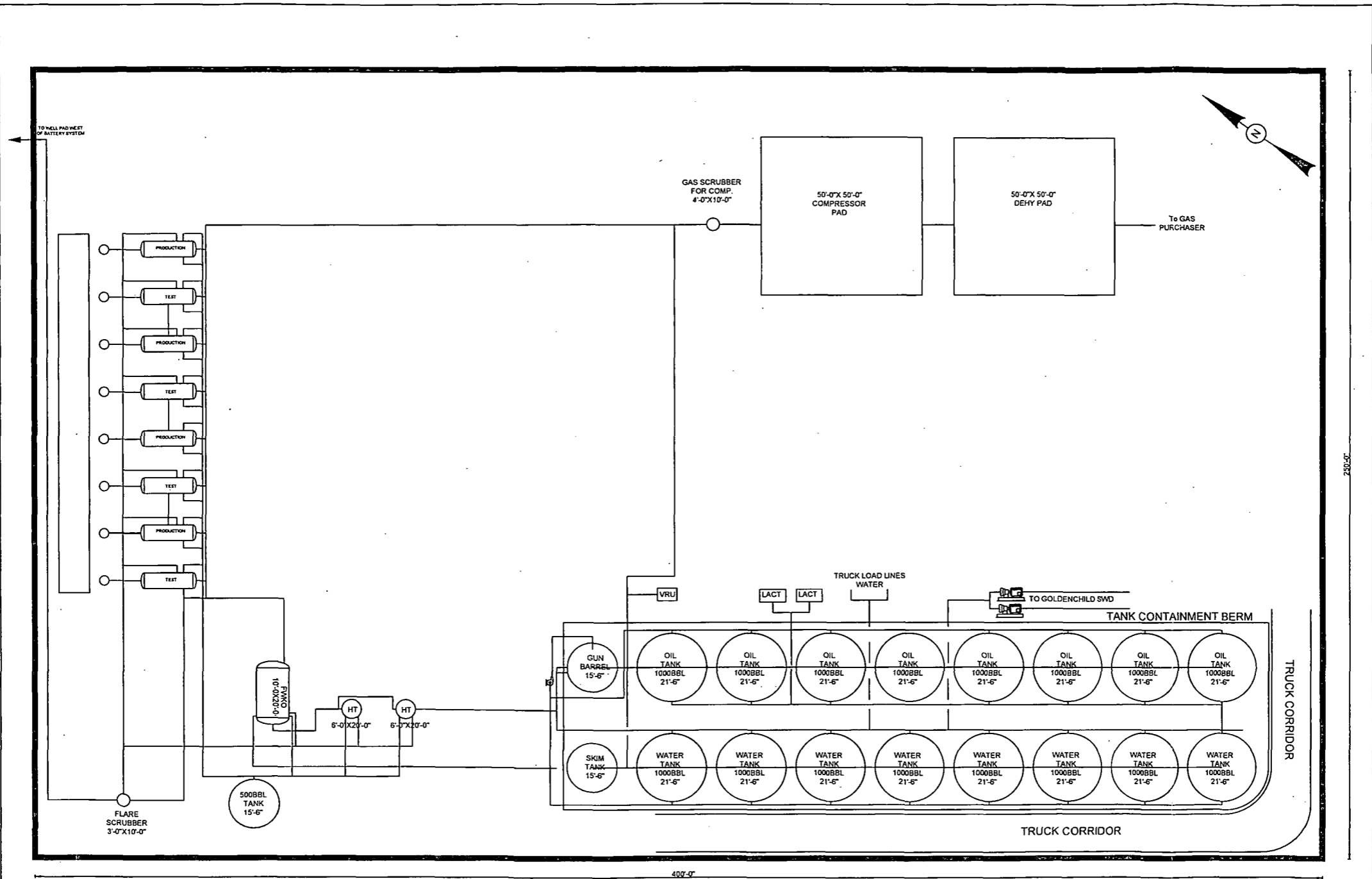
Drawn By: DSS

W.O. No.: 14110263

Rev:

Rel. W.O.:

Sheet 1 of 1



NOTES:
1) 11 LONG TERM DRAFT FACILITY LAYOUT DIAGRAM

| Revision | Description of Change | Date | By |
|----------|--------------------------|---------|-----|
| 01 | DRAFT FOR ELM PERMITTING | 9-28-11 | ECF |
| | | | |
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| | | | |

XTO
CORRAL CAYN

CORRAL CAYN
CENTRAL TANK BATTERY
ELOY COUNTY, NEW MEXICO
PLOT PLAN

XTO-PB-CCAN-00CTB-PLOT-000-4527 08

Category: Other: Tank: Location: Date: 9/28/11

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1458
January 22, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of 19.15.26.8B, NMAC, XTO Energy, Incorporated (the "operator") seeks an administrative order for its proposed Goldenchild 6 State Well No. 1 with a location of 800 feet from the South line and 330 feet from the East line, Unit letter P of Section 6, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, XTO Energy, Incorporated (OGRID 5380), is hereby authorized to utilize its Goldenchild 6 State Well No. 1 (API 30-015-41846) with a location of 800 feet from the South line and 330 feet from the East line, Unit letter P of Section 6, Township 25 South, Range 29 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) into the Devonian formation through perforations from approximately 14935 feet to approximately 16500 feet. Injection will occur through 4 ½-inch, internally-coated tubing and a packer set within 100 feet of the permitted interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

The operator shall supply the Division with a copy of a mudlog over the permitted disposal interval and an estimated insitu water salinity based on open-hole logs. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's district II and the operator shall be required to receive written permission prior to commencing disposal.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 2987 psig**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's district II office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

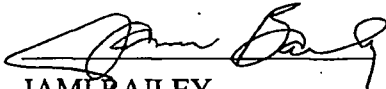
The Division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written

request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
New Mexico State Land Office – Oil, Gas and Minerals Division

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

REC'D/MIDLAND

OCT 29 2013

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|-----------------------------------|
| API Number 30-015-41846 | Pool Code 96001 | Pool Name SWD, Devonian |
| Property Code 40277 | Property Name GOLDENCHILD 6 STATE SWD | |
| OGRID No. 005386 | Operator Name XTO ENERGY | Well Number 1 |
| | | Elevation 2931' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| P | 6 | 25-S | 29-E | | 800 | SOUTH | 330 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
| | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|---|---|
| <div style="text-align: center; margin-top: 200px;"> <p>GEODETC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=419932.5 N X=598279.7 E</p> <p>LAT.=32.154113° N LONG.=104.015765° W</p> </div> <div style="text-align: right; margin-top: 100px;"> </div> | <p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><u>Stephanie Rabadue</u> 11-15-13 Signature Date</p> <p><u>Stephanie Rabadue</u> Printed Name</p> <p><u>stephanie.rabadue@xtenergy.com</u> E-mail Address</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center;">OCTOBER 17, 2013</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <div style="text-align: center;"> </div> <p><u>Ronald J. Eidson</u> 10/28/2013</p> <p>Certificate Number: Gary G. Eidson 12641 Professional Surveyor: Ronald J. Eidson 3239</p> <p>BKL JWSC W.O.: 13.11.1168</p> |
|---|---|



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is

closed) (quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

| POD Number | POD | | Q Q Q | | | Sec | Tws | Rng | X | Y | Depth Well | Depth Water | Water Column |
|--------------|------|-------|--------|----|----|-----|-----|-----|--------|---------|---------------|----------------|-----------------|
| | Sub- | basin | County | 64 | 16 | 4 | | | | | | | |
| C 03358 POD1 | C | ED | 1 | 4 | 1 | 26 | 24S | 28E | 588416 | 3562115 | 135 | | |
| C 03423 | C | ED | 2 | 4 | 1 | 26 | 24S | 28E | 543750 | 3561658 | 126 | | |

Average Depth to Water: --

Minimum Depth: --

Maximum Depth: --

Record Count: 2

PLSS Search:

Section(s): 26

Township: 24S

Range: 28E

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

POD Number

Q64 Q16 Q4 Sec Tws Rng

X

Y

C 03358 POD1

1 4 1 26 24S 28E

588416 3562115

Driller License: 1229

Driller Name: RICHARD CARTER

Drill Start Date: 04/01/2014

Drill Finish Date: 04/06/2014

Plug Date:

Log File Date: 04/11/2014

PCW Rcv Date:

Source: Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

Casing Size: 16.00

Depth Well: 135 feet

Depth Water:

Water Bearing Stratifications:

Top Bottom Description

35 55 Limestone/Dolomite/Chalk

115 135 Limestone/Dolomite/Chalk

Casing Perforations:

Top Bottom

35 55

115 126



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

POD Number

Q64 Q16 Q4 Sec Tws Rng

X

Y

C 03423

2 4 1 26 24S 28E

543750 3561658

Driller License: 410

Driller Name: A.M. BRININSTOOL

Drill Start Date:

Drill Finish Date:

12/06/1965

Plug Date:

Log File Date: 12/07/1965

PCW Rcv Date:

Source:

Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

Casing Size: 16.00

Depth Well:

126 feet

Depth Water:

Water Bearing Stratifications:

Top Bottom Description

115

125

Limestone/Dolomite/Chalk

Casing Perforations:

Top Bottom

45

125

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

6/10/14 11:59 AM

Page 1 of 1

POD SUMMARY - C 03423

↑
S
|

Exhibit "F" F.1 V-Door East Rig Layout

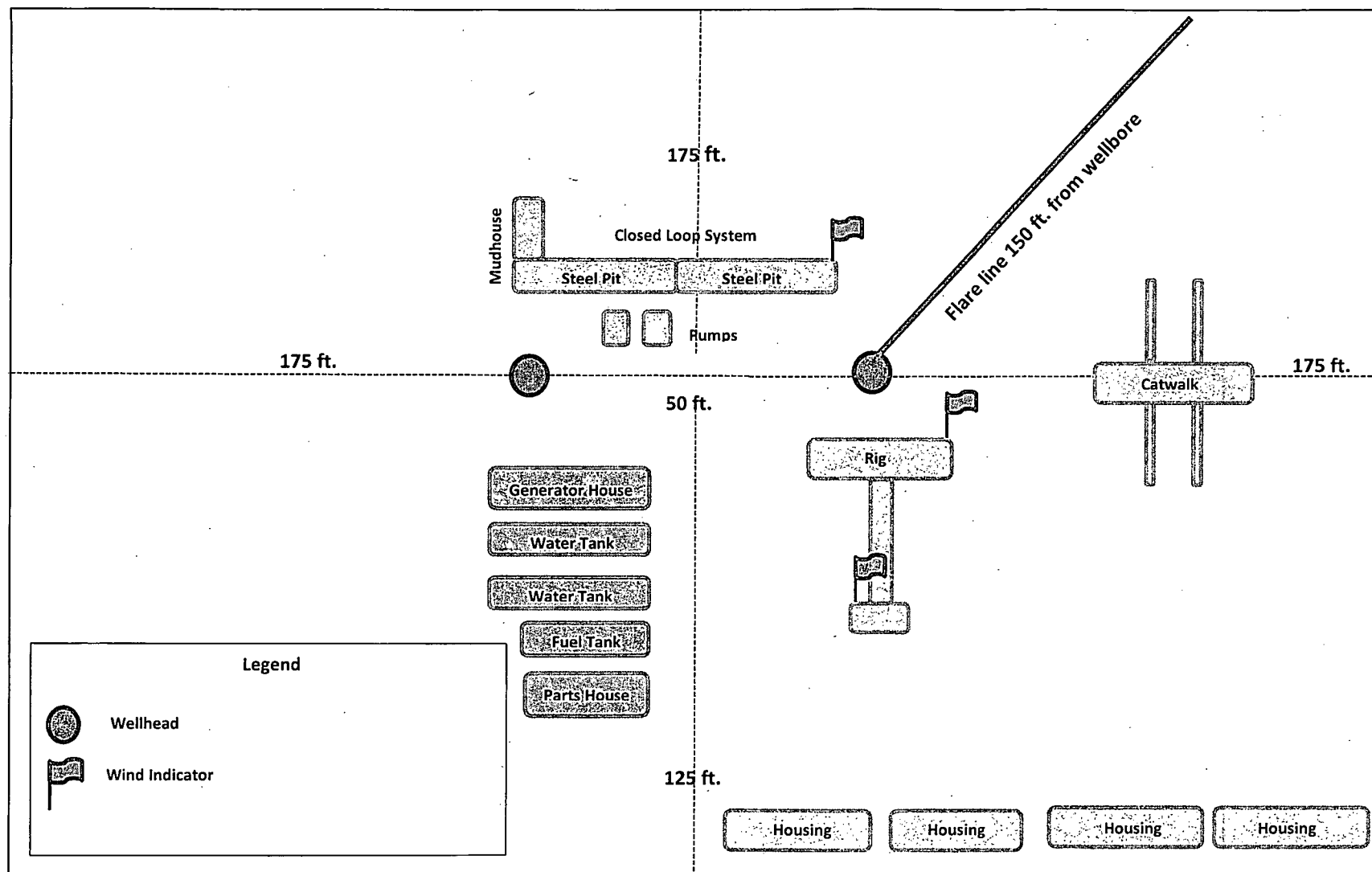


EXHIBIT F F.1

Rig Plat Diagram Only – Dual Well Pad Layout

Corral Canyon Federal Wells: #1H, #2H, #3H, 5H, #6H, #7H, #12H, #13H, #14H, #15H, #17H, #18H, #19H, #24H

V-Door East

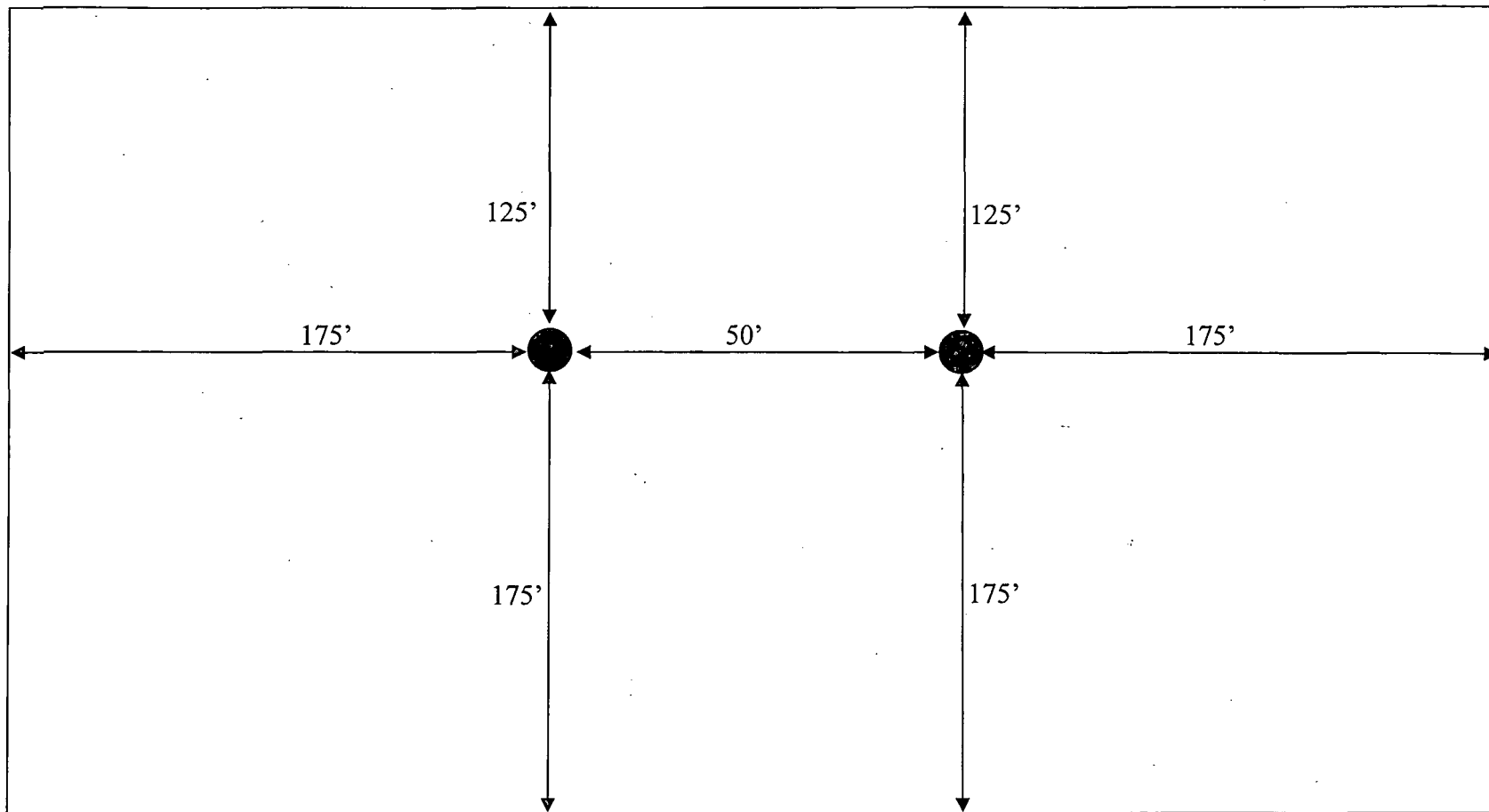
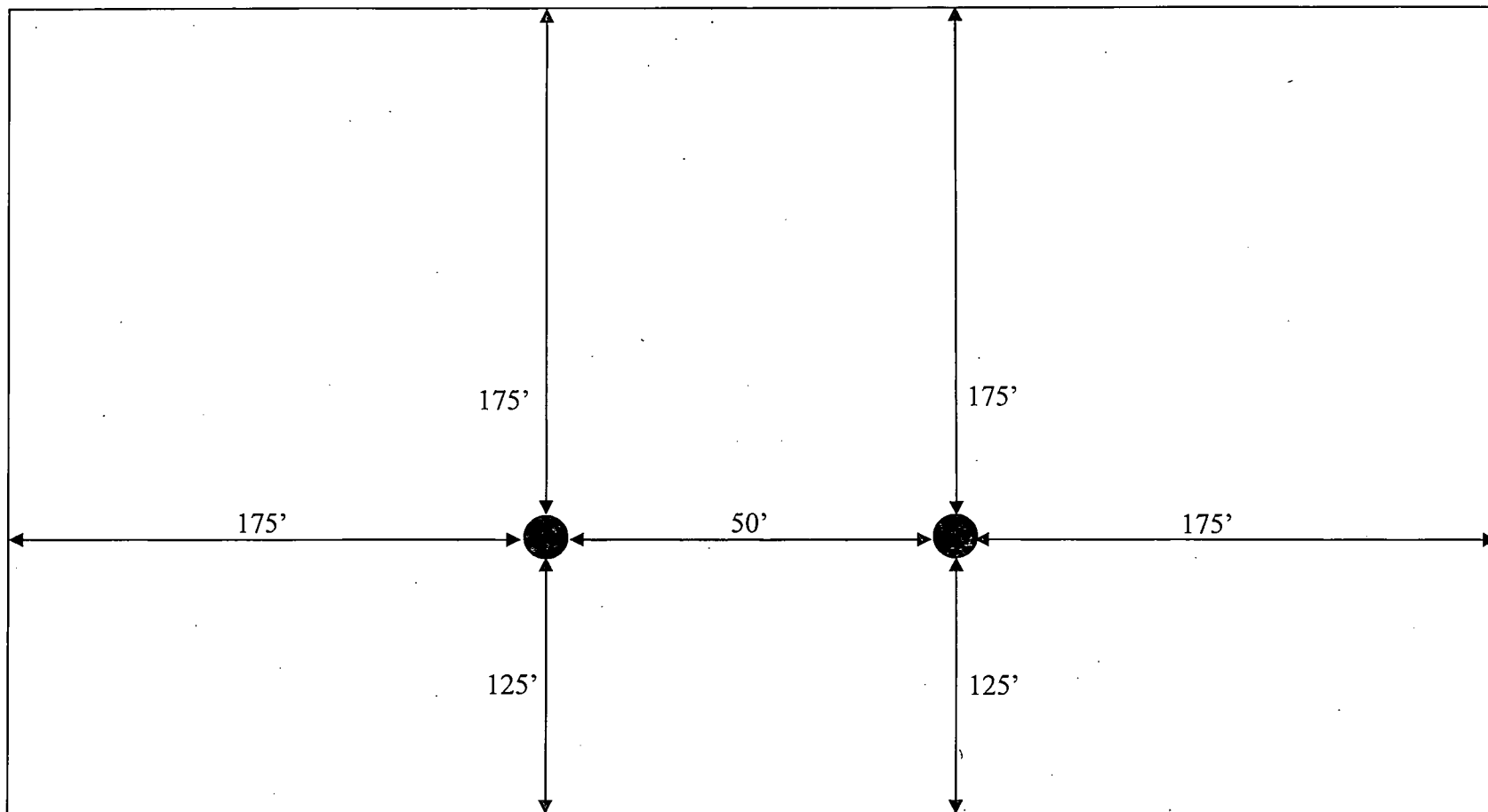


