Surface Use Plan

Energen Resources Corporation Cox Federal 35-2H Sec 35, T23S, R35E 200 fsl, 2240 fel Lea County, NM



This plan is submitted as the partial requirements of an Application for Permit to Drill as outlined in Onshore Order 1 covering the above referenced well.

Existing Roads:

- A. A map depicting county roads and topography will be used showing access to the proposed location. All access roads will be labeled for points of reference. Any plans for improvement and/or maintenance of existing roads will be provided upon direction of the regulatory agency as identified during on-site meeting discussion. Roads will be maintained, if necessary, according to the 'BLM Gold Book Standards'.
- B. Directions: Travel west on Highway 128 from the intersection of Highways 18 and 128 in Jal 26 miles. Turn right (northwest) on CR XX for 4.6 miles. Turn left (west) on existing lease road for 0.8 miles. Turn left (south) on new construction road for 1 mile to the Cox Federal 35-2H wellpad. (see attached map by Watson Professional Group, Inc.)

Proposed Access Road:

- A. The new access road for the subject well will begin on the south side of an existing old drill site ("dry hole") and travel south for 600' to the planned wellpad. The road leading to the old drill site is an existing two track road that will be upgraded to 'BLM Gold Book Standards".
- B. The access road will be upgraded and constructed to be 14' wide with adequate contour to permit proper draining.
- C. The surface will be rolled with 6" of caliche, and the sides ditched for proper drainage.

Location of Existing Wells:

The nearest well will be a new planned well, Cox Federal 35-1H. A map indicating existing wells will be shown if within a 1 mile radius of the proposed location.

Location of Proposed Production Facilities:

A diagram depicting the planned location of production facilities will be provided for the subject well, Cox Federal 35-2H. Production facilities will be manufactured and transported to the planned wellsite, see attached diagram of 'Anticipated Wellsite Layout'. The facilities will include for both the Cox Federal 35-2H and Cox Federal 35-1H wells. The anticpated flowline will travel the route of the planned access road and will be SDR-7 for the delivery of hydrocarbon liquids to a central delivery point which will remain on surface. Expected length of this line is approximately 3,000'. A flowline will leave the Cox Federal 35-1H wellpad and enter the Cox Federal 35-2H wellpad via the access road and tie into the

facilities for the Cox Federal 35-1H that are located on the Cox Federal 35-2H wellpad. Produced water will be stored and hauled or trucked to a disposal facility. Gas will be delivered via a high pressure 4" pipeline and will be buried below surface. The anticipated gas pipeline company is DPC. See attached Pipeline Route Plat.

Water Supply for Drilling/Completion:

Water sources will be as follows:

- A. Brine Water Wassurhund Water Station in Buckeye or Eagle Water Station in Hobbs.
- B. Fresh Water Arkansas Junction (2 mi east of 529 on 62/180) or Marathon Water Station (Marathon Road west of junction of 529 and 62/180).
- C. Approximately 35 500 bbl mobile Frac Tanks will be used for completion. A 'Frac Pond' will not be used.

Construction Materials:

All materials used will be from a native borrow source or as otherwise permitted by the regulatory agency and coordinated by Energen and Construction Contractor representatives.

Methods of Handling Waste:

- A. A closed loop system is anticipated to be used for the storage of drill fluids and drill cuttings.
- B. Fluids and cuttings will be hauled off location once TD is reached and the drilling rig is released.
- C. Flowback tanks will be used during the completion portion of the well with all fluids being hauled off location.
- D. Current laws pertaining to the storage and disposal of human waste will be observed.
- E. All other waste such as paper, plastic, and "junk" will be stored in a container on the wellsite and hauled to the nearest approved landfill area.

<u>Ancillary Facilities</u>: No other campsite, airstrip, or other facilities will be constructed for the drilling operations of the Cox Federal 35-2H.