EXHIBIT F F.2

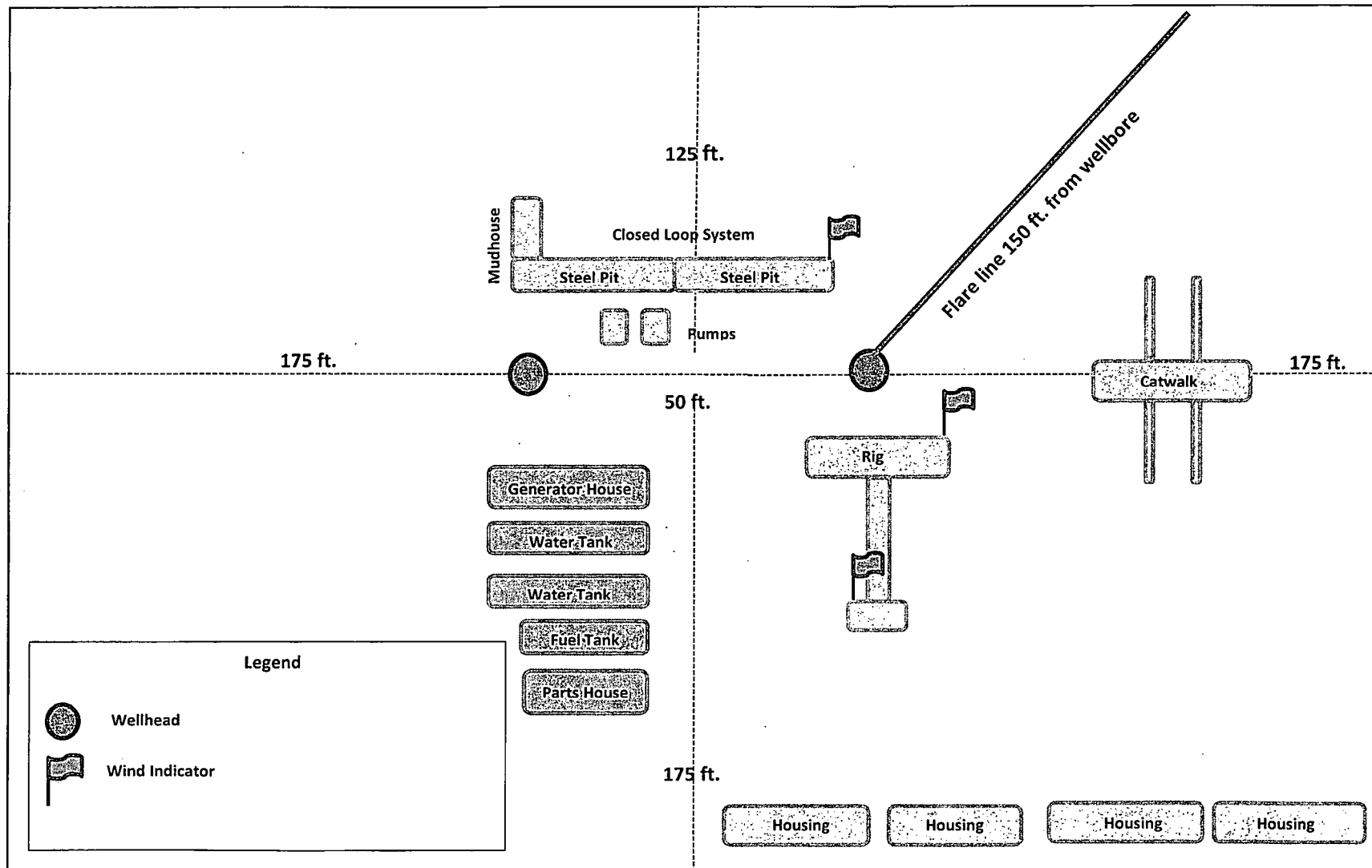
Rig Plat Diagram Only– Dual Well Pad Layout

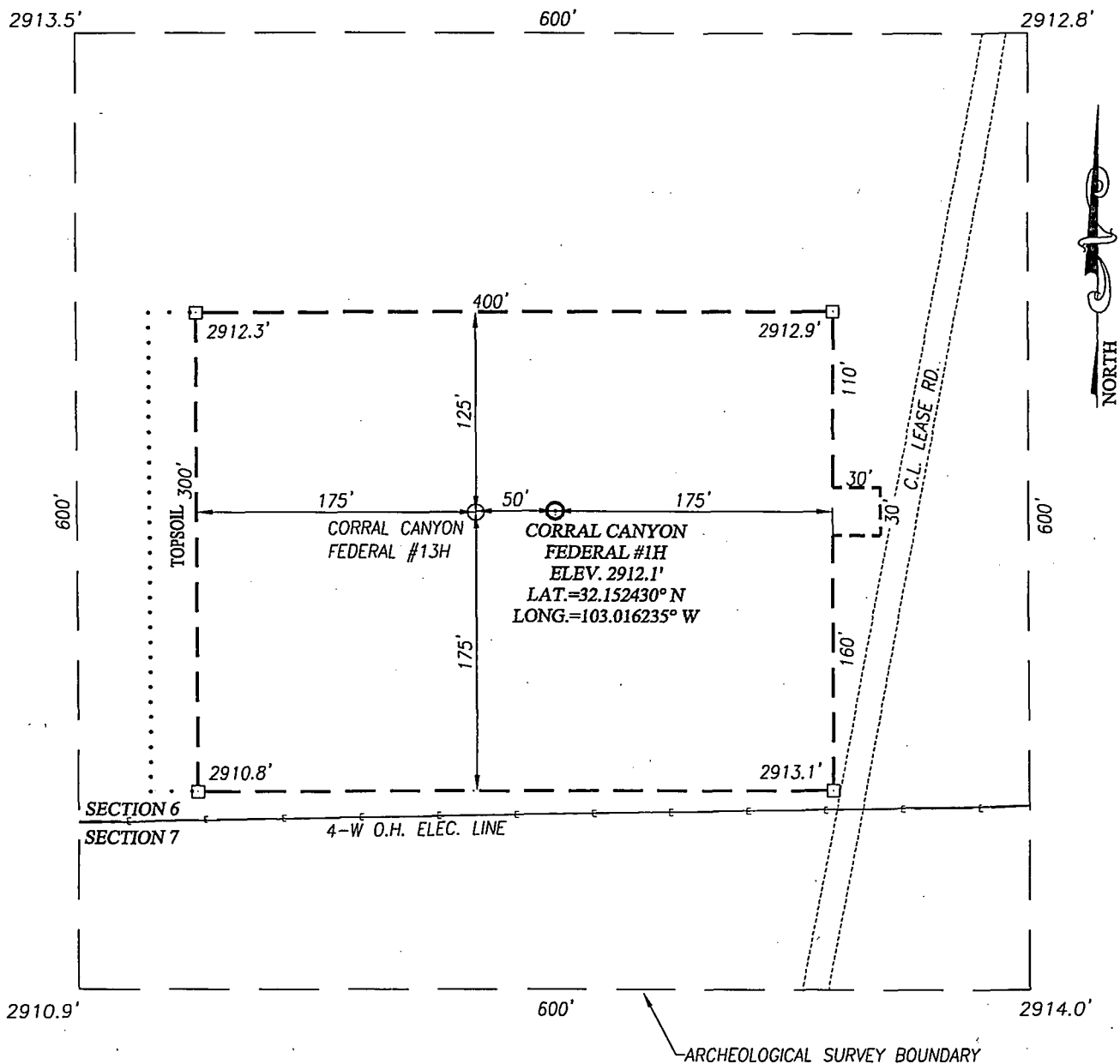
Corral Canyon Federal Wells: #4H, #8H, #9H, #10H, #11H, #16H, #20H, #21H, #22H, #23H
V-Door West



↑
S
|

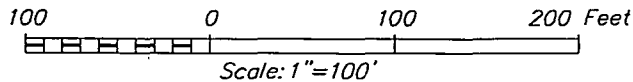
Exhibit "F" F.2 V-Door West Rig Layout





DIRECTIONS TO CORRAL CANYON FEDERAL #2H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND FOLLOW WINDING ROAD WEST APPROX. 1.3 MILES. THE LOCATION STAKE IS APPROX. 400 FEET SOUTH.



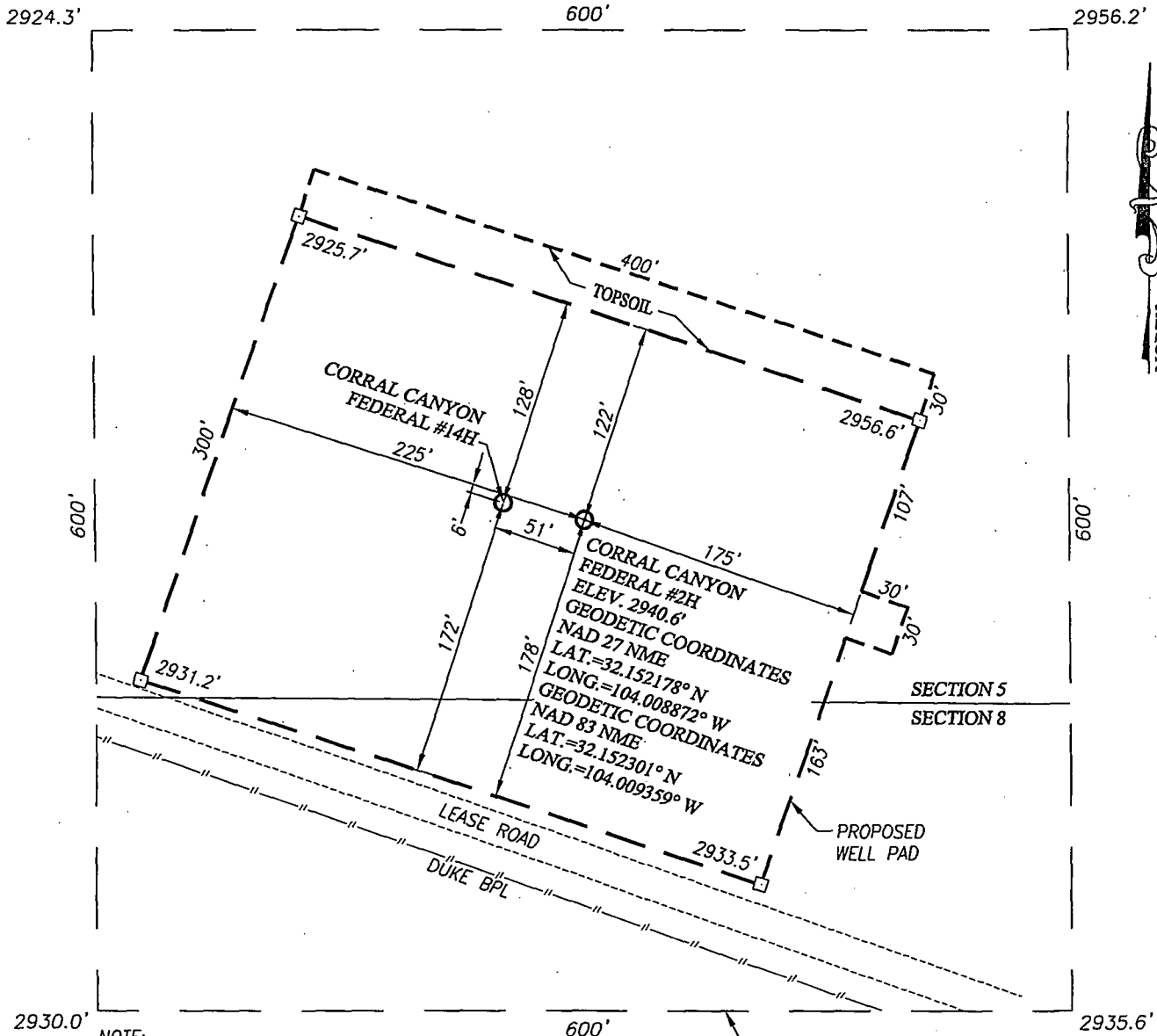
XTO ENERGY

**CORRAL CANYON FEDERAL #1H WELL
LOCATED 190 FEET FROM THE SOUTH LINE
AND 470 FEET FROM THE EAST LINE OF SECTION 6,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

| | | |
|---------------------|-------------------|---------------|
| Survey Date: 4/2/14 | CAD Date: 5/16/14 | Drawn By: ACK |
| W.O. No.: 14110214 | Rev.: | Rel. W.O.: |
| | | Sheet 1 of 1 |



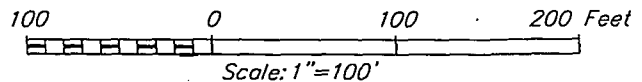
NOTE:

1) PROPOSED PIPELINE AND ELECTRIC LINE NOT SPECIFIED.

ARCHEOLOGICAL SURVEY BOUNDARY

DIRECTIONS TO CORRAL CANYON FEDERAL #2H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.25 MILES. TURN RIGHT AND GO NORTHWEST APPROX. 0.5 MILES. THE LOCATION STAKE IS APPROX. 200 FEET NORTH.



XTO ENERGY

**CORRAL CANYON FEDERAL #2H WELL
LOCATED 110 FEET FROM THE SOUTH LINE
AND 1810 FEET FROM THE WEST LINE OF SECTION 5,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**



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(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

| | | |
|-----------------------|--------------------|---------------|
| Survey Date: 03/06/14 | CAD Date: 03/25/14 | Drawn By: DSS |
| W.O. No.: 14110216 | Rev: . | Rel. W.O.: . |
| | | Sheet 1 of 1 |

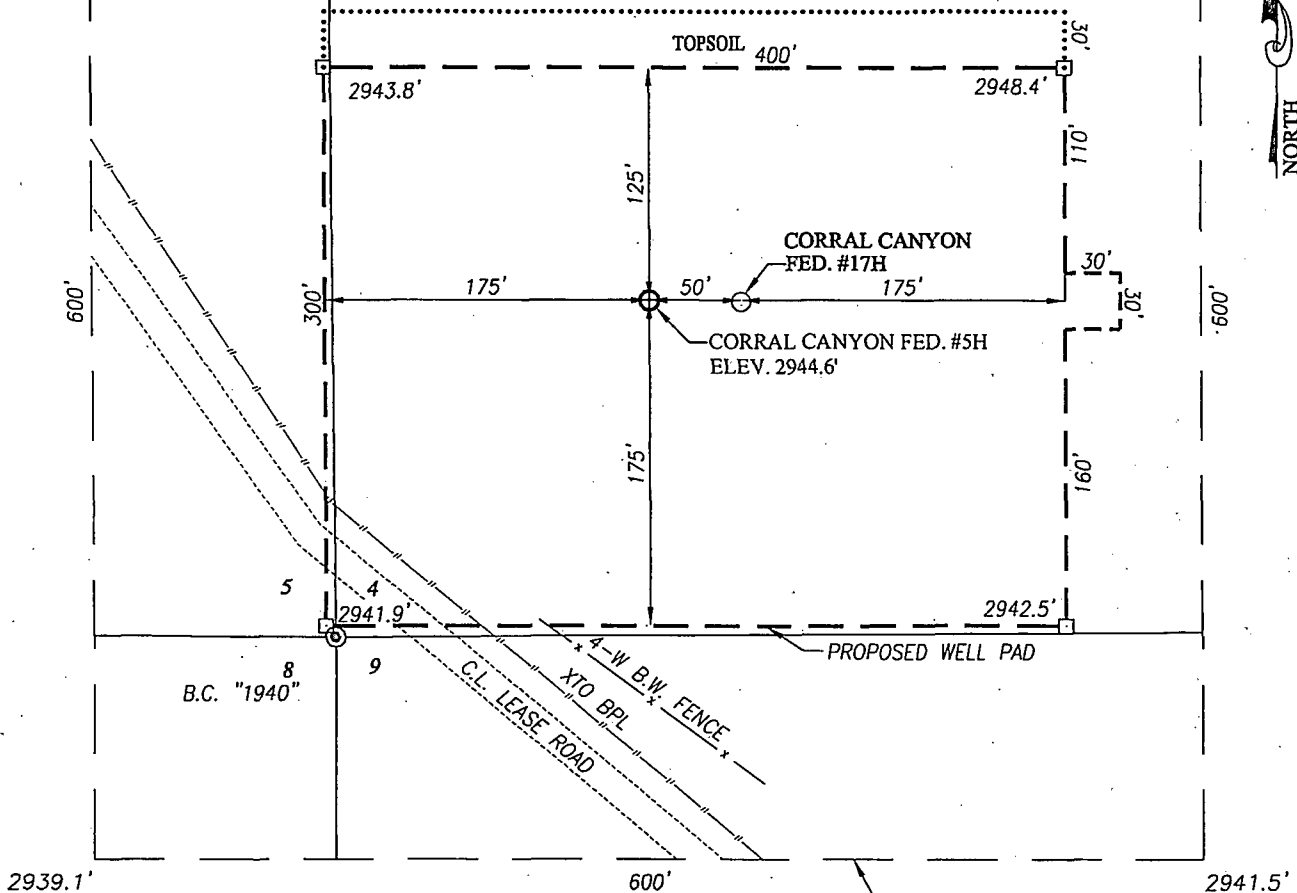
2946.3'

600'

2948.7'

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y=419280.0 N
X=604088.8 E
LAT.=32.152271° N
LONG.=103.997001° W

GEODETIC COORDINATES
NAD 83 NME
SURFACE LOCATION
Y=419338.4 N
X=645273.3 E
LAT.=32.152394° N
LONG.=103.997488° W

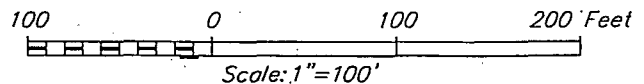


NOTE:

1) PROPOSED PIPELINE AND ELECTRIC
LINE NOT SPECIFIED.

DIRECTIONS TO CORRAL CANYON FEDERAL #5H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND
CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD.
725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A
"Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8
MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG
MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND GO
NORTHWEST APPROX. 300 FEET. THIS LOCATION IS NORTHEAST
APPROX. 215 FEET.



XTO ENERGY

CORRAL CANYON FEDERAL #5H WELL
LOCATED 180 FEET FROM THE SOUTH LINE
AND 171 FEET FROM THE WEST LINE OF SECTION 4,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Survey Date: 4/4/14

CAD Date: 5/1/14

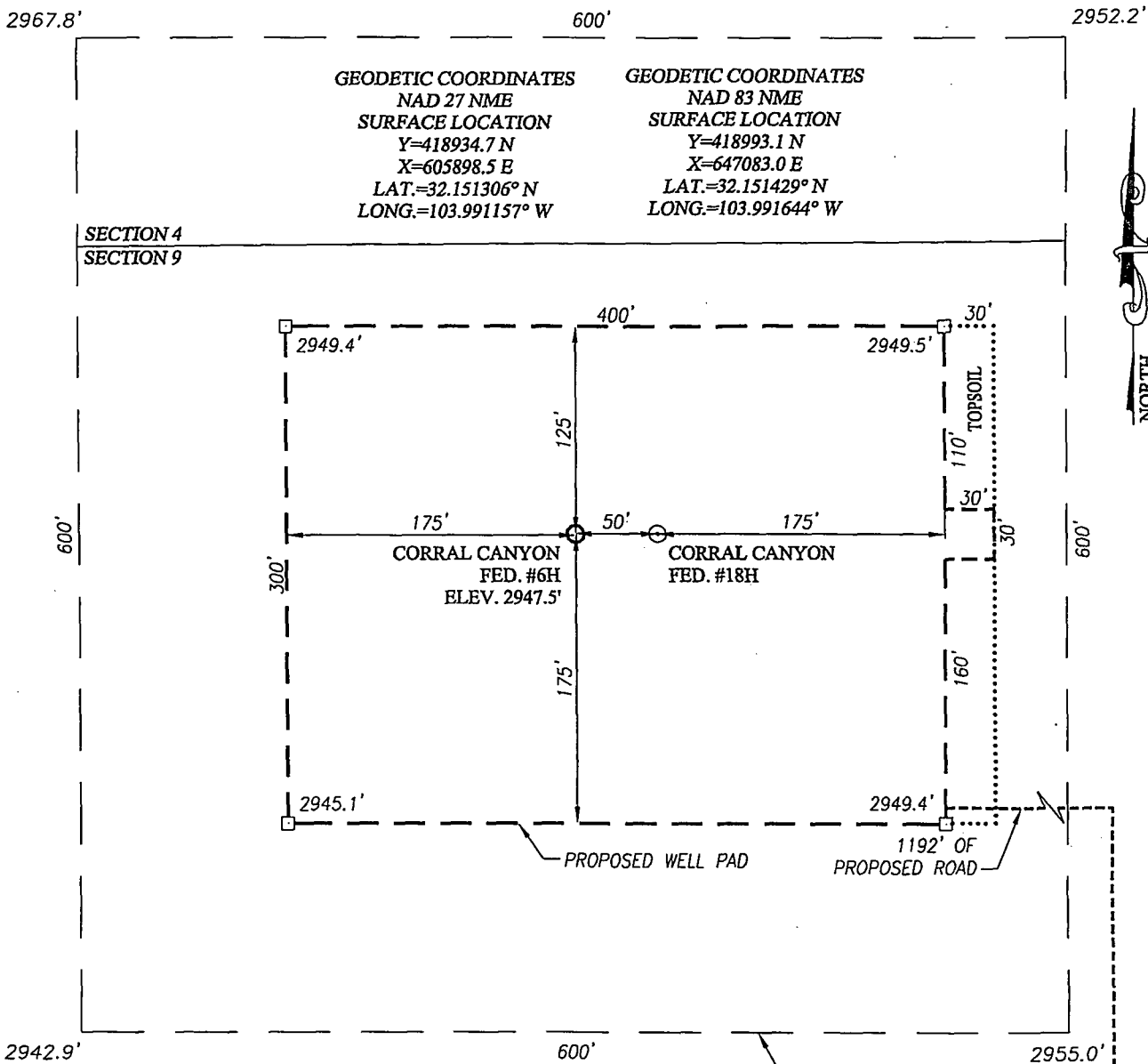
Drawn By: ACK

W.O. No.: 14110222

Rev: .

Rel. W.O.:

Sheet 1 of 1

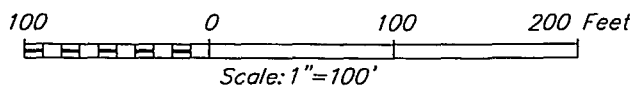


NOTE:
1) PROPOSED PIPELINE AND ELECTRIC
LINE NOT SPECIFIED.

— ARCHEOLOGICAL SURVEY BOUNDARY


DIRECTIONS TO CORRAL CANYON FEDERAL #6H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND
CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD.
725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO
A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX.
1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG
MEANDERING ROAD APPROX. 4.8 MILES. TURN RIGHT AND GO
EAST APPROX. 0.3 MILES TO PROPOSED ROAD SURVEY.
FOLLOW ROAD SURVEY NORTH EASTERLY DIRECTION APPROX.
700 FEET; TURN LEFT AND GO NORTHWEST APPROX. 142 FEET;
TURN RIGHT AND GO NORTH APPROX. 185 FEET; TURN LEFT
AND GO WEST APPROX. 165 FEET TO THE SOUTHEAST CORNER
PROPOSED WELL PAD. THIS LOCATION IS NORTHWEST APPROX.
280 FEET.



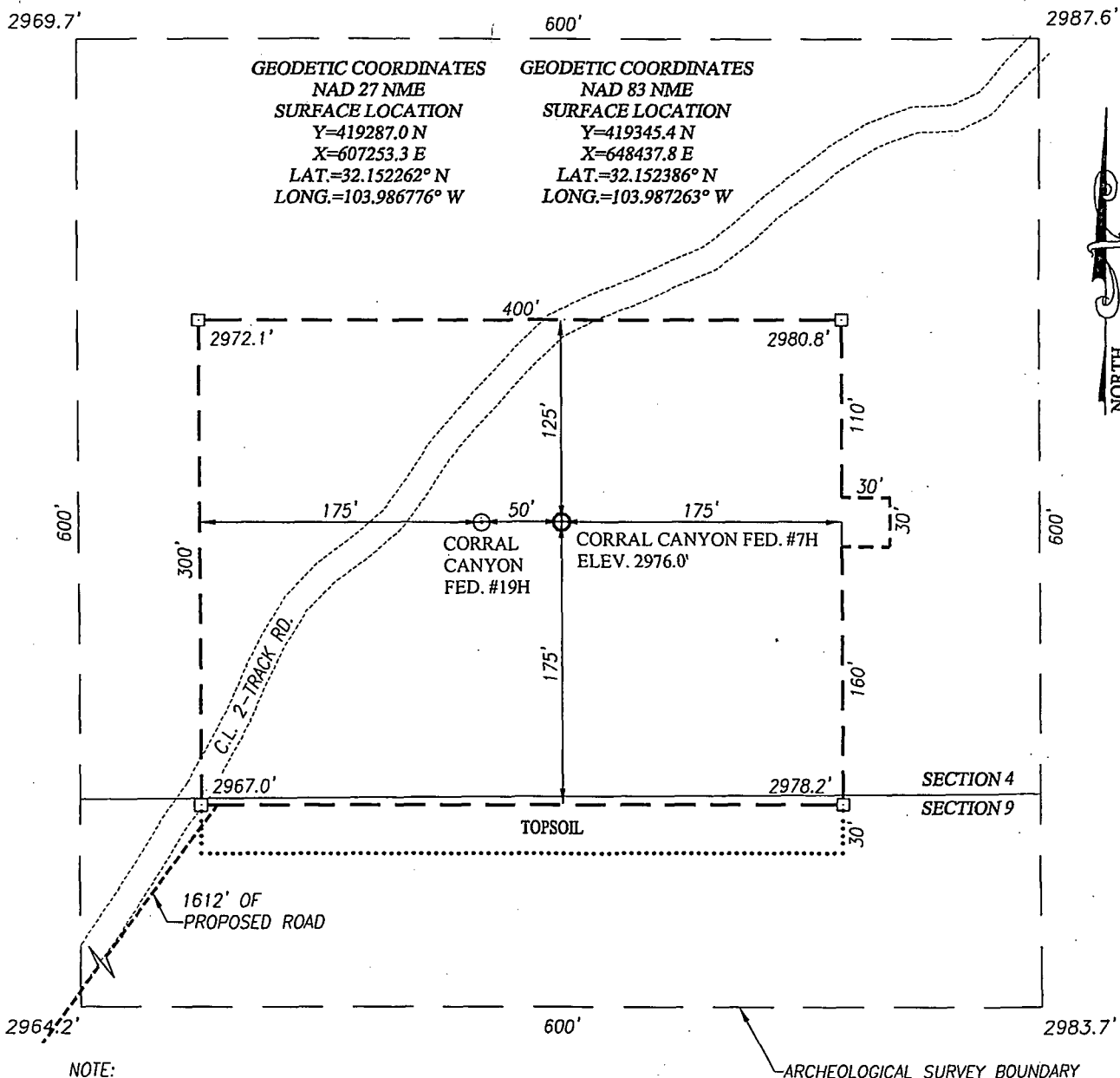
XTO ENERGY

**CORRAL CANYON FEDERAL #6H WELL
LOCATED 175 FEET FROM THE NORTH LINE
AND 1980 FEET FROM THE WEST LINE OF SECTION 9,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

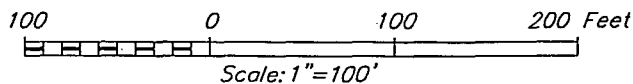
| | | |
|---------------------|------------------|-------------------------|
| Survey Date: 4/7/14 | CAD Date: 5/2/14 | Drawn By: ACK |
| W.O. No.: 14110224 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



NOTE:
 1) PROPOSED PIPELINE AND ELECTRIC
 LINE NOT SPECIFIED.

DIRECTIONS TO CORRAL CANYON FEDERAL #7H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND
 CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD.
 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A
 "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8
 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG
 MEANDERING ROAD APPROX. 4.8 MILES. TURN RIGHT AND GO
 EAST APPROX. 0.3 MILES TO PROPOSED ROAD SURVEY. FOLLOW
 ROAD SURVEY NORTHEASTERLY DIRECTION APPROX. 1605 FEET
 TO THE SOUTHWEST CORNER PROPOSED WELL PAD. THIS
 LOCATION IS NORTH APPROX. 280 FEET.



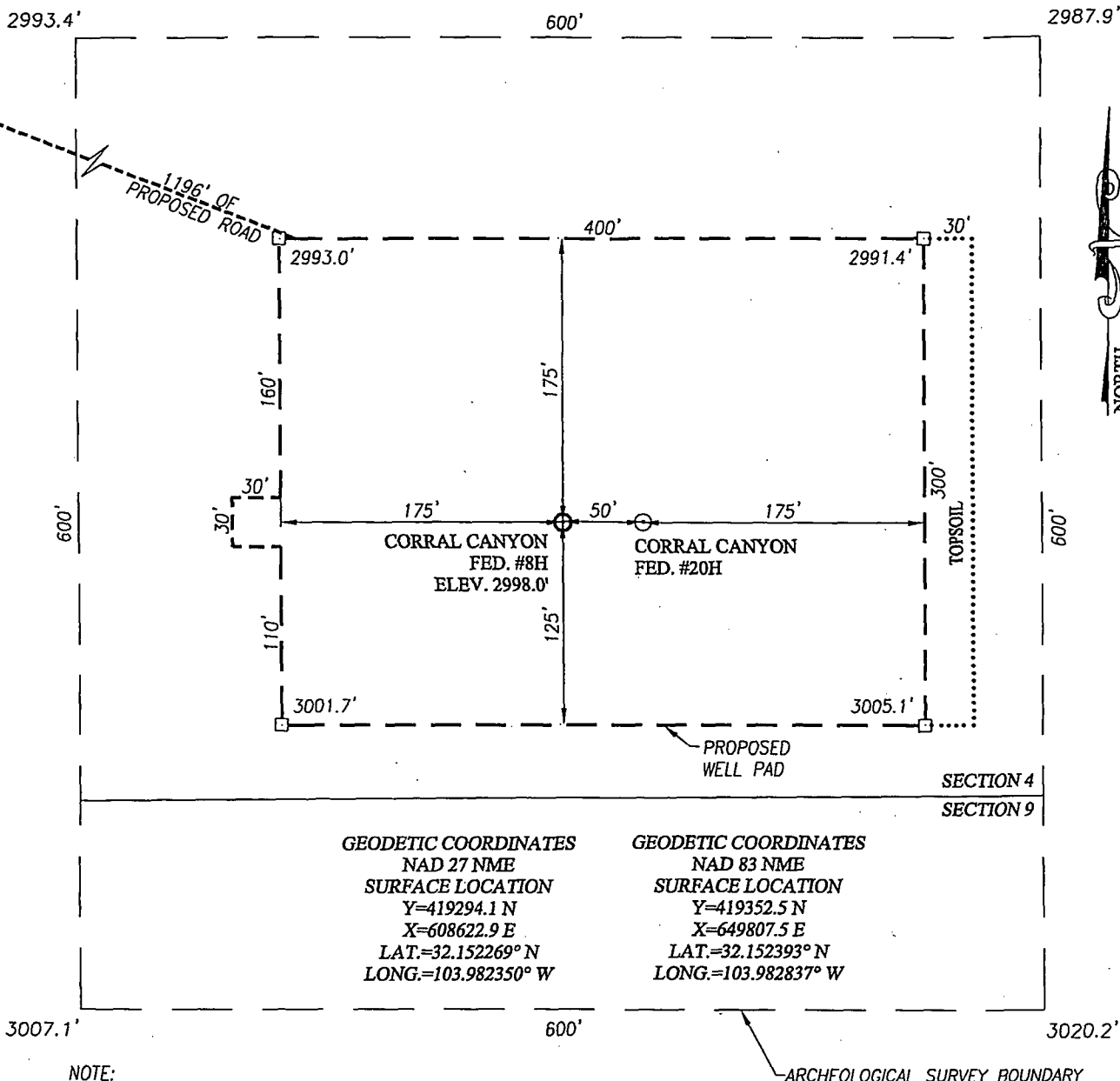
XTO ENERGY

CORRAL CANYON FEDERAL #7H WELL
 LOCATED 170 FEET FROM THE SOUTH LINE
 AND 1980 FEET FROM THE EAST LINE OF SECTION 4,
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO HOBBS, N.M. 88240
 (575) 393-3117 www.jwsc.biz
 TBPLS# 10021000

| | | |
|---------------------|------------------|-------------------------|
| Survey Date: 4/8/14 | CAD Date: 5/1/14 | Drawn By: ACK |
| W.O. No.: 14110226 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



XTO ENERGY

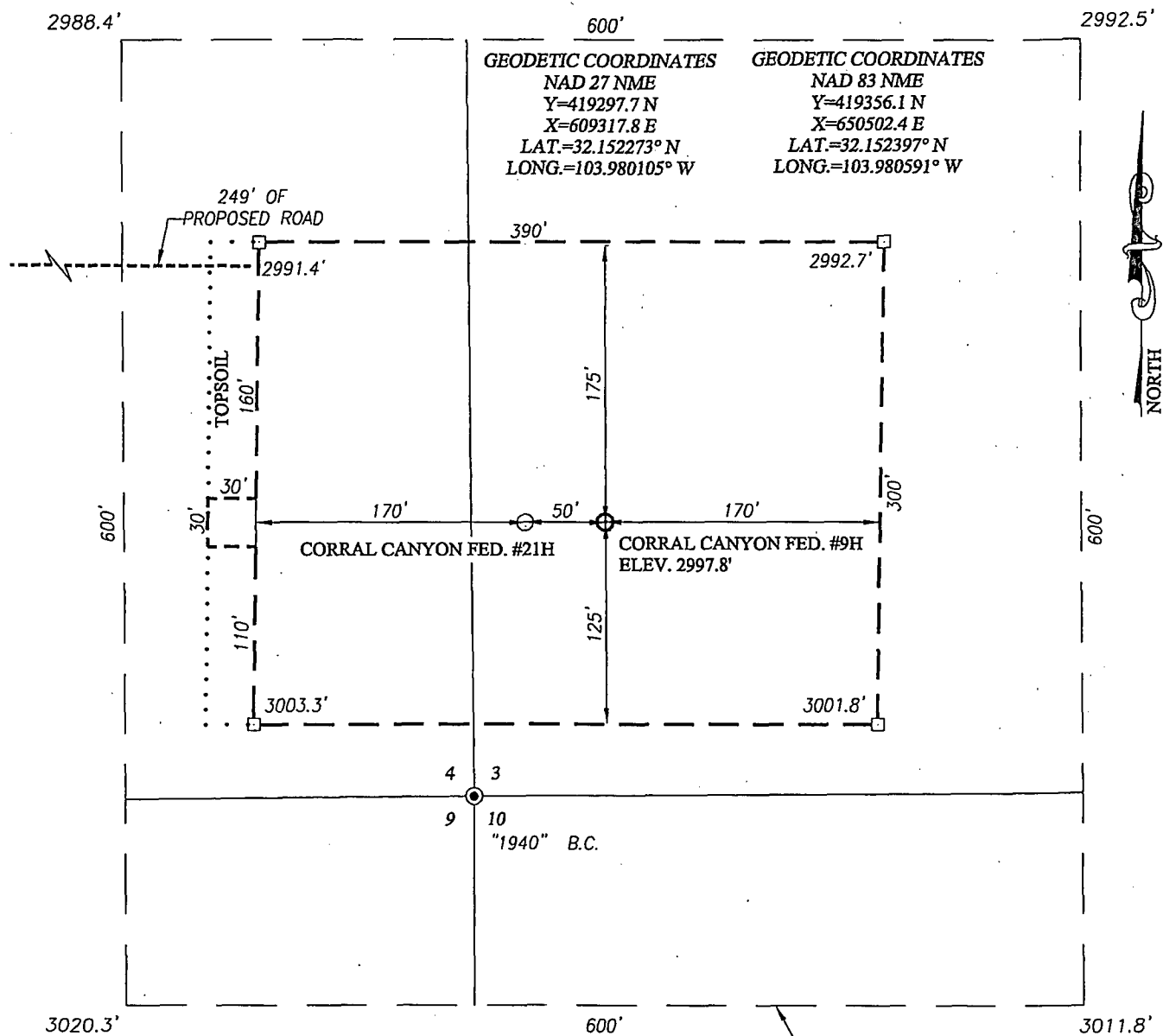
**CORRAL CANYON FEDERAL #8H WELL
LOCATED 170 FEET FROM THE SOUTH LINE
AND 610 FEET FROM THE EAST LINE OF SECTION 4,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

| | | |
|---------------------|------------------|---------------|
| Survey Date: 4/9/14 | CAD Date: 5/1/14 | Drawn By: ACK |
| W.O. No.: 14110228 | Rev.: | Rel. W.O.: |

Sheet 1 of 1



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000



NOTE:

1) SEE "LOCATION VERIFICATION MAP"
FOR PROPOSED ROAD LOCATION.

ARCHEOLOGICAL SURVEY BOUNDARY

DIRECTIONS TO CORRAL CANYON FEDERAL #9H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND
CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725
APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y"
INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES.
TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD
APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO
NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH
APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING
ROAD APPROX. 1.0 MILE TO A ROAD SURVEY. FOLLOW ROAD SURVEY
STAKES 249 FEET EAST TO THE LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

XTO ENERGY

CORRAL CANYON FEDERAL #9H WELL
LOCATED 170 FEET FROM THE SOUTH LINE
AND 84 FEET FROM THE WEST LINE OF SECTION 3,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Survey Date: 4/28/14

CAD Date: 5/19/14

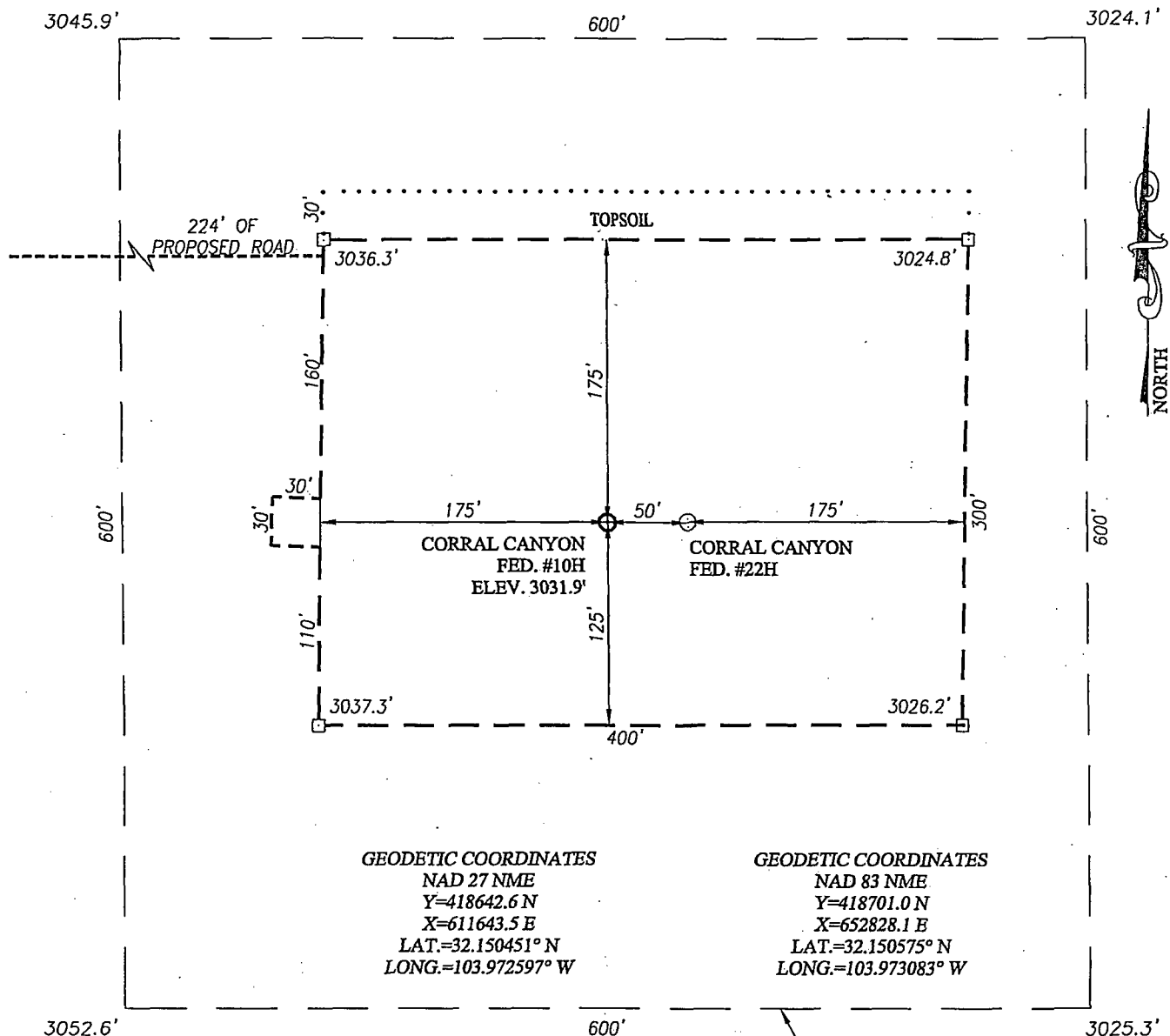
Drawn By: ACK

W.O. No.: 14110430

Rev.:

Rel. W.O.:

Sheet 1 of 1



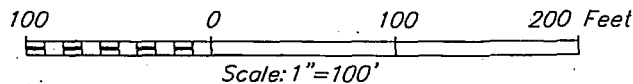
NOTE:

1) SEE "LOCATION VERIFICATION MAP" FOR PROPOSED ROAD LOCATION.

ARCHEOLOGICAL SURVEY BOUNDARY

DIRECTIONS TO CORRAL CANYON FEDERAL #10H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING ROAD APPROX. 0.5 MILES TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 225 FEET EAST TO THE LOCATION.



XTO ENERGY

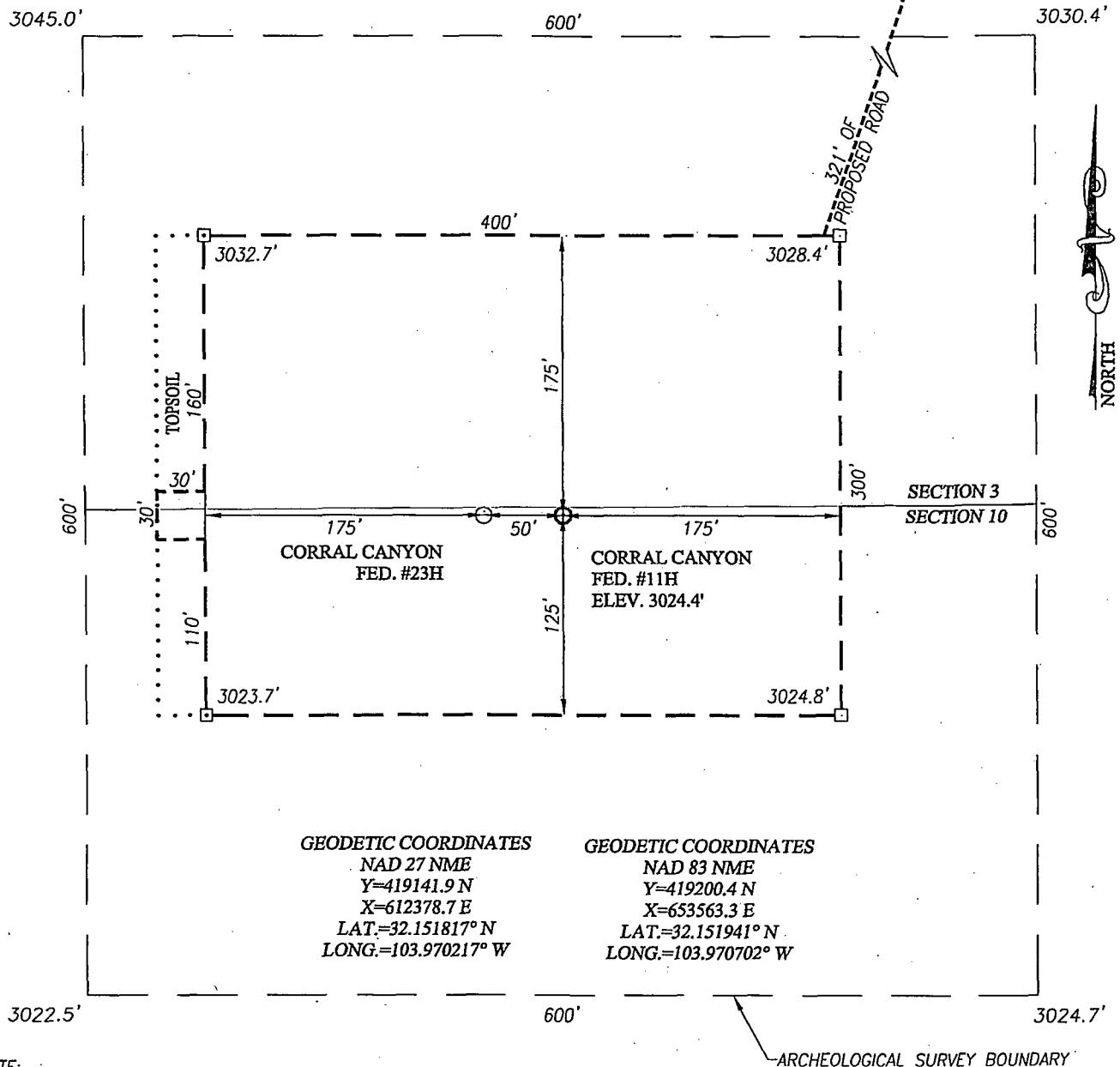
CORRAL CANYON FEDERAL #10H WELL
LOCATED 500 FEET FROM THE NORTH LINE
AND 2410 FEET FROM THE WEST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



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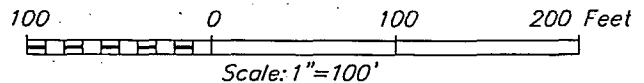
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|----------------------|-------------------|---------------|
| Survey Date: 4/29/14 | CAD Date: 5/20/14 | Drawn By: ACK |
| W.O. No.: 14110432 | Rev: . | Rel. W.O.: . |

Sheet 1 of 1



DIRECTIONS TO CORRAL CANYON FEDERAL #11H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING ROAD APPROX. 0.1 MILE TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 321 FEET SOUTH TO THE LOCATION.