Wellsite Layout:

- A. The planned wellpad size is 375' X 375'. A closed-loop system will be used.
- B. A 600' X 600' area has been staked and flagged.
- C. An accompanying NMOCD form C-102 along with wellpad layout, cut & fill diagrams, and surveyors maps have been included within the APD pkg for reference.

Reclamation of Surface:

 Material will be removed by conventional methods and the topsoil stockpiled on the upper NW corner of the wellpad. Unused portions of the wellpad during production operations will be adequately reclaimed and monitored as outlined in the Interim Reclamation Plan and COA's. Remaining topsoil and caliche will be placed and/or stored within the confines of the interim reclamation area for final reclamation of surface. A portion of the topsoil and caliche will be used for material in the interim reclamation process and will be placed to reclaim to the original or near original contour.

- 2. When production operations cease, all equipment will be removed, the well plugged and abandoned, and all original caliche and topsoil restored and to natural contour of landscape.
- 3. Reclamation seed mix as outlined in the COA's will be placed, up to and including but may vary, Seed Mix 2 and Seed Mix 3.
- 4. Access roads will be reclaimed as outlined in the COA's.
- 5. Attached Interim Reclamation Plat and Plan to show proposed area.

Surface Ownership:

The surface of the proposed wellpad location is located on Bureau of Land Management (BLM) located in Lea County, NM Carlsbad Field Office.

Other Information:

The topography in general consists of small rolling hills to flat terrain with Creosote, Mesquite, Javelina Brush, and native grass. Cultural resource management is conducted and directed out of the BLM CFO.

Bond Coverage:

Bond Coverage is NM2707.

Proposed Interim Reclamation:

Cox Federal 35-2H

During production operations, interim reclamation will be done according to the plan approved by the Carlsbad BLM Field Office. Energen Resources will submit Sundry Notices and Reports on Wells (NOI) on Form 3160-5 prior to conducting these operations.

A plat depicting the planned area of reclamation during production operations will be provided showing any dimensions in relation to the reclaimed area(s) and production facilities.

If any disturbance is required for wellwork or recompletion operations, appropriate protocol will be followed as outlined in the Interim Reclamation Plan and Carlsbad BLM Field Office.

During reclamation, removed caliche will be used for the repair and maintenance of roads, fire walls, etc. to aide in the re-vegetating efforts of reclamation. Topsoil will be placed in reclamation areas to facilitate seed germination. The topsoil will be place to or as near as possible the natural landscape/topography.

A photo record will be made prior to reclamation and after reclamation has begun. An updated photo record will be made after each growing season for 3 years after the reclamation start date at the end of each growing season. After the first three years, a photo record will be made each 5th year after reclamation began up to the abandonment of the well. Points of transect will be determined during the interim reclamation onsite in order to identify the points of photography for the record.

Planned Seed Mix is 2 and 3, unless directed otherwise by the Carlsbad BLM Field Office. Seed Mix 2 will be used in sandy soils. Seed Mix 3 will be used for shallow soils.

Seed will be evenly and uniformly distributed over disturbed area. A depth regulator and drill will be used to ensure proper depth of seed placement. Where drilling is not possible and broadcast method will be used, the soil raked or chained to cover seed. When broadcasting, the lb/acre will be increased by 100%. Seeding will continue until a satisfactory cover is established.

Seed Mix 2 (sandy sites):

Sand Dropseed (Sporobolus cryptandrus)	1.0 lb/acre
Sand Love Grass (Eragrostis trichodes)	1.0 lb/acre
Plains Bristlegrass (Setaria macrostachya)	2.0 lb/acre

Seed Mix 3 (shallow sites):

Plains Bristlegrass (Setaria macrostachya)	1.0 lb/acre
Green Spangletop (Leptochloa dubia)	2.0 lb/acre
Side Oats Grama (Bouteloua curtipendula)	5.0 lb/acre

WELL FLAG LAT: 32'16'26.3257" LON: 103'23'40.7199"