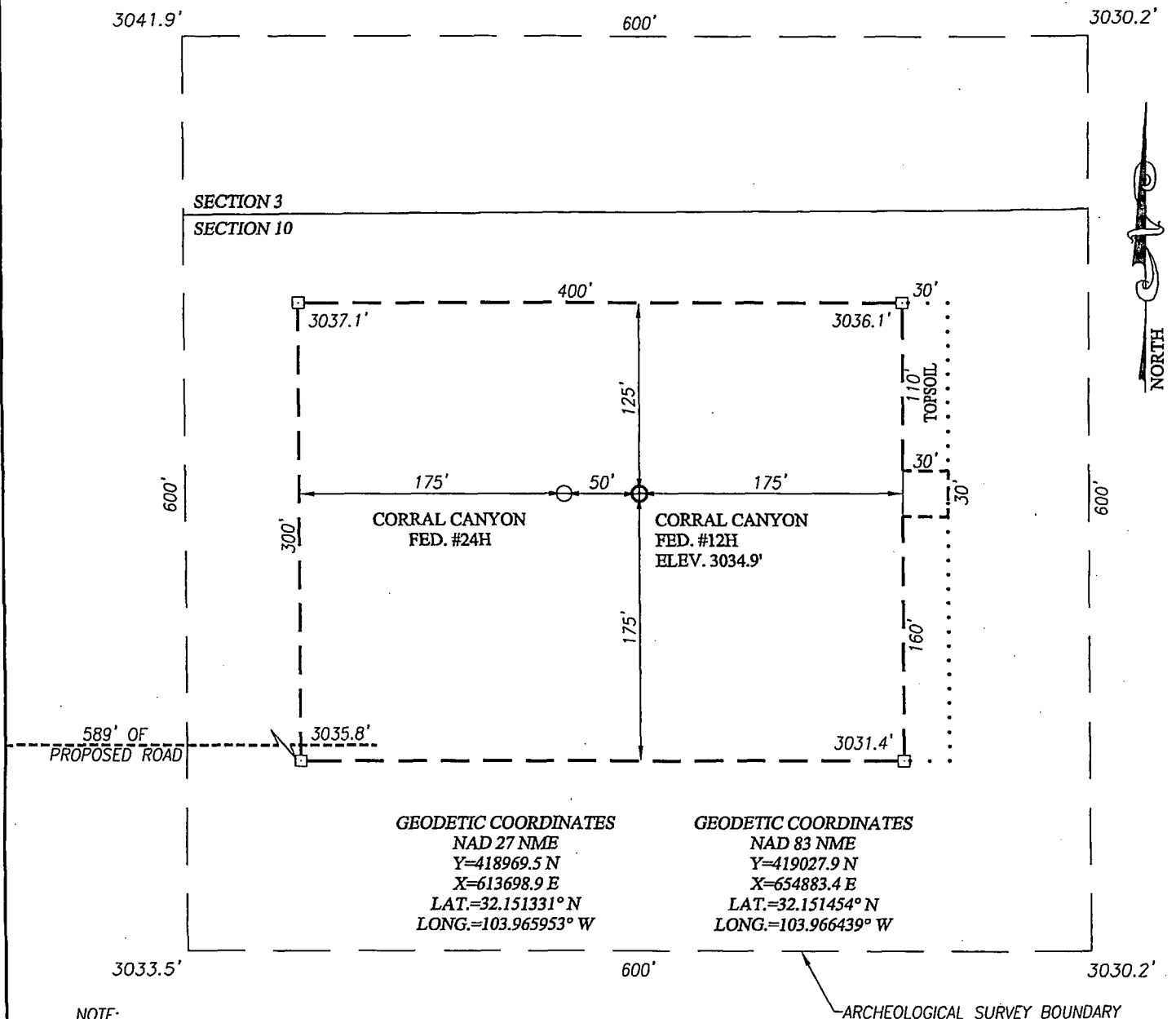
XTO ENERGY

**CORRAL CANYON FEDERAL #11H WELL
LOCATED 5 FEET FROM THE NORTH LINE
AND 2155 FEET FROM THE EAST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**



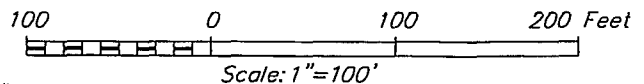
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|---------------------|-------------------|---------------|
| Survey Date: 5/5/14 | CAD Date: 5/20/14 | Drawn By: ACK |
| W.O. No.: 14110434 | Rev.: .. | Rel. W.O.: .. |
| | | Sheet 1 of 1 |



DIRECTIONS TO CORRAL CANYON FEDERAL #12H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.5 MILES TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 589 FEET SOUTH TO THE LOCATION.



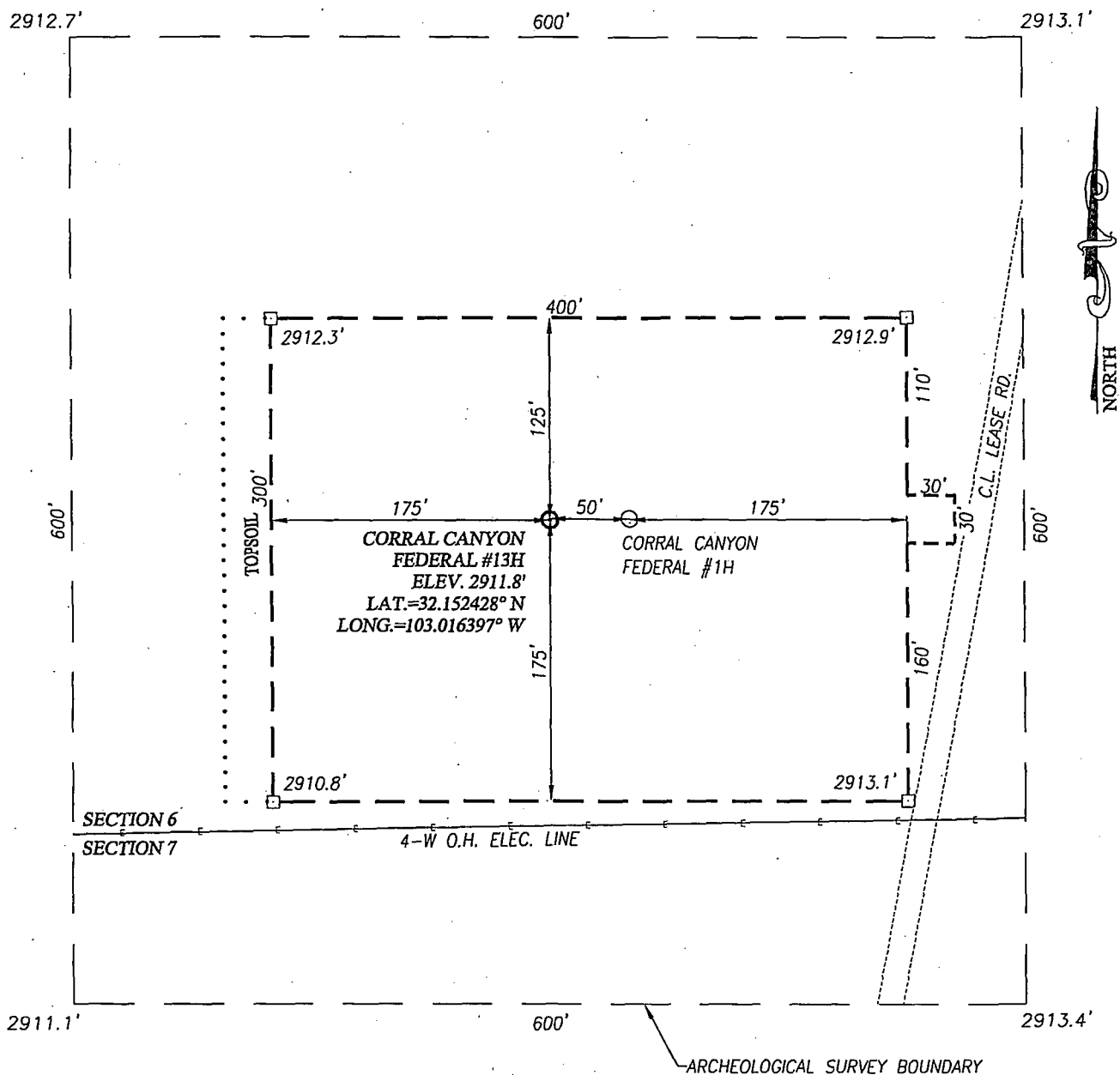
XTO ENERGY

**CORRAL CANYON FEDERAL #12H WELL
LOCATED 185 FEET FROM THE NORTH LINE
AND 885 FEET FROM THE EAST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**



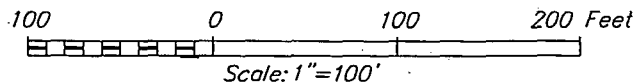
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TBPLS# 10021000

| | | |
|---------------------|-------------------|-------------------------|
| Survey Date: 5/2/14 | CAD Date: 5/20/14 | Drawn By: ACK |
| W.O. No.: 14110436 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



DIRECTIONS TO CORRAL CANYON FEDERAL #2H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND FOLLOW WINDING ROAD WEST APPROX. 1.3 MILES. THE LOCATION STAKE IS APPROX. 400 FEET SOUTH.



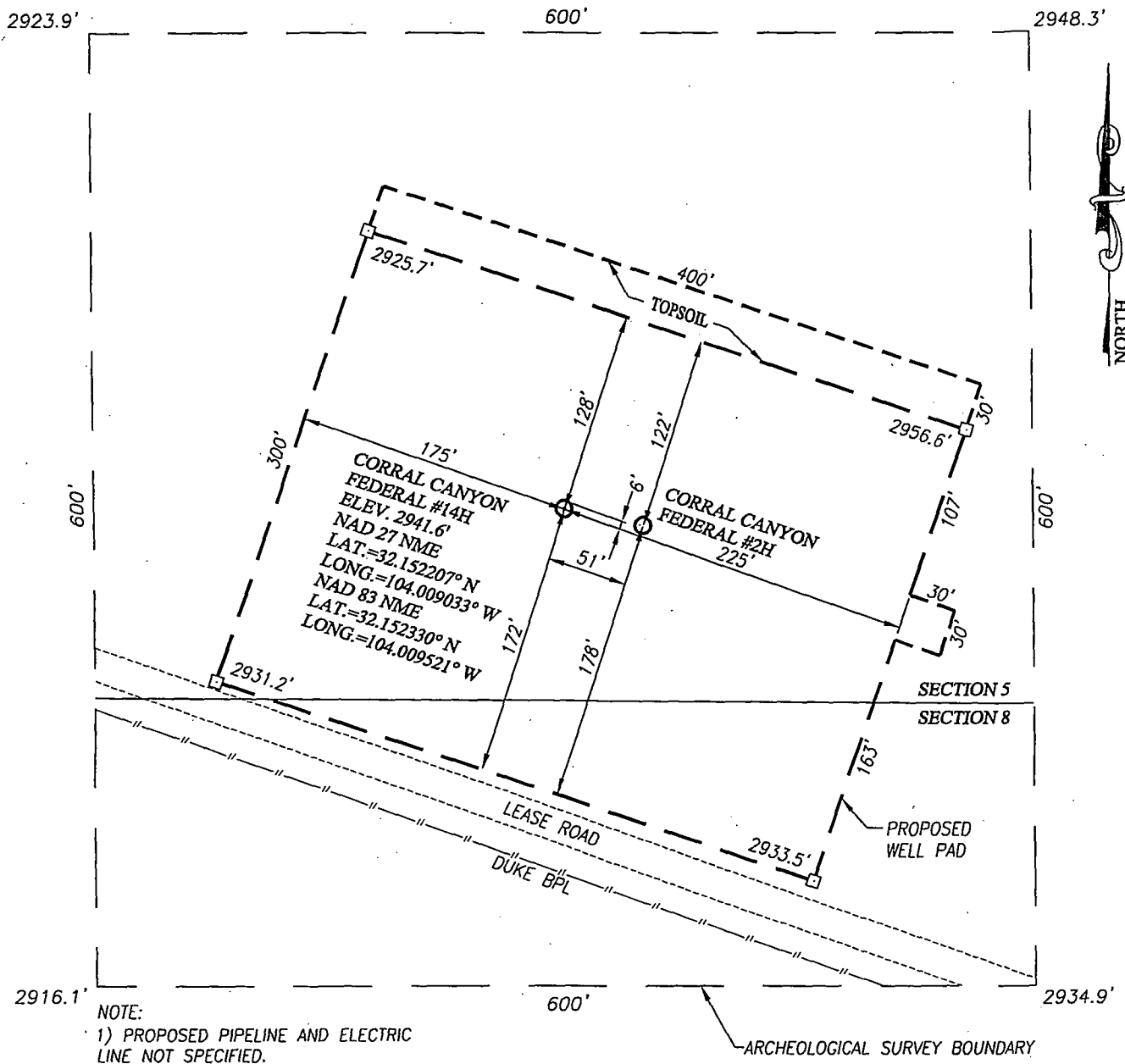
XTO ENERGY

**CORRAL CANYON FEDERAL #13H WELL
LOCATED 190 FEET FROM THE SOUTH LINE
AND 520 FEET FROM THE EAST LINE OF SECTION 6,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

| | | |
|---------------------|-------------------|---------------|
| Survey Date: 4/2/14 | CAD Date: 5/16/14 | Drawn By: ACK |
| W.O. No.: 14110215 | Rev: . | Rel. W.O.: . |
| | | Sheet 1 of 1 |

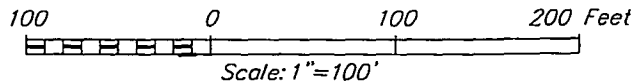


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DIRECTIONS TO CORRAL CANYON FEDERAL #2H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.25 MILES. TURN RIGHT AND GO NORTHWEST APPROX. 0.5 MILES. THE LOCATION STAKE IS APPROX. 200 FEET NORTH.

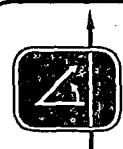


XTO ENERGY

**CORRAL CANYON FEDERAL #14H WELL
LOCATED 120 FEET FROM THE SOUTH LINE
AND 1760 FEET FROM THE WEST LINE OF SECTION 5,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

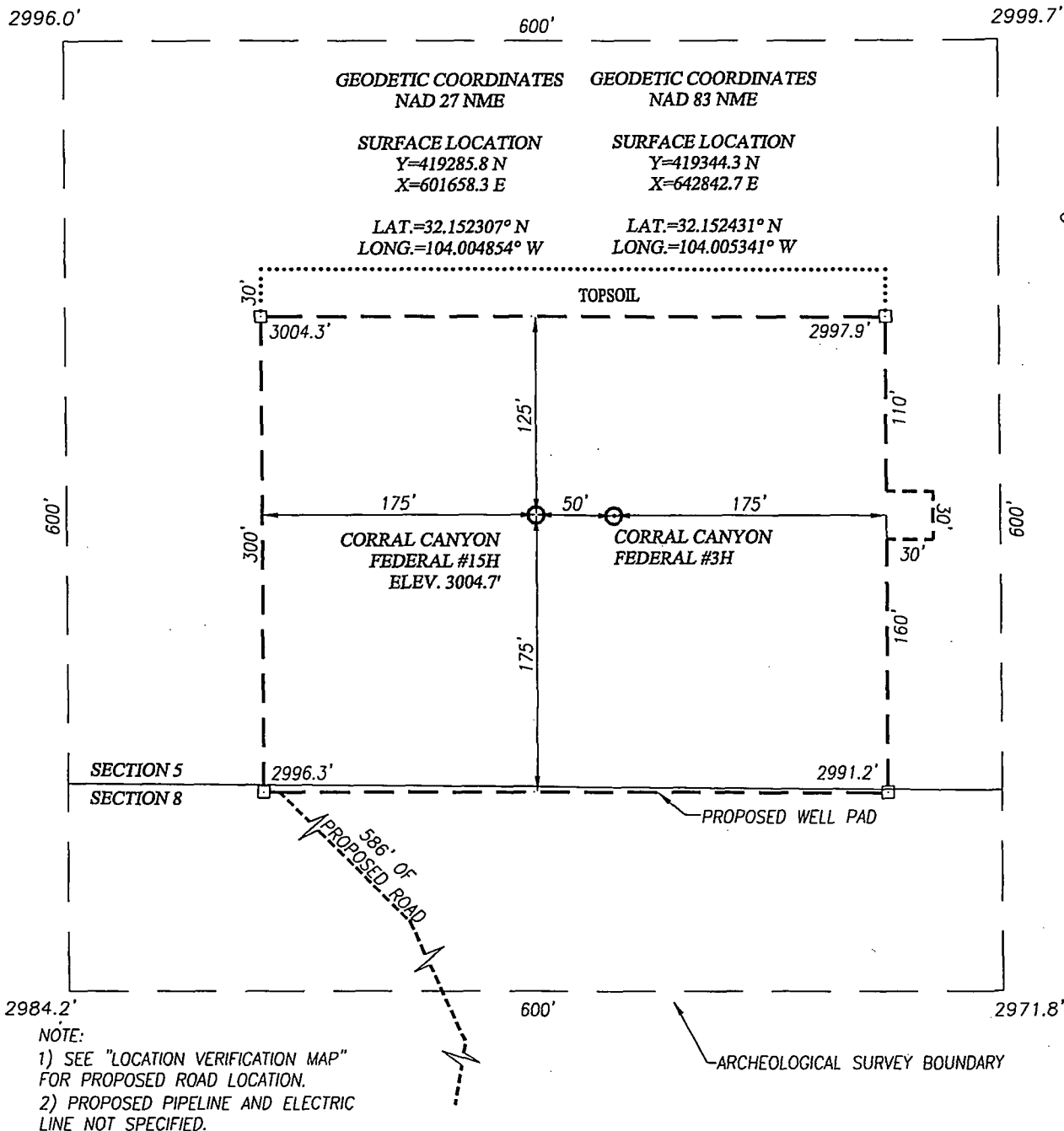
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|-----------------------|--------------------|---------------|
| Survey Date: 03/06/14 | CAD Date: 03/26/14 | Drawn By: DSS |
| W.O. No.: 14110217 | Rev. : | Rel. W.O.: |

Sheet 1 of 1



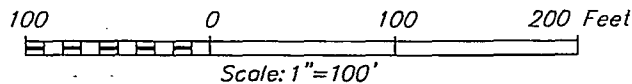
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TBPLS# 10021000



DIRECTIONS TO CORRAL CANYON FEDERAL #15H:

FROM THE INTERSECTION OF U.S. HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ALONG CO. RD. 725 APPROX. 4.2 MILES PASS THE PECOS RIVER AND TO A "Y" INTERSECTION; TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES; TURN LEFT AND GO NORTH-NORTHWEST ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.5 MILES TO A PROPOSED SURVEY. FOLLOW ROAD SURVEY NORTHWEST APPROX. 586 FEET. THIS LOCATION IS NORTHWEST APPROX. 240 FEET.



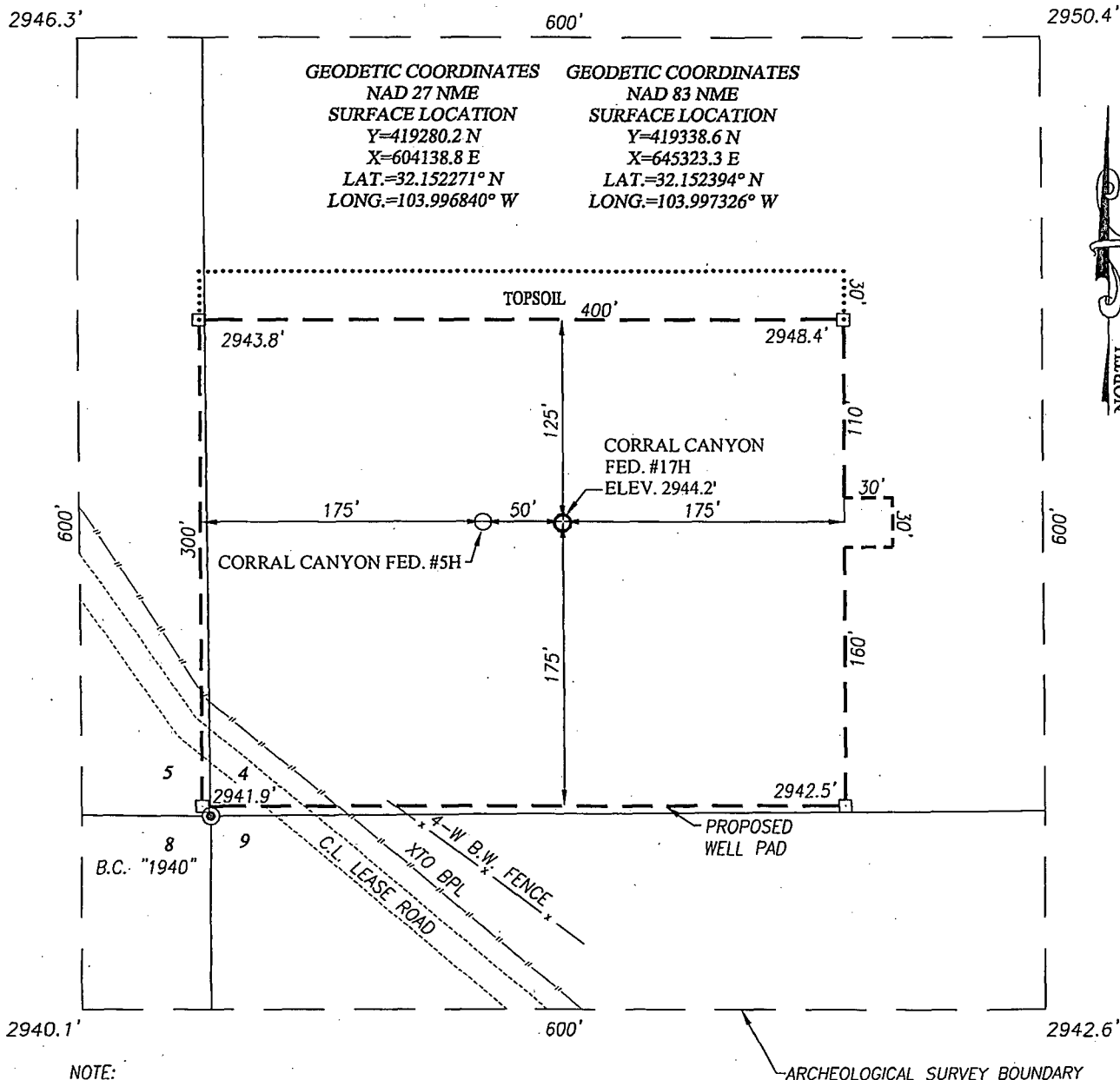
XTO ENERGY

CORRAL CANYON FEDERAL #15H WELL
 LOCATED 170 FEET FROM THE SOUTH LINE
 AND 2260 FEET FROM THE EAST LINE OF SECTION 5,
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



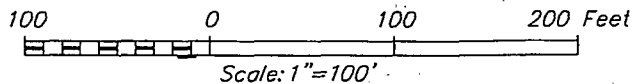
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| | | |
|---------------------|-------------------|-------------------------|
| Survey Date: 3/5/14 | CAD Date: 3/28/14 | Drawn By: ACK |
| W.O. No.: 14110219 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



DIRECTIONS TO CORRAL CANYON FEDERAL #17H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 5.0 MILES. TURN LEFT AND GO NORTHWEST APPROX. 300 FEET. THIS LOCATION IS NORTHEAST APPROX. 260 FEET.



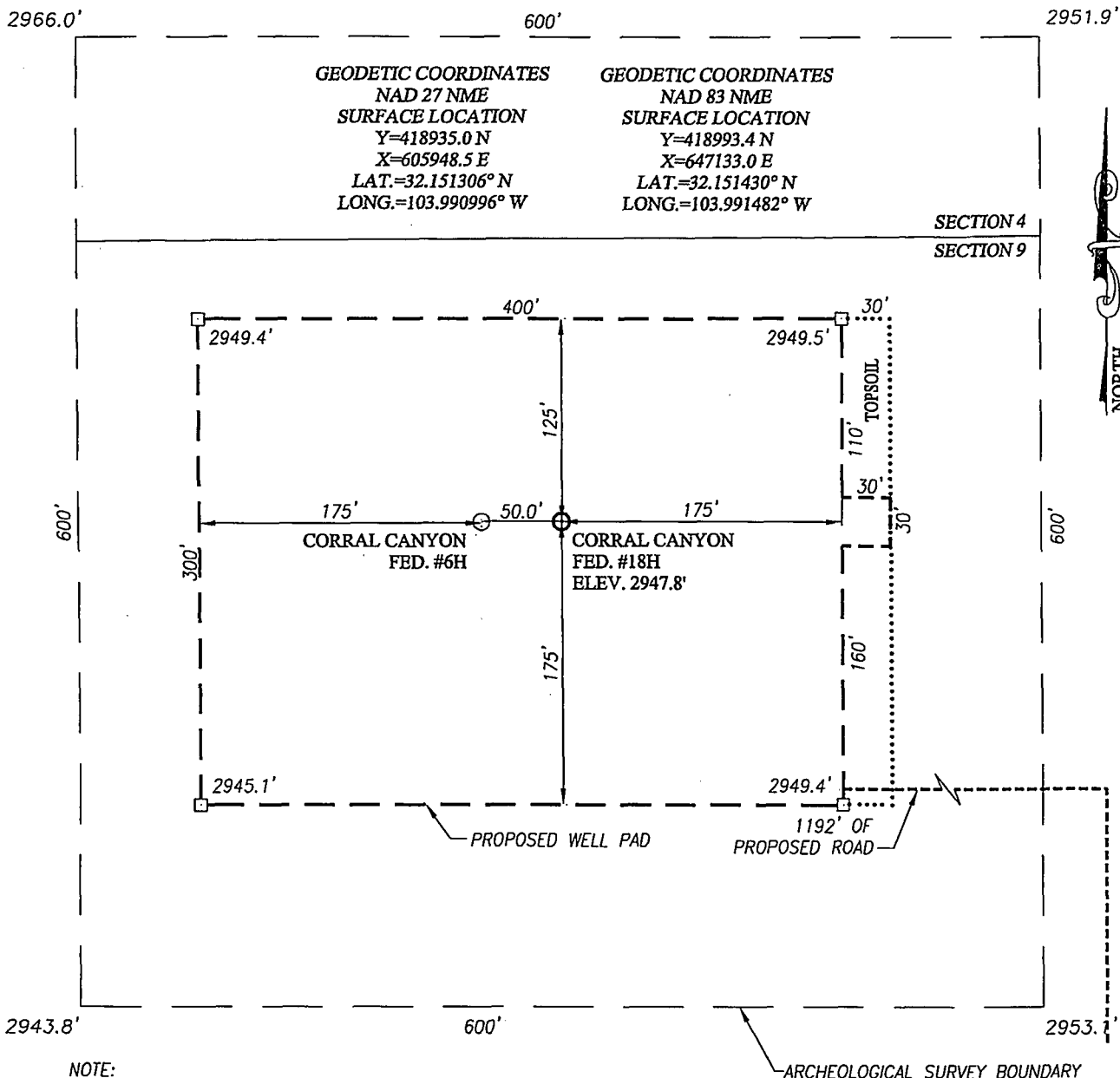
XTO ENERGY

CORRAL CANYON FEDERAL #17H WELL
 LOCATED 180 FEET FROM THE SOUTH LINE
 AND 221 FEET FROM THE WEST LINE OF SECTION 4,
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



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| | | |
|---------------------|------------------|-------------------------|
| Survey Date: 4/4/14 | CAD Date: 5/1/14 | Drawn By: ACK |
| W.O. No.: 14110223 | Rev: . | Rel. W.O.: Sheet 1 of 1 |

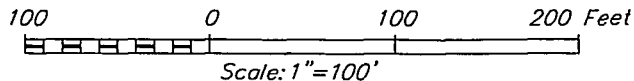


NOTE:

1) PROPOSED PIPELINE AND ELECTRIC LINE NOT SPECIFIED.

DIRECTIONS TO CORRAL CANYON FEDERAL #6H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 4.8 MILES. TURN RIGHT AND GO EAST APPROX. 0.3 MILES TO PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY NORTH EASTERLY DIRECTION APPROX. 700 FEET; TURN LEFT AND GO NORTHWEST APPROX. 142 FEET; TURN RIGHT AND GO NORTH APPROX. 185 FEET; TURN LEFT AND GO WEST APPROX. 165 FEET TO THE SOUTHEAST CORNER PROPOSED WELL PAD. THIS LOCATION IS NORTHWEST APPROX. 240 FEET.



XTO ENERGY

CORRAL CANYON FEDERAL #18H WELL
LOCATED 175 FEET FROM THE NORTH LINE
AND 2030 FEET FROM THE WEST LINE OF SECTION 9,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

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Survey Date: 4/7/14

CAD Date: 5/2/14

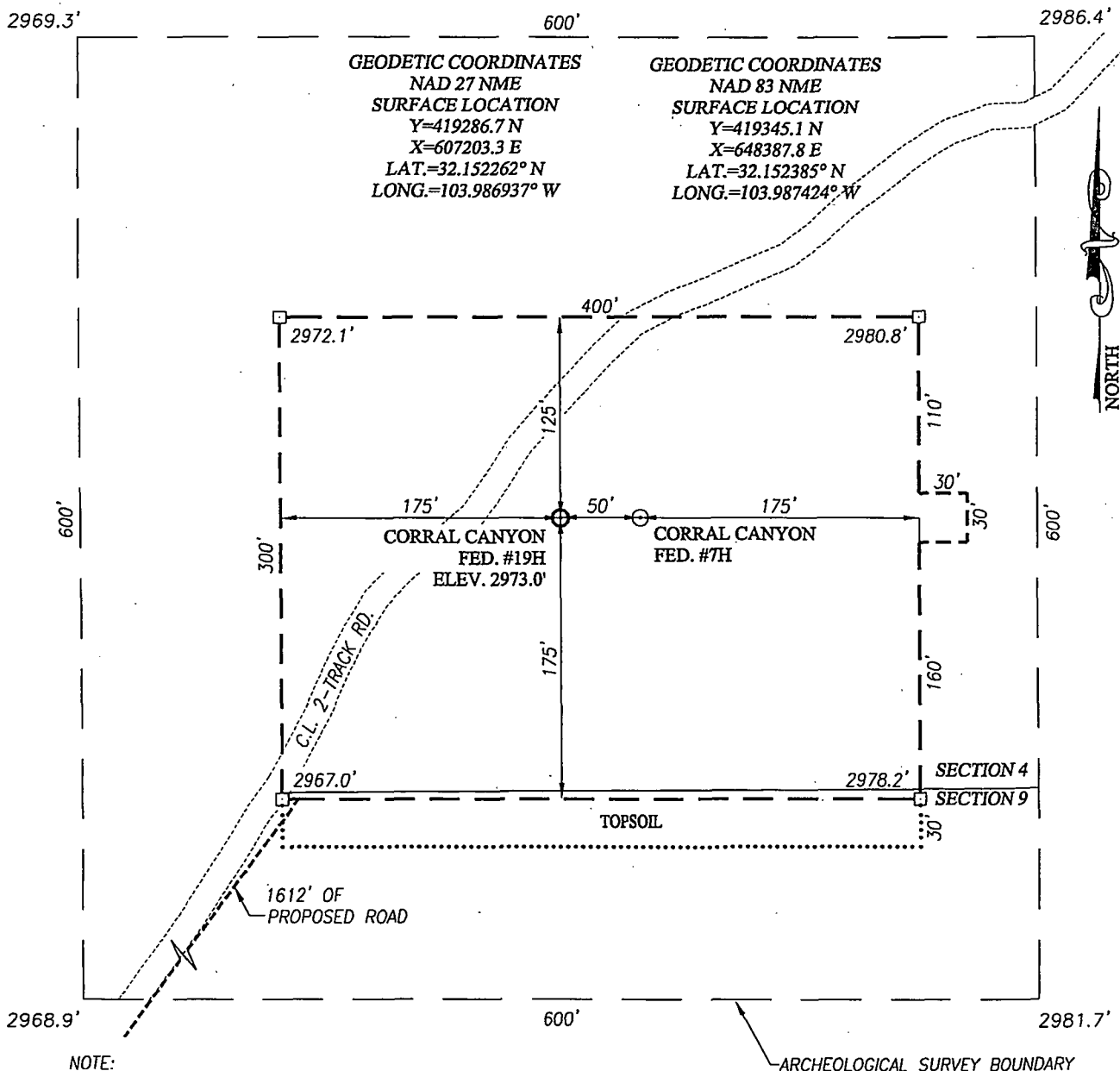
Drawn By: ACK

W.O. No.: 14110225

Rev.:

Rel. W.O.:

Sheet 1 of 1



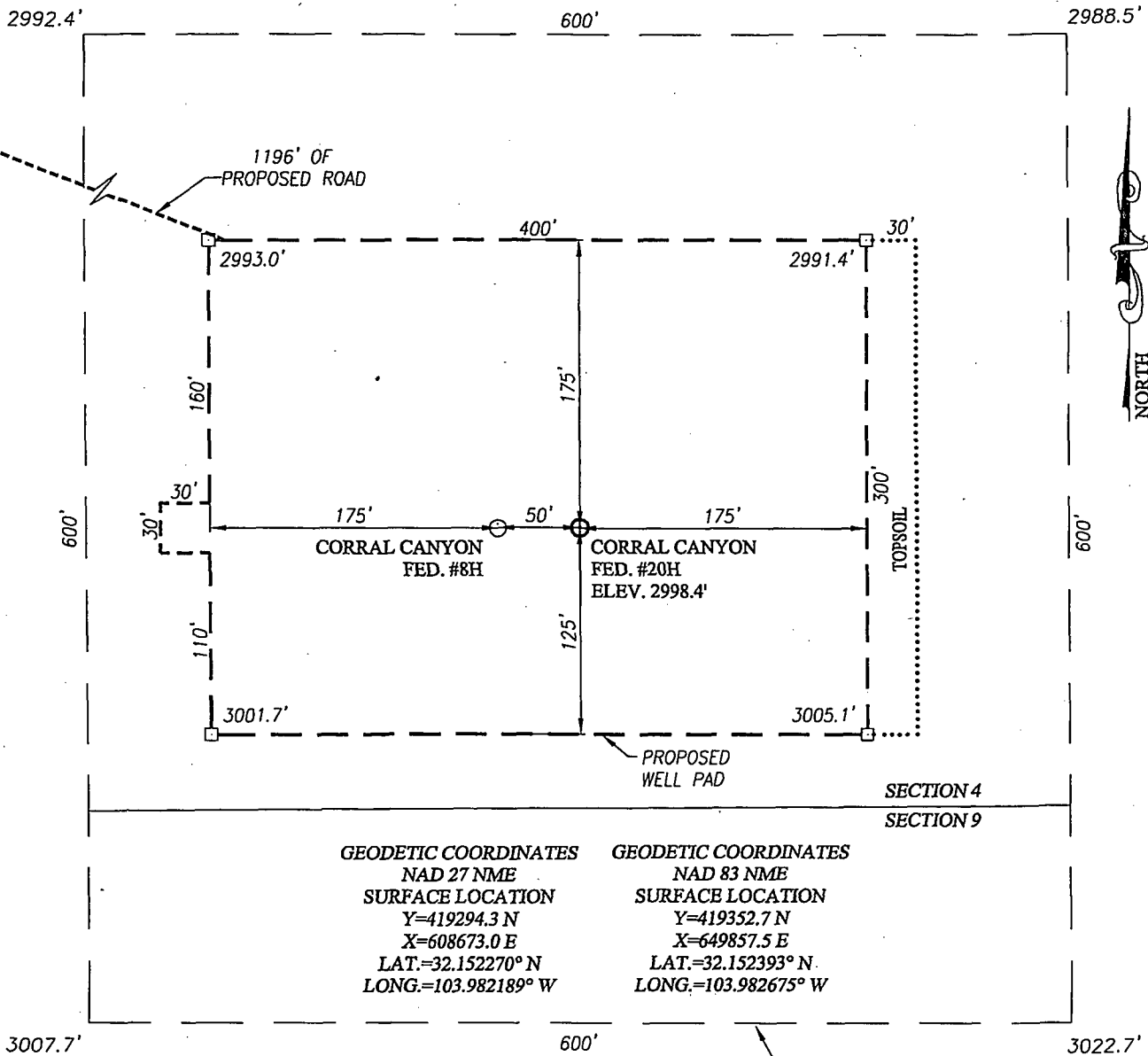
XTO ENERGY

**CORRAL CANYON FEDERAL #19H WELL
 LOCATED 170 FEET FROM THE SOUTH LINE
 AND 2030 FEET FROM THE EAST LINE OF SECTION 4,
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO**

| | | |
|---------------------|------------------|-------------------------|
| Survey Date: 4/8/14 | CAD Date: 5/1/14 | Drawn By: ACK |
| W.O. No.: 14110227 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



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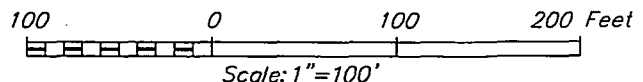
NOTE:

1) PROPOSED PIPELINE AND ELECTRIC LINE NOT SPECIFIED.

ARCHEOLOGICAL SURVEY BOUNDARY

DIRECTIONS TO CORRAL CANYON FEDERAL #20H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 4.8 MILES. TURN RIGHT AND GO EAST APPROX. 0.3 MILES TO PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY NORTHEAST APPROX. 1612 FEET TO THE SOUTHWEST CORNER PROPOSED WELL PAD FOR THE CORRAL CANYON FEDERAL #7H AND #19H. AT THE NORTHEAST CORNER OF THIS WELL PAD FOLLOW PROPOSED ROAD NORTH APPROX. 80 FEET, THEN NORTHEAST APPROX. 580 FEET; THEN SOUTHEAST APPROX. 538 FEET TO THE NORTHWEST CORNER PROPOSED WELL PAD FOR THIS WELL PAD. THIS WELL IS SOUTHEAST APPROX. 277 FEET.



XTO ENERGY

**CORRAL CANYON FEDERAL #20H WELL
LOCATED 170 FEET FROM THE SOUTH LINE
AND 560 FEET FROM THE EAST LINE OF SECTION 4,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

| | | |
|---------------------|------------------|-------------------------|
| Survey Date: 4/9/14 | CAD Date: 5/2/14 | Drawn By: ACK |
| W.O. No.: 14110229 | Rev: . | Rel. W.O.: Sheet 1 of 1 |



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TBPLS# 10021000

2987.7'

600'

2991.0'

GEODETIC COORDINATES

NAD 27 NME

Y=419297.4 N

X=609267.8 E

LAT.=32.152273° N

LONG.=103.980267° W

GEODETIC COORDINATES

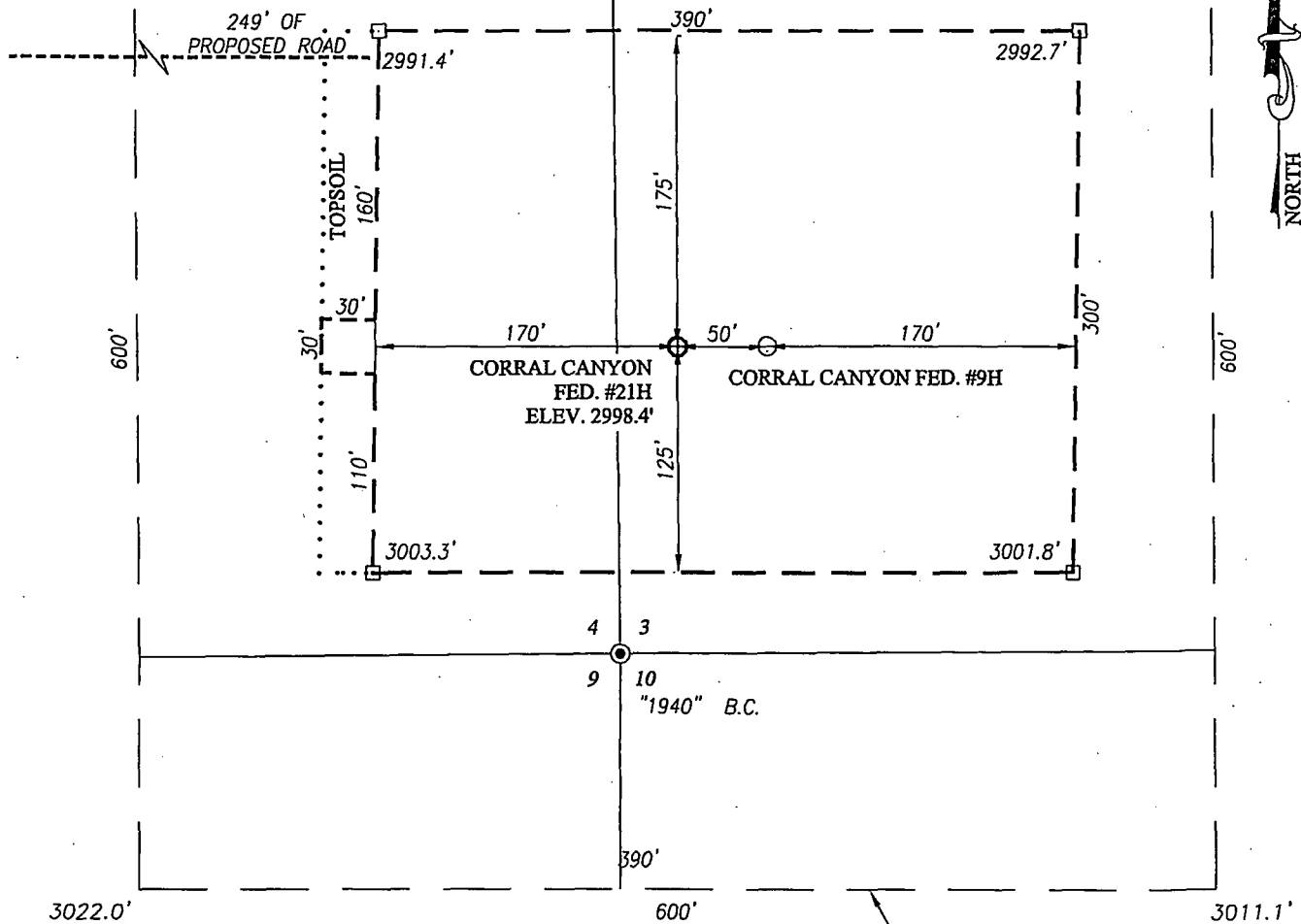
NAD 83 NME

Y=419355.8 N

X=650452.4 E

LAT.=32.152396° N

LONG.=103.980753° W



NOTE:

1) SEE "LOCATION VERIFICATION MAP"
FOR PROPOSED ROAD LOCATION.

DIRECTIONS TO CORRAL CANYON FEDERAL #21H:

FROM THE INTERSECTION OF HIGHWAY 285 (PECOS HWY.) AND
CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725
APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y"
INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES.
TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD
APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO
NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH
APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING
ROAD APPROX. 1.0 MILE TO A ROAD SURVEY. FOLLOW ROAD SURVEY
STAKES 249 FEET EAST TO THE LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

XTO ENERGY

CORRAL CANYON FEDERAL #21H WELL
LOCATED 170 FEET FROM THE SOUTH LINE
AND 34 FEET FROM THE WEST LINE OF SECTION 3,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 4/28/14

CAD Date: 5/19/14

Drawn By: ACK

W.O. No.: 14110431

Rev: .

Rel. W.O.:

Sheet 1 of 1



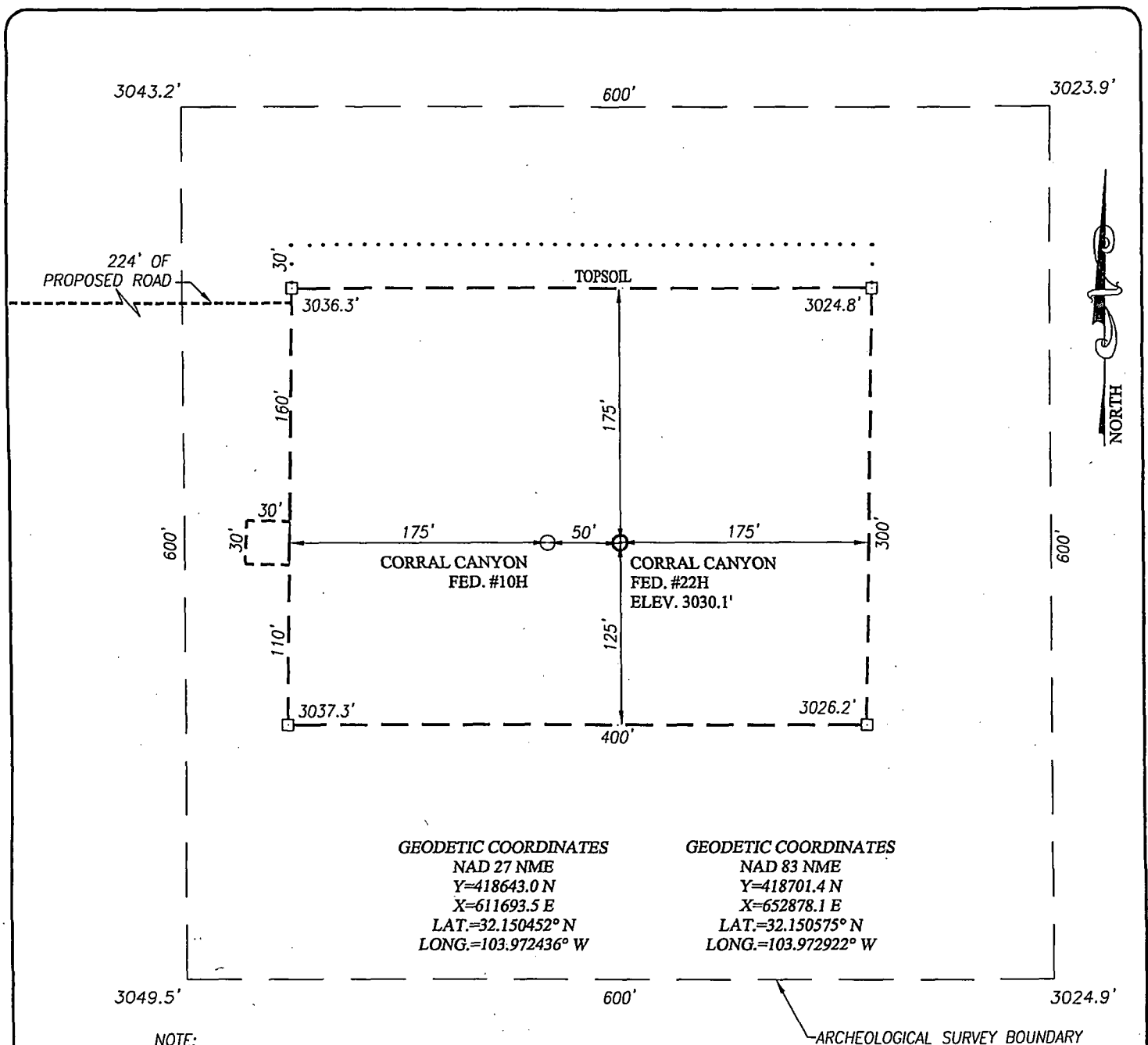
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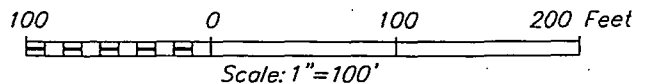
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DIRECTIONS TO CORRAL CANYON FEDERAL #22H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING ROAD APPROX. 0.5 MILES TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 225 FEET EAST TO THE LOCATION.