ENERGEN RESOURCES CORPORATION

COX-FEDERAL 35-2H

200 FSL & 2400 FEL

SECTION 35

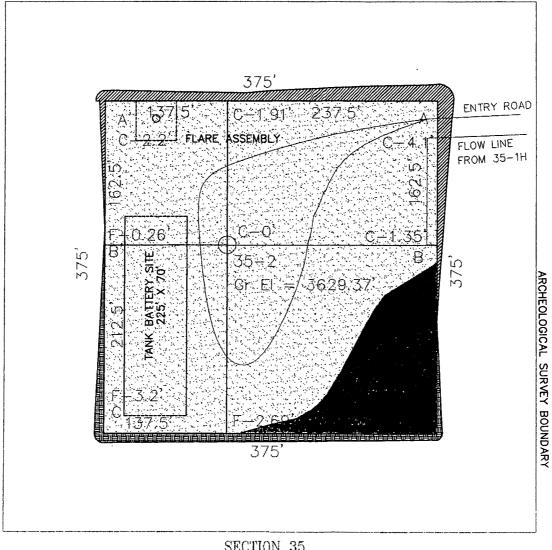
T-23-S, R-32-E

LEA COUNTY, NEW MEXICO

FINISHED PAD FLEVATION: 3629 37'

NOTES:

LEA COUNTY, NEW MEXICO FINISHED PAD ELEVATION; 3629.37' GROUND ELEVATION 3629.37 NAVD 88



SECTION 35 T-23-S R-32-E

CONSTRUCTION ZONE
600' X 600' AREA
PROPOSED LEASE ROAD

0 500' 1000'

TOTAL LENGTH OF NEW ROAD = 2832.75'

FILE/T/PROJECTS/NEW MEXICO/LEA/1235 R32E.DWG WORLS-1156-00

Basis of Bearing is SPC NAD 83 NEW MEXICO EAST



DIRT WORK CALCULATIONS

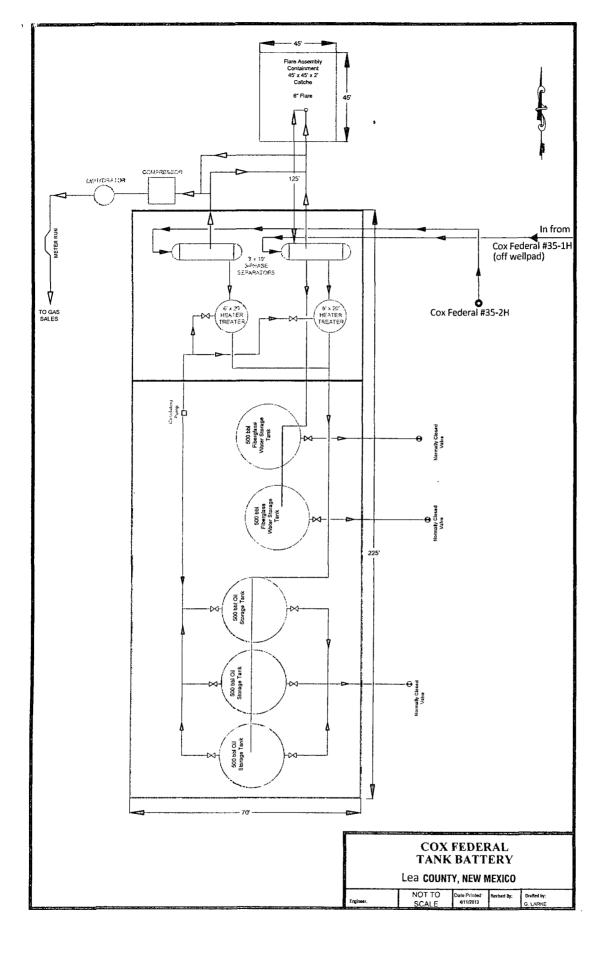
ENERGEN RESOURCES CORPORATION

COX FEDERAL 35-2H

Location Pad Calculations T-23-S, R-32-E LEA COUNTY NEW MEXICO.