XTO ENERGY

**CORRAL CANYON FEDERAL #22H WELL
LOCATED 500 FEET FROM THE NORTH LINE
AND 2460 FEET FROM THE WEST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

Survey Date: 4/29/14

CAD Date: 5/20/14

Drawn By: ACK

W.O. No.: 14110433

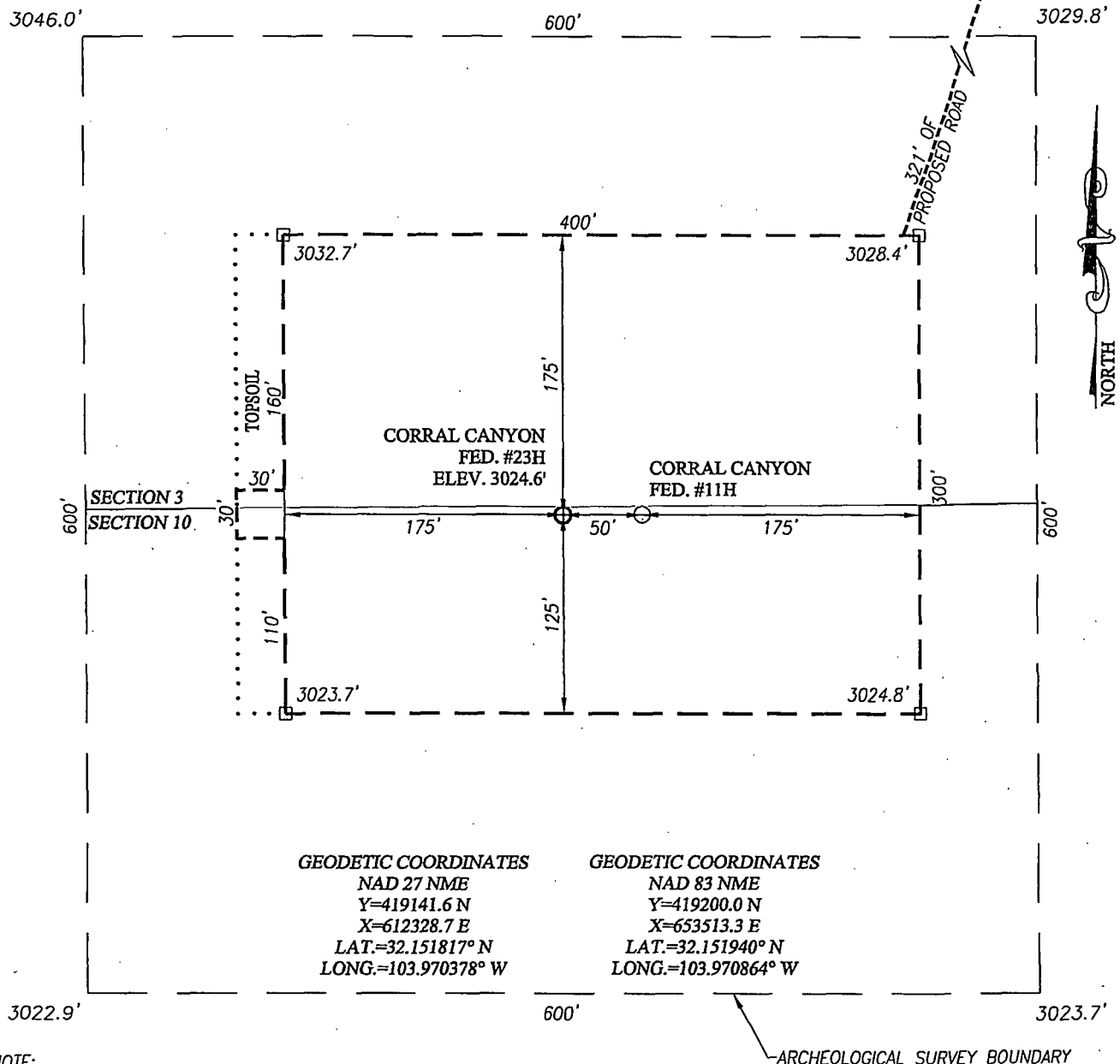
Rev: .

Rel. W.O.:

Sheet 1 of 1

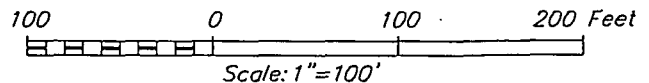


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DIRECTIONS TO CORRAL CANYON FEDERAL #23H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.7 MILES. TURN LEFT AND GO WEST FOLLOWING WINDING ROAD APPROX. 0.1 MILE TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 321 FEET SOUTH TO THE LOCATION.



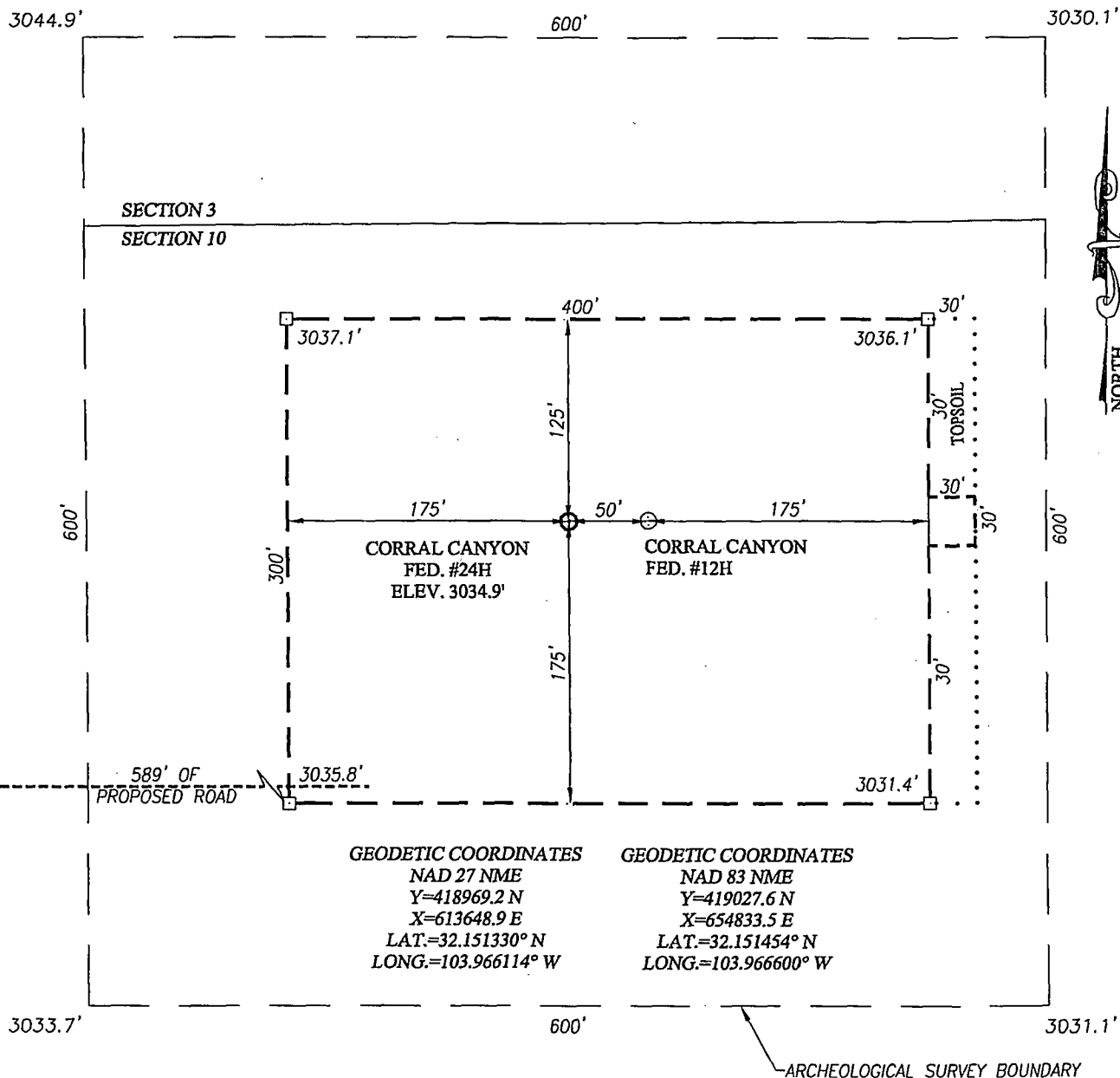
XTO ENERGY

CORRAL CANYON FEDERAL #23H WELL
LOCATED 5 FEET FROM THE NORTH LINE
AND 2205 FEET FROM THE EAST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



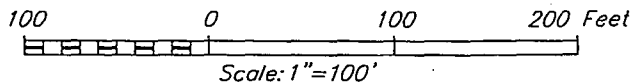
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|---------------------|-------------------|---------------|
| Survey Date: 5/5/14 | CAD Date: 5/20/14 | Drawn By: ACK |
| W.O. No.: 14110435 | Rev: . | Rel. W.O.: |
| | | Sheet 1 of 1 |



DIRECTIONS TO CORRAL CANYON FEDERAL #24H:

FROM THE INTERSECTION OF US HIGHWAY 285 (PECOS HWY.) AND CO. RD. 725 (LONGHORN ROAD), GO NORTHEAST ON CO. RD. 725 APPROX. 4.2 MILES. PASS THE PECOS RIVER AND GO TO A "Y" INTERSECTION. TURN LEFT AND GO NORTHEAST APPROX. 1.8 MILES. TURN LEFT AND GO NORTH-NORTHWESTERLY ALONG MEANDERING ROAD APPROX. 3.4 MILES. STAY ON WINDING ROAD AND GO NORTH-NORTHEAST APPROX. 1.4 MILES. TURN LEFT AND GO NORTH APPROX. 0.5 MILES TO A ROAD SURVEY. FOLLOW ROAD SURVEY STAKES 589 FEET SOUTH TO THE LOCATION.



XTO ENERGY

**CORRAL CANYON FEDERAL #24H WELL
LOCATED 185 FEET FROM THE NORTH LINE
AND 885 FEET FROM THE EAST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO**

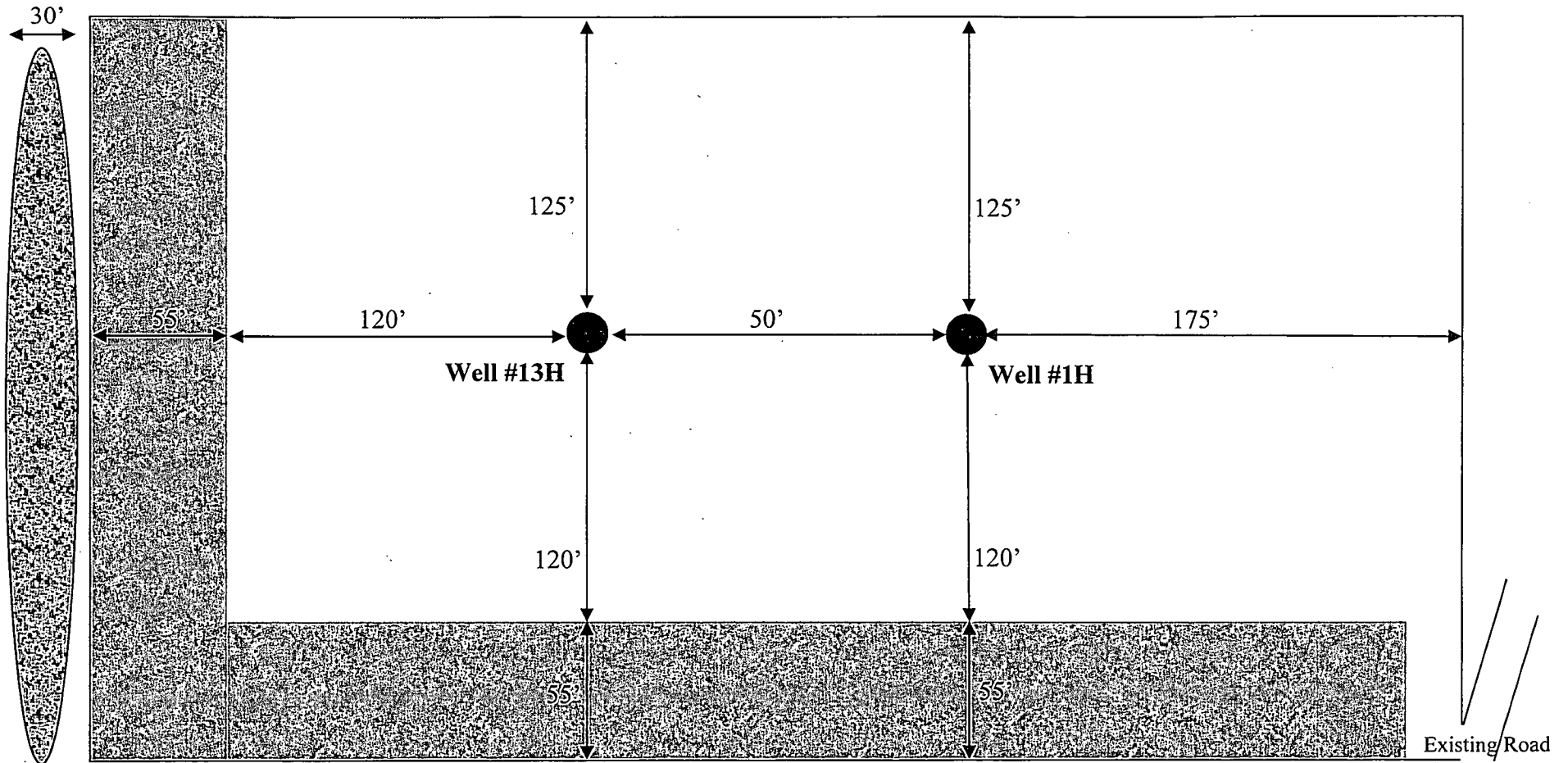
| | | |
|---------------------|-------------------|---------------|
| Survey Date: 5/2/14 | CAD Date: 5/20/14 | Drawn By: ACK |
| W.O. No.: 14110437 | Rev.: | Rel. W.O.: |
| | | Sheet 1 of 1 |



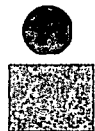
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

EXHIBIT H H.1

Interim Reclamation Diagram
Corral Canyon Federal #1H & #13H
V-Door East (Both Wells)



LEGEND



Wellbore



Interim Reclamation



Ditch & Berm

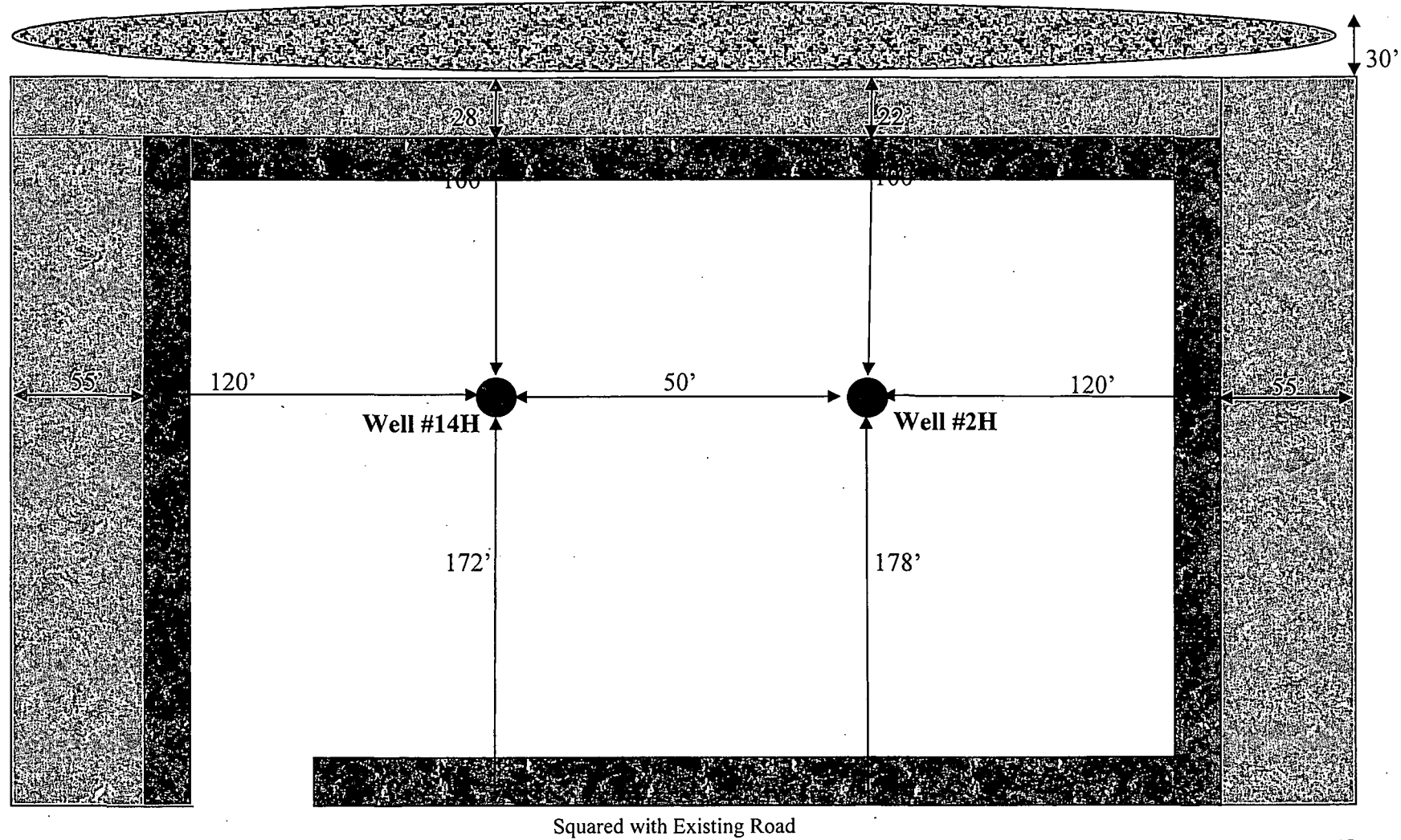


Topsoil

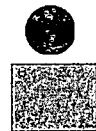


EXHIBIT H H.2

Interim Reclamation Diagram
Corral Canyon Federal #2H & #14H
V-Door East (Both Wells)



LEGEND



Wellbore
Interim Reclamation



Ditch & Berm
Topsoil

EXHIBIT H H.3

Interim Reclamation Diagram
Corral Canyon Federal #3H & #15H
V-Door East (Both Wells)