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

850.00





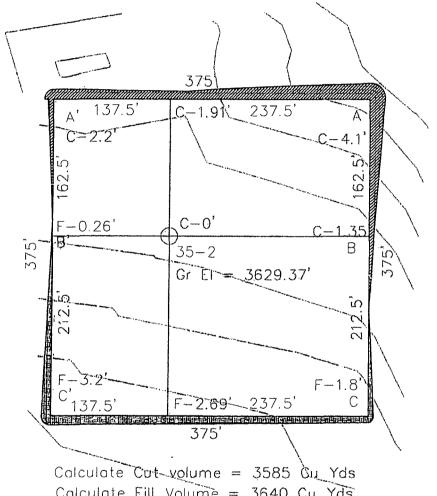
Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this That are the Executed this That ar	
Name TOM S. CARRENS	
Position Title Drilling Sopi	
Address 3300 North A Street Bldg. 4, Suite 100 Midland, TX 79705	
Telephone (432) 687-1155	
Field Representative (if not above signatory)	
Address (if different from above)	
Telephone (if different from above) —	
E-mail (optional)	
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SKETCH PLAT

ENERGEN RESOURCES CORPORATION COX-FEDERAL 35-2H 200 FSL & 2400 FEL SECTION 35 T-23-S, R-32-E LEA COUNTY, NEW MEXICO FINISHED PAD ELEVATION: 3629.37' GROUND ELEVATION 3629.37 NAVD 88



Calculate Fill Volume = 3640 Cu Yds

SECTION 35 T-23-S R-32-E

CONSTRUCTION ZONE 500' X 500' AREA PROPOSED LEASE ROAD

TOTAL LENGTH OF NEW ROAD = 2832.75"

Bosis of Beoring is SPC NAD B3 NEW MEXICO EAST

DIRT WORK CALCULATIONS

ENERGEN RESOURCES CORPORATION

COX FEDERAL 35-2H

Location Pad Calculations T-23-S, R-32-E LEA COUNTY, NEW MEXICO.

P.O. DRAINTER 12242 KITLAND, TEXAS 777102 14122 417-720X FAX 14111010-0222 Watton Professional Group Inc

CONSULTING ENGINEERS, LAND SURVETORS & PLANNERS

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FILE/T/PROJECTS/NEW MEXICO/LEA/TZSS R32E.DWG

SKETCH PLAT

ENERGEN RESOURCES CORPORATION

COX-FEDERAL 35-2H

200 FSL & 2400 FEL

SECTION 35

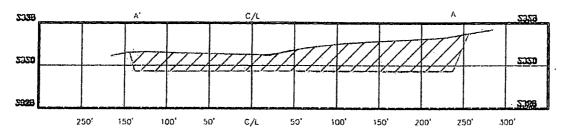
T-23-S, R-32-E

LEA COUNTY, NEW MEXICO

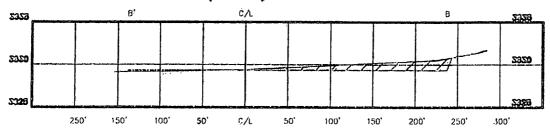
FINISHED PAD ELEVATION; 3629.37'

GROUND ELEVATION 3629.37 NAVD 88

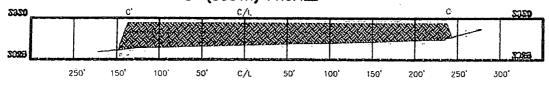
"A" (NORTH) PROFILE



"B" (CENTER) PROFILE



"C" (SOUTH) PROFILE



CONSTRUCTION ZONE 600' X 600' AREA

PROPOSED LEASE ROAD

TOTAL LENGTH OF NEW ROAD = 2832.75

#Of 13-1156-00 Bosis of Bearing is SPC NAD 83 NEW MEXICO EAST

0 500' 1000'

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FINISHED GRADE

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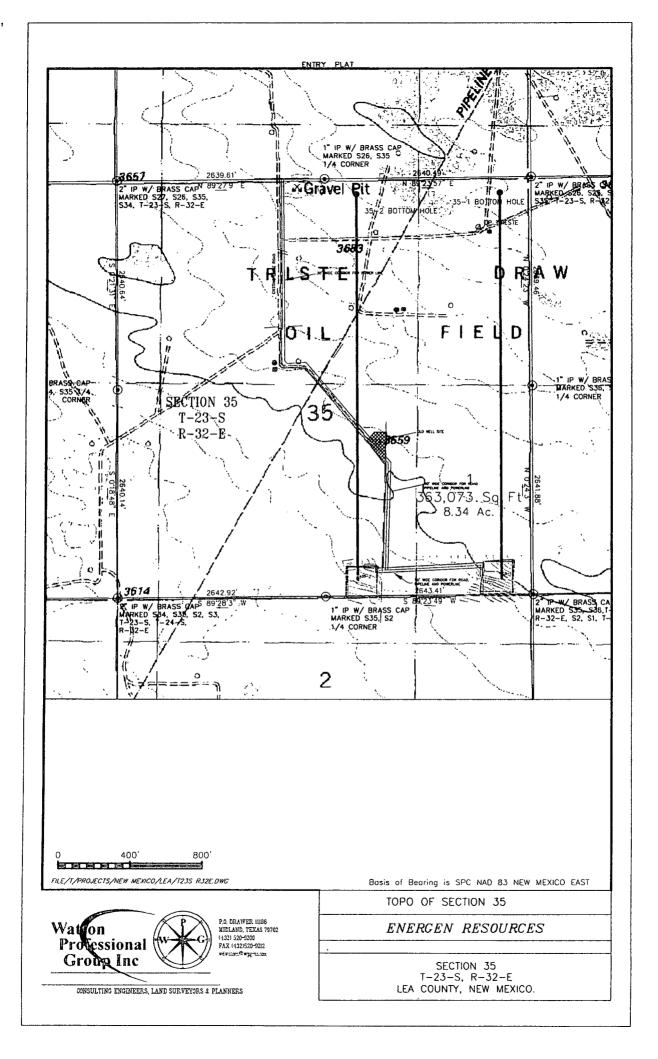
CONSULTING ENGINEERS, LAND SURVEYORS & FLANNERS