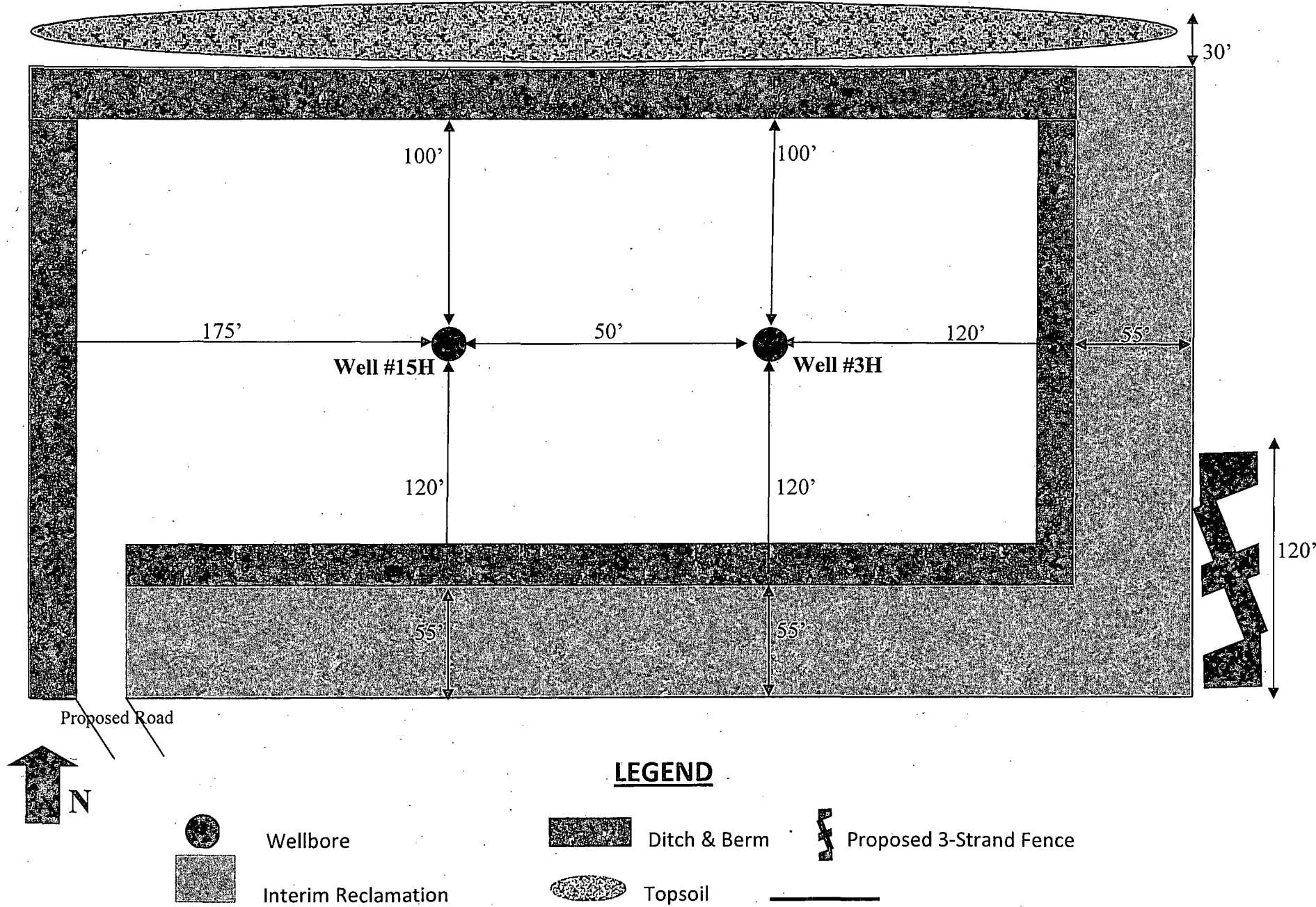
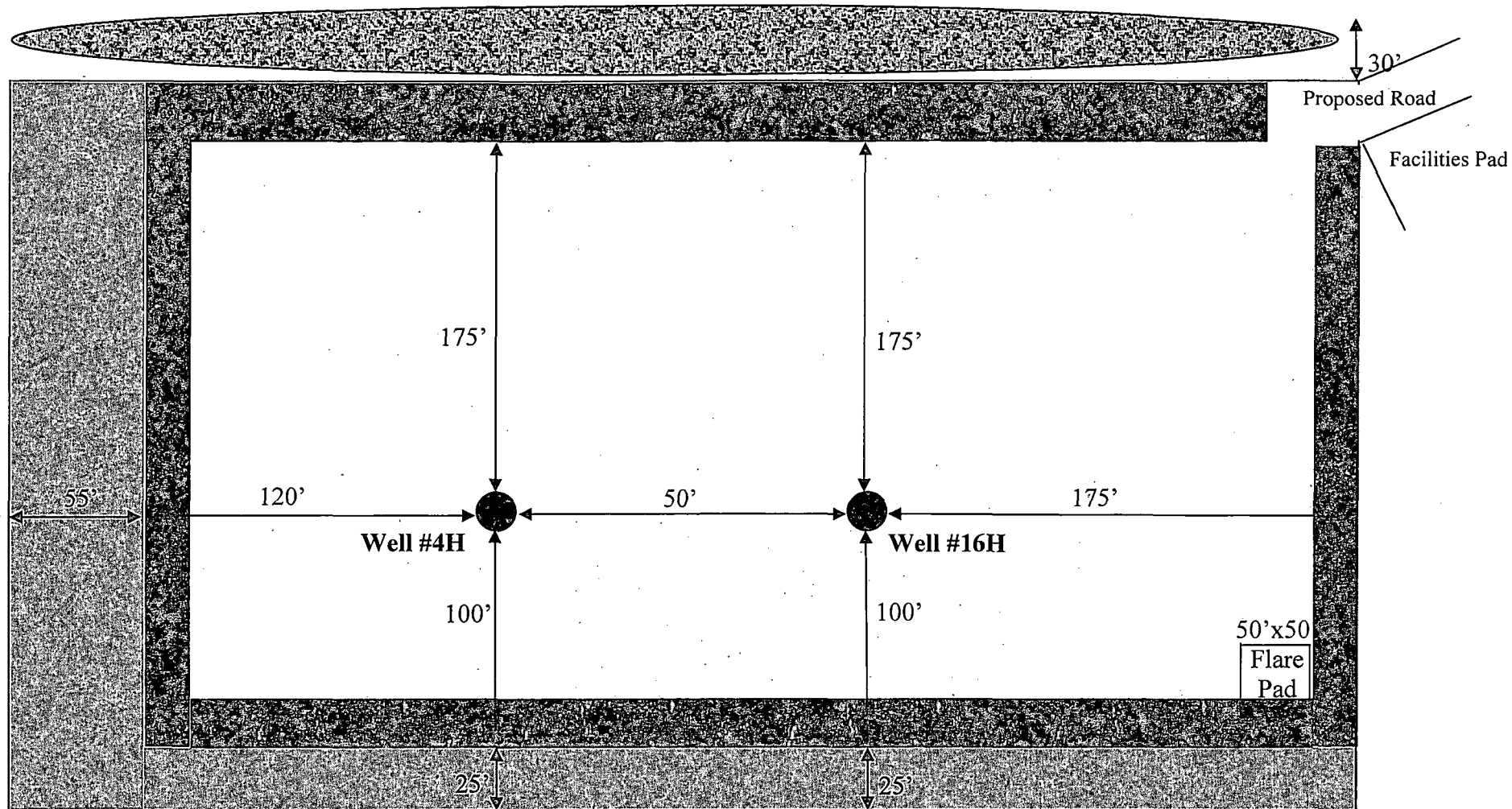


EXHIBIT H H.4

Interim Reclamation Diagram
 Corral Canyon Federal #4H & #16H
 V-Door West (Both Wells)



LEGEND



Wellbore



Interim Reclamation



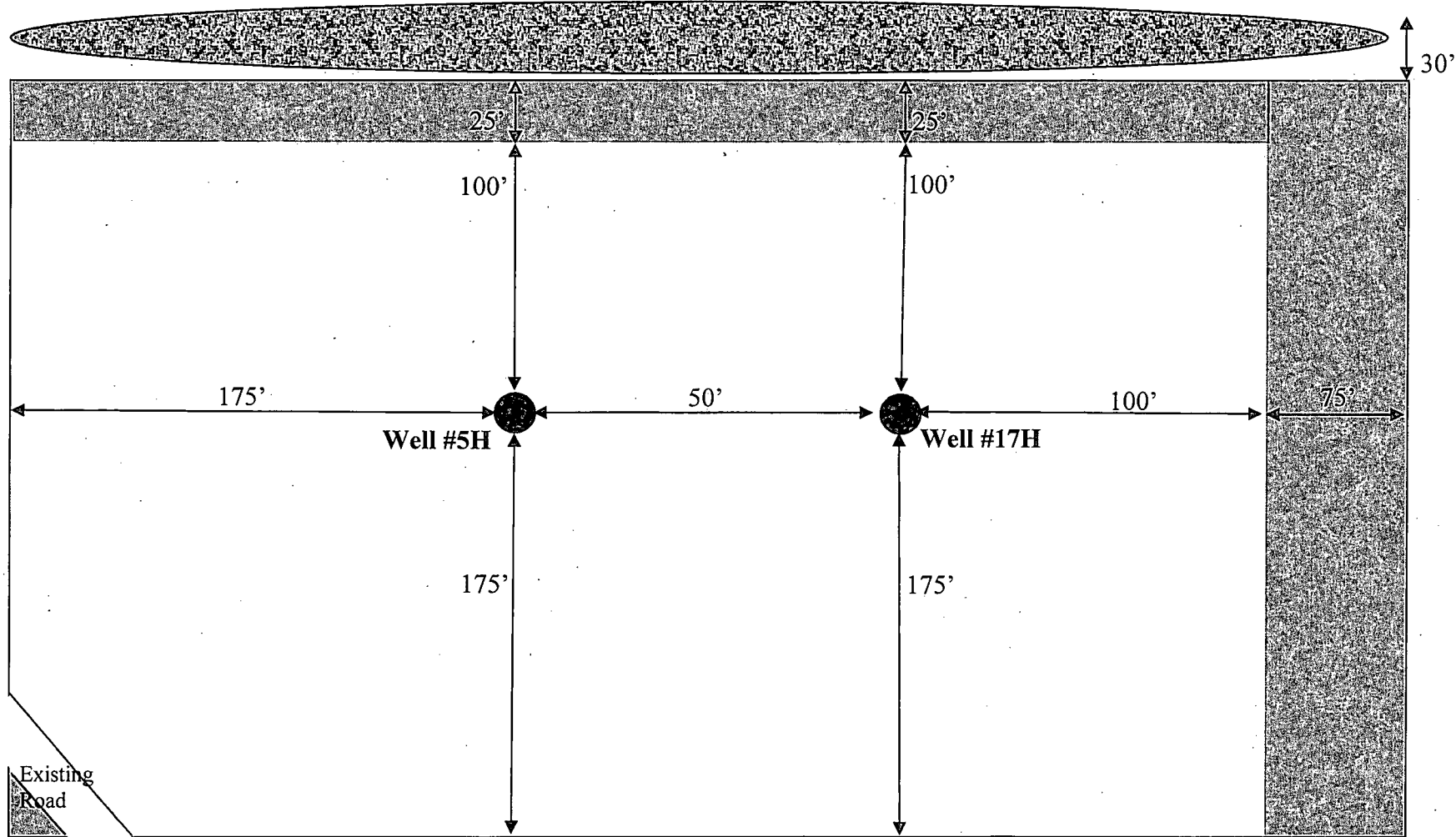
Ditch & Berm



Topsoil

EXHIBIT H H.5

Interim Reclamation Diagram
Corral Canyon Federal #5H & #17H
V-Door East (Both Wells)



LEGEND



Wellbore



Ditch & Berm

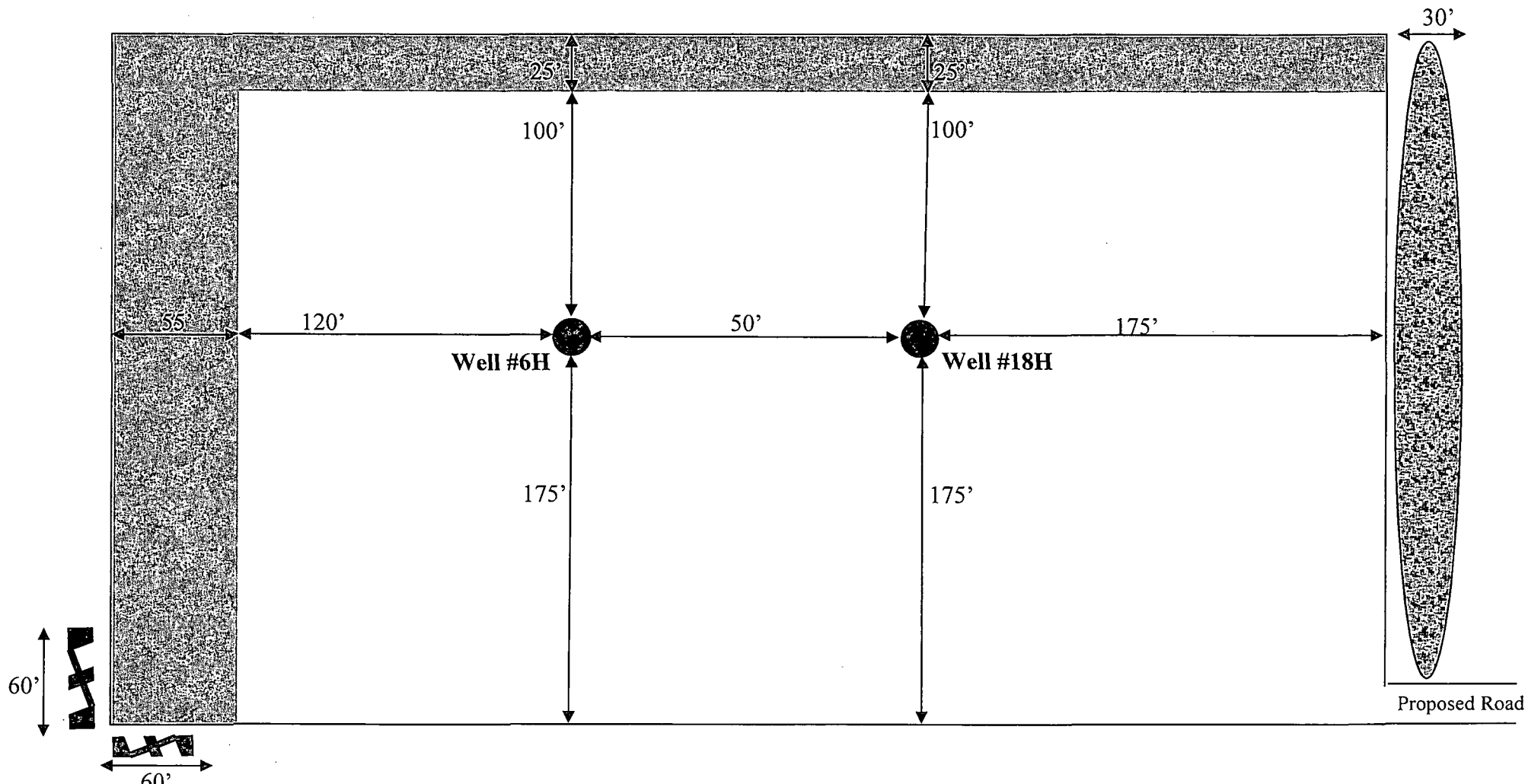
Interim Reclamation



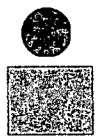
Topsoil

EXHIBIT H H.6

Interim Reclamation Diagram
Corral Canyon Federal #6H & #18H
V-Door East (Both Wells)



LEGEND



Wellbore

Interim Reclamation



Ditch & Berm



Topsoil



Proposed 3-Strand Fence



EXHIBIT H H.7

Interim Reclamation Diagram
Corral Canyon Federal #7H & #19H
V-Door East (Both Wells)

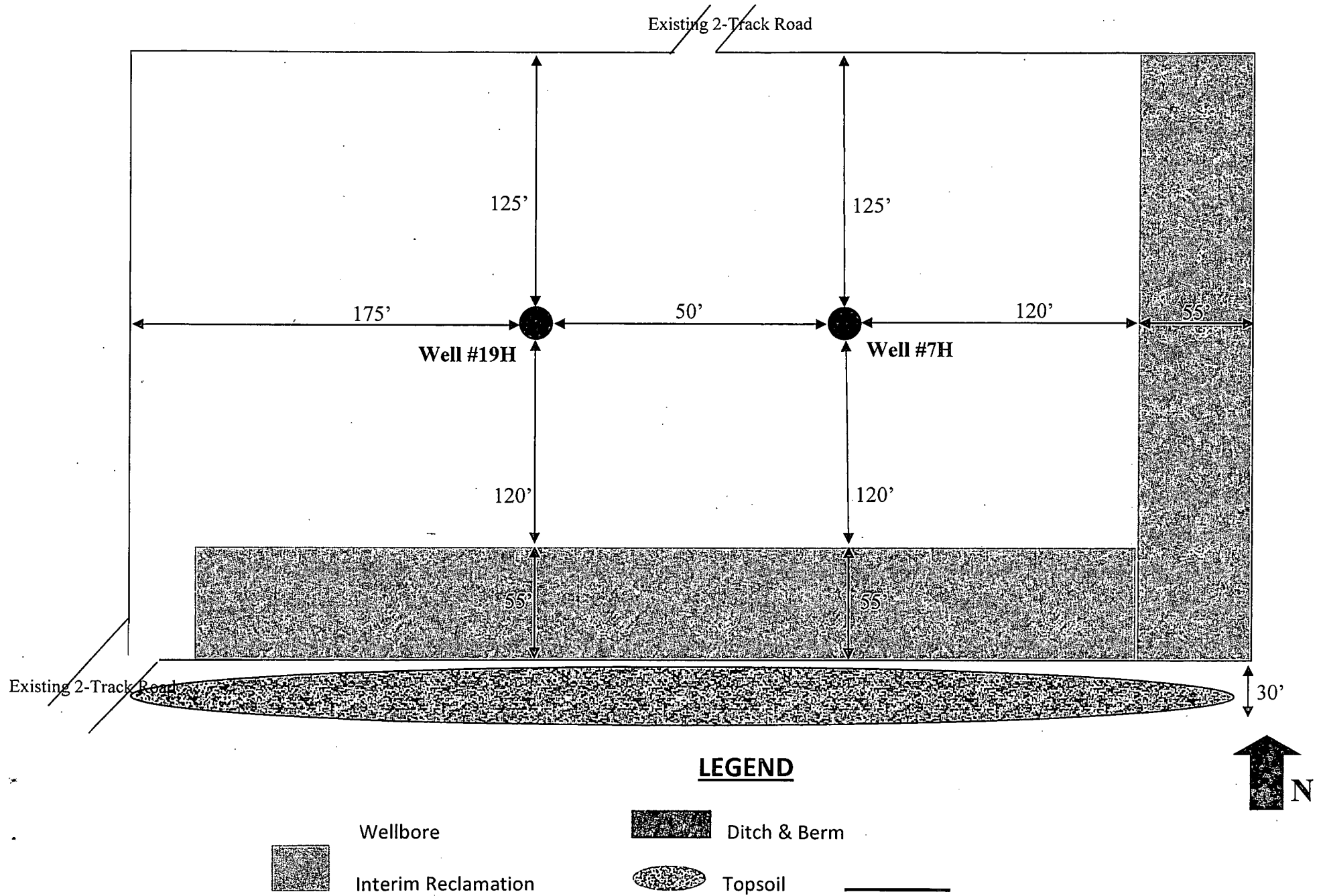
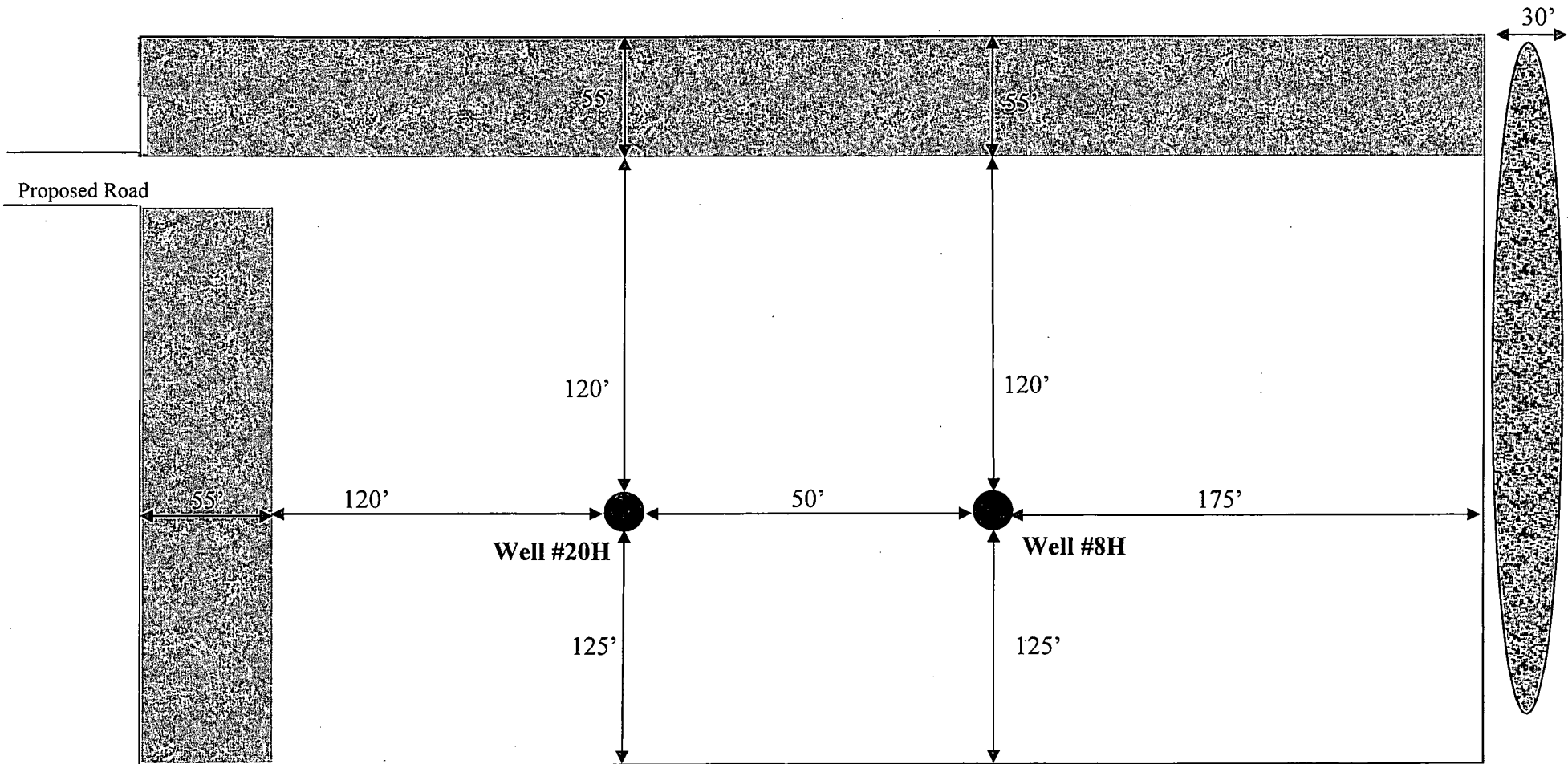
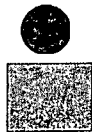


EXHIBIT H H.8

Interim Reclamation Diagram
Corral Canyon Federal #8H & #20H
V-Door West (Both Wells)



LEGEND



Wellbore

Interim Reclamation



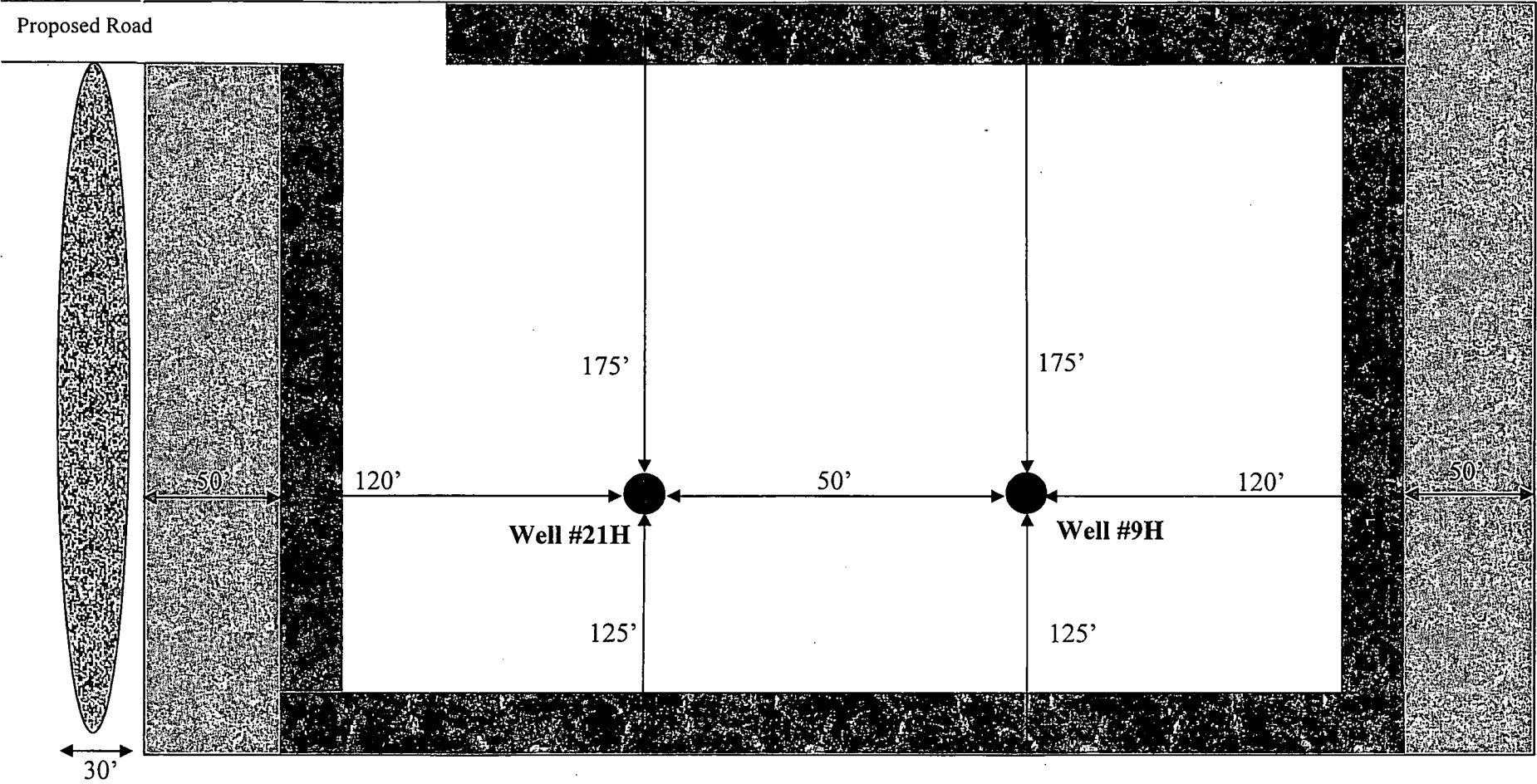
Ditch & Berm



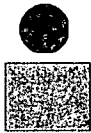
Topsoil

EXHIBIT H H.9

Interim Reclamation Diagram
Corral Canyon Federal #9H & #21H
V-Door West (Both Wells)



LEGEND



Wellbore

Interim Reclamation



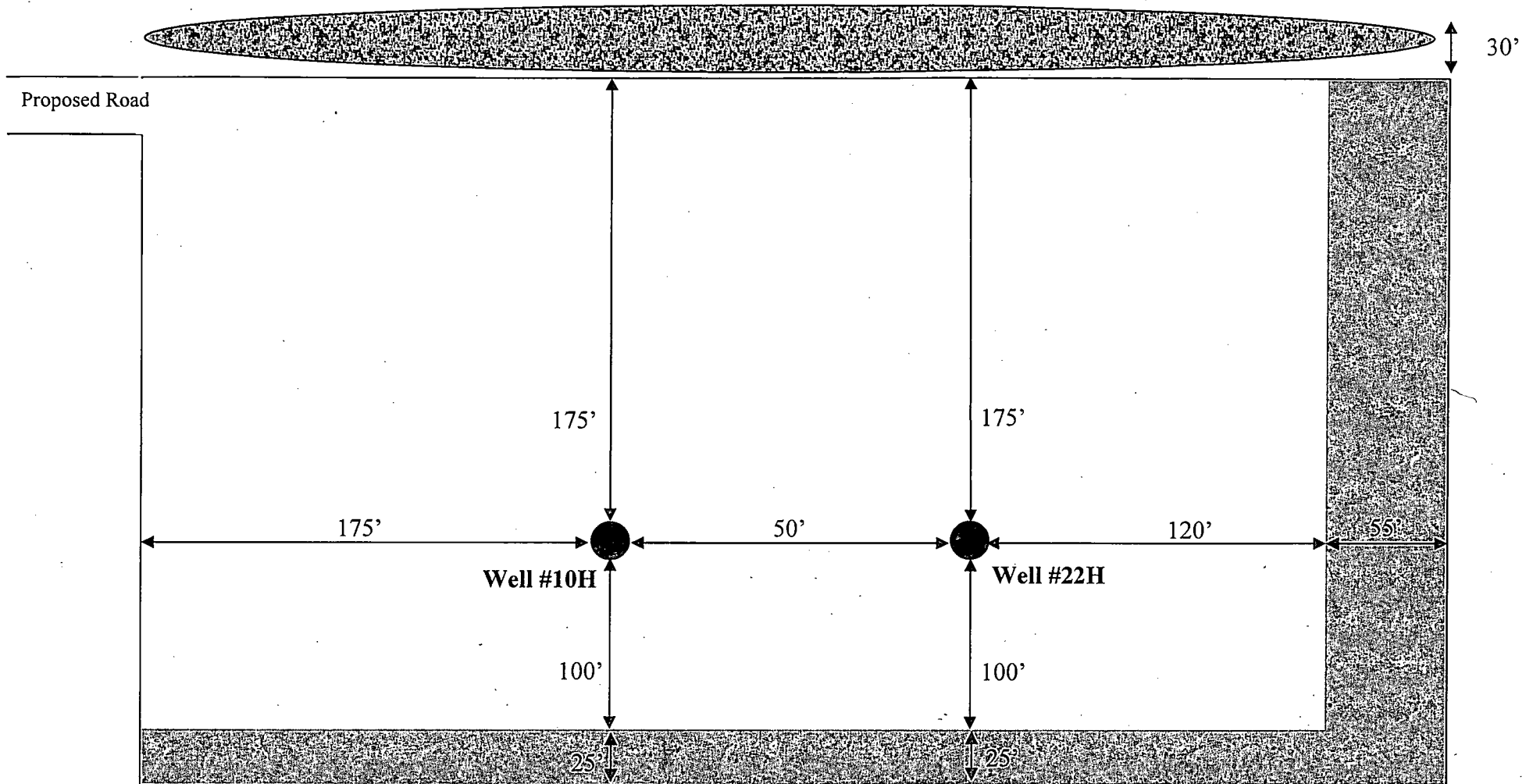
Ditch & Berm



Topsoil

EXHIBIT H H.10

Interim Reclamation Diagram
Corral Canyon Federal #10H & #22H
V-Door West (Both Wells)



LEGEND



Wellbore

Interim Reclamation



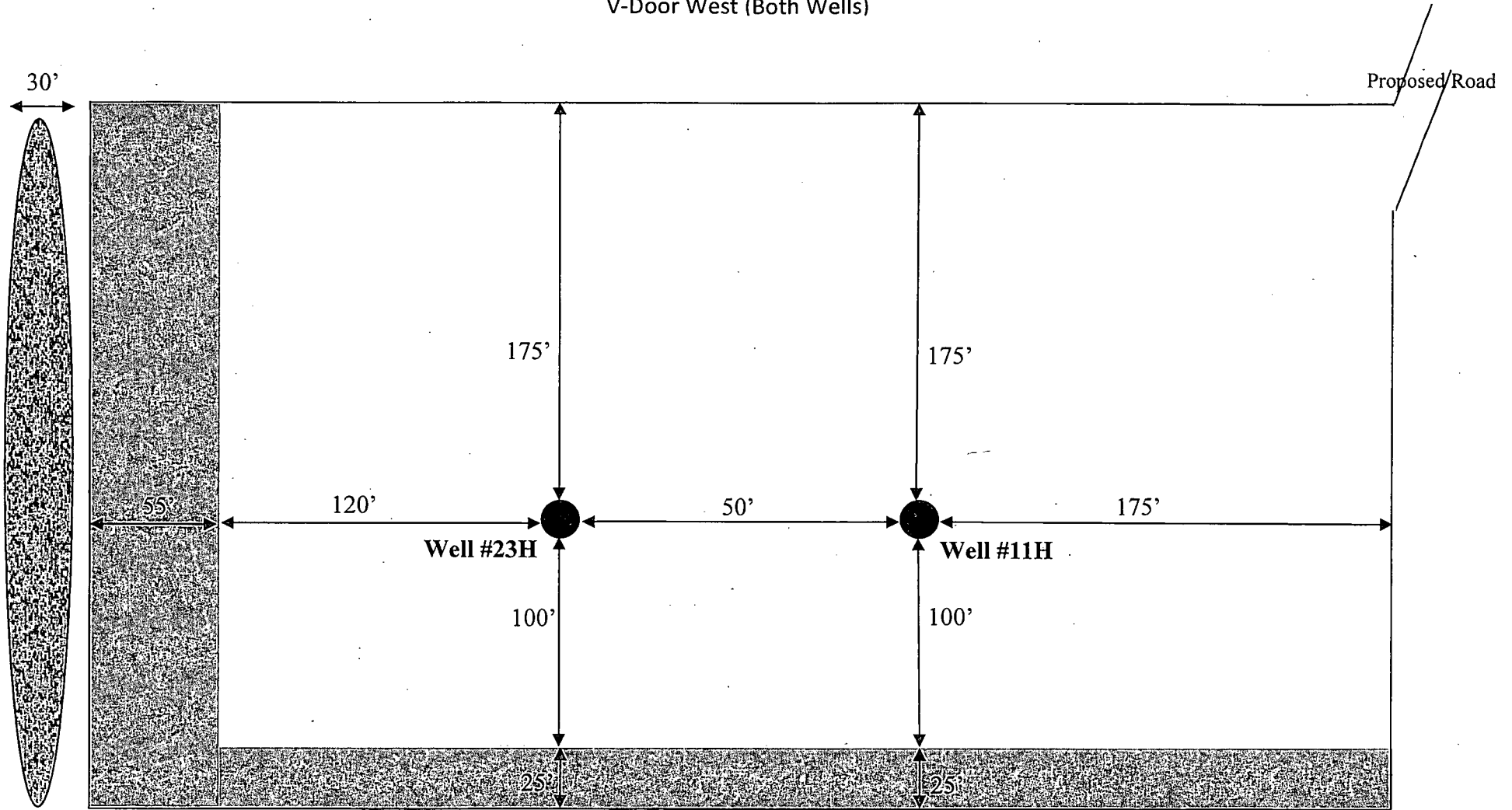
Ditch & Berm



Topsoil

EXHIBIT H H.11

Interim Reclamation Diagram
Corral Canyon Federal #11H & #23H
V-Door West (Both Wells)



LEGEND



Wellbore

Interim Reclamation

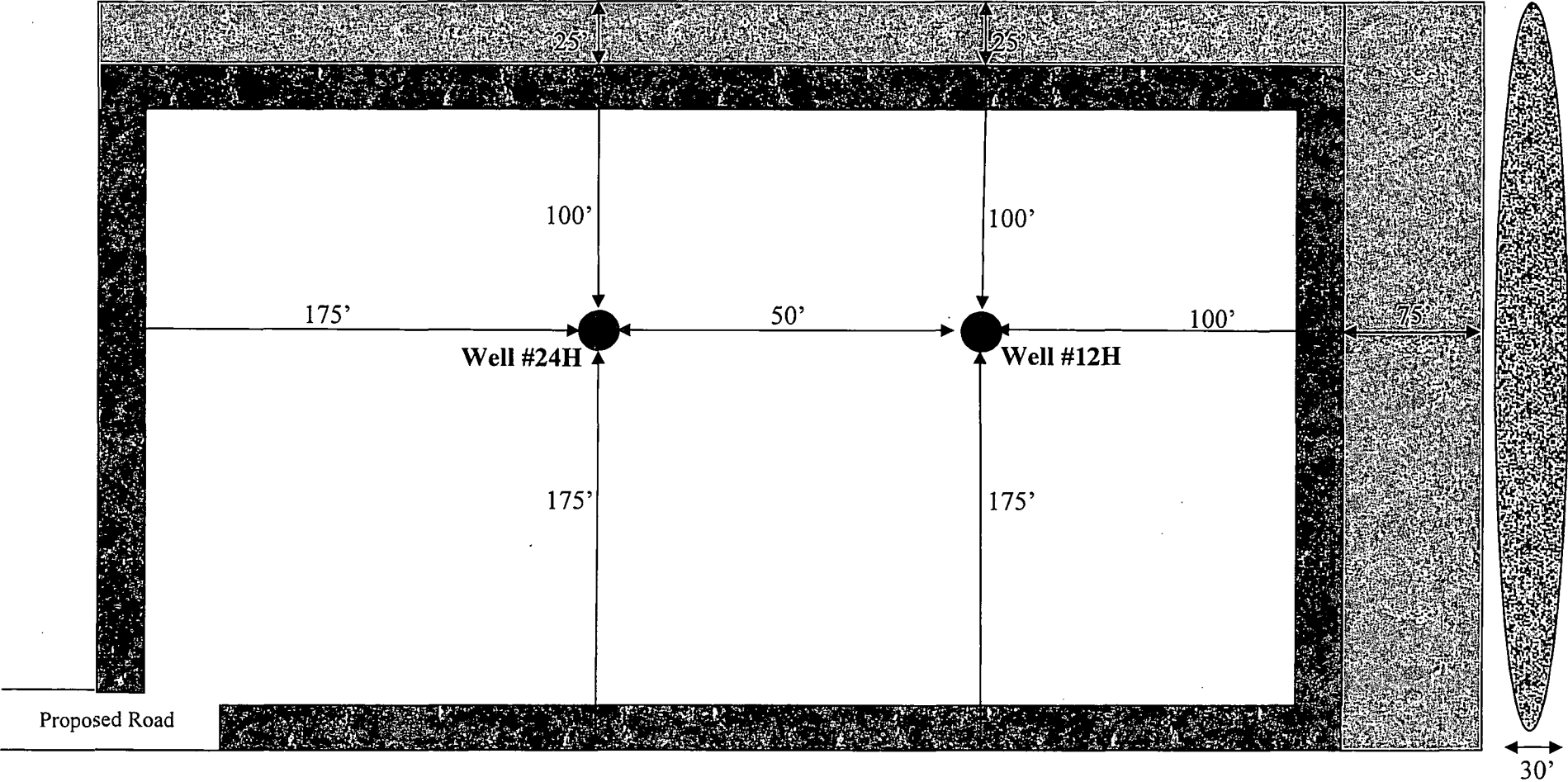


Ditch & Berm



Topsoil

Interim Reclamation Diagram
Corral Canyon Federal #12H & #24H
V-Door East (Both Wells)



LEGEND

- Wellbore
- Interim Reclamation

- Ditch & Berm
- Topsoil

PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|-----------------------|--------------------------------------|
| OPERATOR'S NAME: | XTO Energy Inc |
| LEASE NO.: | NM15302 |
| WELL NAME & NO.: | 3H-Corral Canyon Federal |
| SURFACE HOLE FOOTAGE: | 170'/S & 2210'/E |
| BOTTOM HOLE FOOTAGE: | 2310'/S & 1930'/E, sec, 32-T24S-R29E |
| LOCATION: | Section 5, T. 25 S., R. 29 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**

- Cave/Karst
- VRM
- Cultural
- Communitization Agreement

- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads

- ☐ **Road Section Diagram**

- ☒ **Drilling**
 - Casing/Cement/Mud Requirements
 - Logging Requirements
 - Medium Cave/Karst
 - Waste Material and Fluids

- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Electric Lines

- ☐ **Interim Reclamation**

- ☐ **Final Abandonment & Reclamation**

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Visual Resource Management

- Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, **White**.
- All above ground structures including but not limited to pumpjacks, storage tanks, production equipment, etc. would be shorter than 8 feet to minimize visual impacts to the natural features of the landscape.
- See Production Conditions below.

Watershed

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.
- Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control.
- **Surface Pipeline COAs:**
A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Cave and Karst

** Depending on location, additional Drilling, Casing, and Cementing procedures may be required by engineering to protect critical karst groundwater recharge areas.

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Construction:

In the advent that any underground voids are opened up during construction activities, construction activities will be halted and the BLM will be notified immediately.

No Blasting:

No blasting will be utilized for pad construction. The pad will be constructed and leveled by adding the necessary fill and caliche.

Pad Berming:

The pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the pad. All sides will be bermed.

Tank Battery Liners and Berms:

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Leak Detection System:

A method of detecting leaks is required. The method could incorporate gauges to measure loss, siting valves and lines so they can be visually inspected, or installing electronic sensors to alarm when a leak is present. Leak detection plan will be submitted to BLM for approval.

Automatic Shut-off Systems:

Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Fresh water will be used as a circulating medium in zones where caves or karst features are expected. SEE ALSO: Drilling COAs for this well.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone. SEE ALSO: Drilling COAs for this well.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported in the drilling report.

Regardless of the type of drilling machinery used, if a void of four feet or more and circulation losses greater than 70 percent occur simultaneously while drilling in any cave-bearing zone, the BLM will be notified immediately by the operator. The BLM will assess the situation and work with the operator on corrective actions to resolve the problem.

Abandonment Cementing:

Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Pressure Testing:

Annual pressure monitoring will be performed by the operator on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

Communitization Agreement

A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales. In addition, the well sign shall include the surface and bottom hole lease numbers.

When the Communitization Agreement number is known, it shall also be on the sign.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

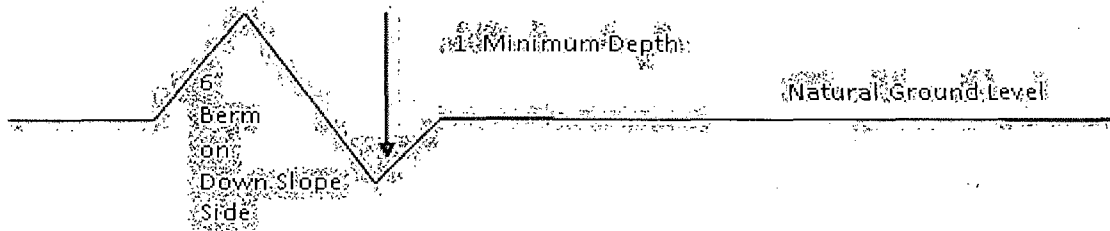
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

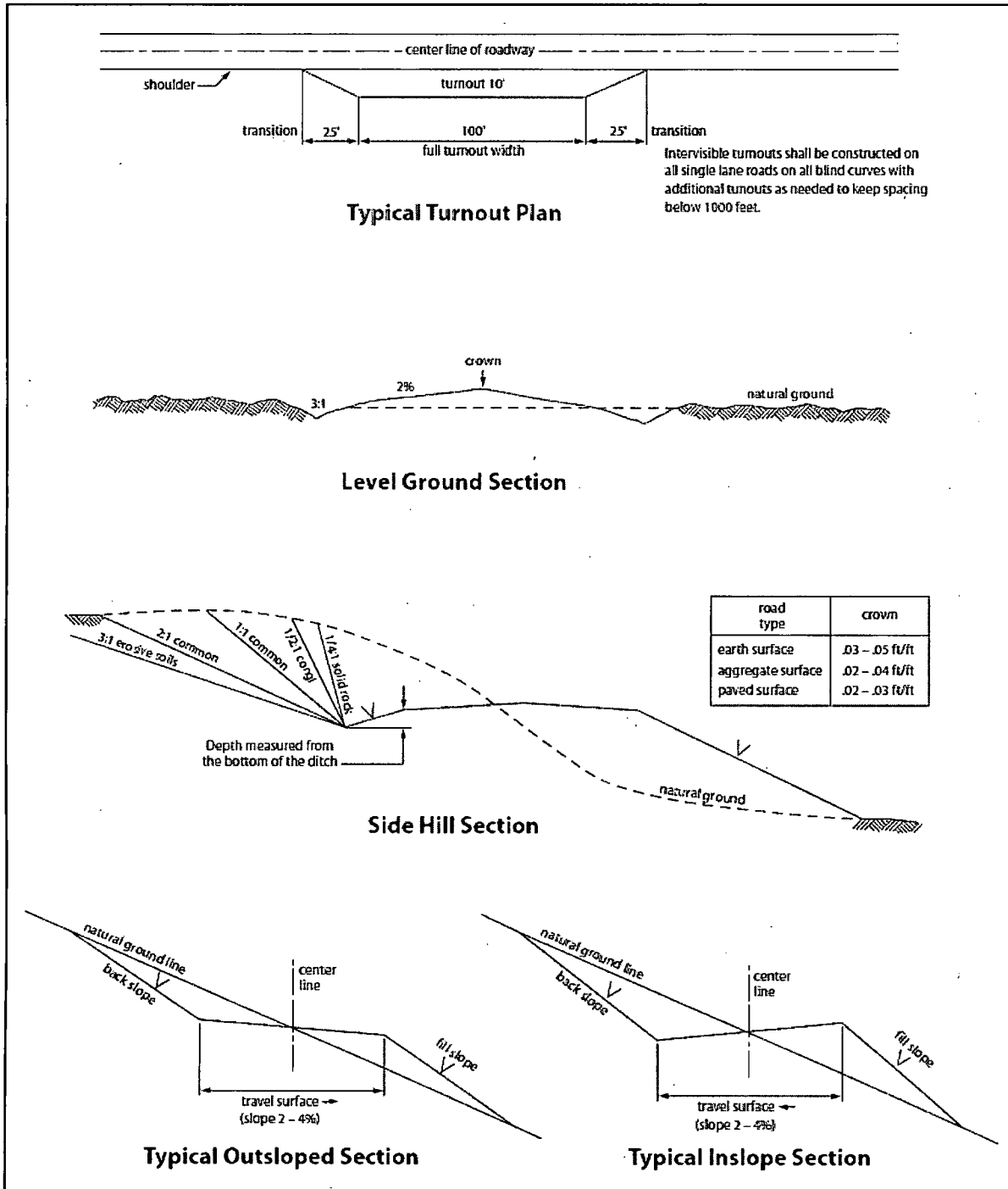


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Medium Cave/Karst

Possibility of water flows in the Castile and Salado.

Possibility of lost circulation in the Rustler and Delaware.

1. The 13-3/8 inch surface casing shall be set at approximately 675 feet and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing, which shall be set at approximately 2900 feet and is:
 - ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required through the curve and a minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least **500** feet into previous casing string. Operator shall provide method of verification

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi**.
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the

plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

F. WELL COMPLETION

A NOI sundry shall be submitted to add "COM" to the well name after the well has been completed and the completion report submitted to the BLM.

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VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VRM Facility Requirement

Low-profile tanks not greater than eight-feet-high shall be used.

B. PIPELINES

C. ELECTRIC LINES

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer

after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by

drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

SEED MIXTURE 3 (SHALLOW LOCATIONS)

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine months prior to purchase. Commercial seed will be certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop to the bottom of the drill and are planted first; the holder shall take appropriate measures to ensure this does not occur). Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be double the amounts listed below. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre (note: if broadcasting seed, amounts are to be doubled):

| Species | Pound/acre |
|--|------------|
| Sideoats grama (<i>Boutelous curtipendula</i>) | 7.0 |
| Lehmann's lovegrass (<i>Eragrostis lehmanniana</i>) or Boer lovegrass (<i>Eragrostis chloremelas</i>) | 1.0 |

* Pounds of pure live seed = (Pounds of seed) x (Percent purity) x (Percent germination)