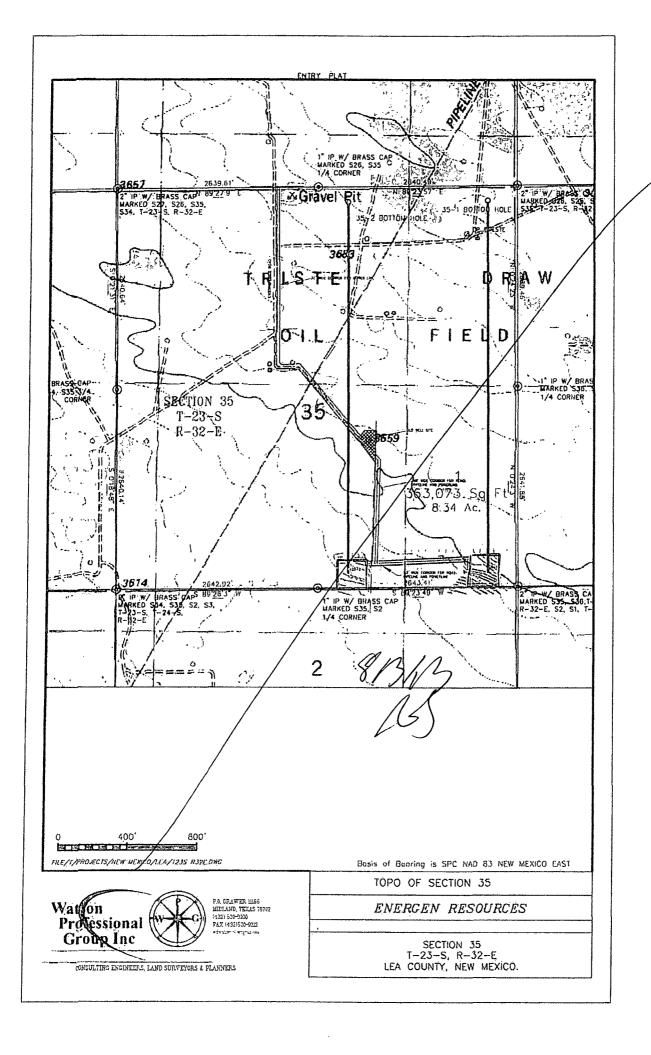
LOCATION PAD PROFILES

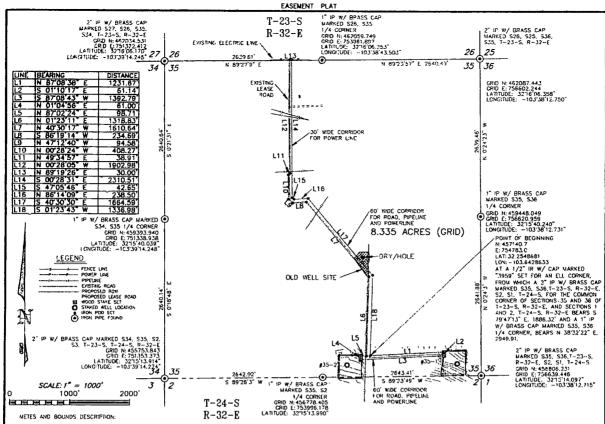
ENERGEN RESOURCES CORPORATION

COX FEDERAL 35-2H

Location Pad Calculations T-23-S, R-32-E LEA COUNTY, NEW MEXICO.







BEING A 8.335 ACRE, MORE OR LESS, TRACT OF LAND LYING IN AND BEING PART OF SECTIONS 35 AND 26, T-23-S, R-32-E, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGNIPHIG AT A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N.457140,7 E:754783.0) FOR AN ELL CORNER, FROM WHICH A FOUND 2 INCH IRON PIPE WITH A BRASS CAP MARKED "\$35, 535, 1-23-5, F. 23-6, 522, 53, 1-24-5, F. 23-6, 525 SOUTH 79:47"13" EAST, A DISTANCE OF 1886.32 FEET, AND A SECUR

THENCE NORTH 8708'38' EAST, A DISTANCE OF 1231.67 FEET TO WOOD STAKE SET (N:457702.1 E:756013.2), FROM WHICH A STAKE SET FOR THE ENERGEN \$35-1 WELL LOCATION, BEARS SOUTH 48'21'16' EAST, A DISTANCE OF 301.02 FEET, FOR A SOUTHEAST CORNER HEREOF;

THENCE SOUTH DITIO'17" EAST, A DISTANCE OF 61.14 FEET TO A WOOD STAKE SET (N:457140.9 E:756014.4), FROM WHICH A STAKE SET FOR THE SAID ENERGEN \$75-1 WELL LOCATION, BEARS SOUTH 58709'40" EAST, A DISTANCE OF 263.31 FEET, FOR A SOUTHEAST CORNER HEREOF;

THENCE SOUTH 8708'43" WEST, A DISTANCE OF 1392.79 FEET TO A WOOD STAKE SET (N:457071,6 E 754623 3), FROM WHICH A STAKE SET FOR THE ENERGEN \$35-7 WELL LOCATION, BEARS SOUTH 68'25'45" WEST, A DISTANCE OF 242.02 FEET, FOR A SOUTHWEST CORNER HEREOF:

THENCE NORTH 0104/55 EAST, A DISTANCE OF 61:00 FEET TO A WOOD STAKE SET (N:457132 6 E:754624.5), FROM WHICH A STAKE SET FOR THE SAID ENERGEN #35-2 WELL LOCATION, BEARS SOUTH 5619/18" WEST, A DISTANCE OF 270.42 FEET, FOR A SOUTHWEST CORNER HEREOF:

THENCE HORTH 8702'24" EAST, A DISTANCE OF 98.71 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3999" (N:45/137,7 E:754723.1), FROM WI CAP MARKED "335, 52 1/4 CORNER", BEARS SOUTH 65'47"16" WEST, A DISTANCE OF 808.91 FEET, FOR AN ELL CORNER HEREOF:

THENCE NORTH DIZ3'11" EAST, A DISTANCE OF 1318.83 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3955" (N:456456.1 E:754755.0), FROM WHICH A 1 INCH IRON PIPE WITH BRASS CAP MARKED "334, S35 1/4 CORNER", BEARS NORTH 74"38"53" WEST, A DISTANCE OF 3542.44 FEET, FOR A CORNER HEREOF:

THENCE NORTH 40/30/17" WEST, A DISTANCE OF 1810,64 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3950" (N:459680 7 E:753703.9), FROM WHICH THE SAID 1 INCH IRON PIPE WITH ERASS CAP MARKED "534, S35 1/4 CORNER", BEARS SOUTH 83/05/99" WEST, A DISTANCE OF 2387.20 FEET, FOR A CORNER HEREOT:

THENCE SOUTH 86'19'14' WEST, A DISTANCE OF 234.69 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N:459865.7 E.753414.6). FROM WHICH THE SAID 1 INCH IRON PIPE WITH EPASS CAP MARKED "534, 535 1/4 CORNER". BEARS SOUTH 82'44'55' WEST, A DISTANCE OF 2152.92 FEET, FOP A CORNER HEREOF:

THENCE HOPTH 4712'40" WEST, A DISTANCE OF 94.5A FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N:4597789 E-753405.2), FROM WHICH THE SAID 1 INCH IRON PIPE WITH BRASS CAP MARKED "534, S35 1/4 CORNER", BEARS SOUTH B0'45'51" WEST, A D'STANCE OF 2093.43 FEET, FOR A CORNER HEREOF.

THERICE NORTH 0078734" WEST, A DISTANCE OF 408 27 FEET TO A 1/2 UNCH IRON ROD SET WITH A CAP MARKED "3359" (N:460139.2 E-753401.9). FROM WHICH THE SAID 1 INCH IRON PIPE WITH BRASS CAP MARKED "534, 535 1/4 CORNER", BEARS SOUTH 70'09'42" WEST, A DISTANCE OF 2193.07 FEET, FOR A CORNER HEREOF.

NEMCE MORTH 49724'57" EAST, A DISTANCE OF 38.81 FEET 10 A 1/2 INCH HRON ROD SET WITH A CAP MARKED "3959" (N:480163.4 E:753431.5), FROM WHICH THE SAID 1 INCH IRON PIPE WITH MASS CAP MARKED "535, 536-1/4 CORNER", BEARS SOUTH 77'21'30" EAST, A DISTANCE OF 3768.72 FEET, FOR A SOUTHEAST CORNER HEREOF:

THENCE MORTH 00728'05" WEST, AT A DISTANCE OF 1891.18 FEET, PASSING THE COMMON LINE OF THE SAID SECTIONS 35 AND 26, A TOTAL DISTANCE OF 1992.98 FEET TO A 1/2 INCH IRON ROD SET MITH A CAP JURKED "3959" (N-462066.3 E:753415.9), FROM WHICH A 2 INCH IRON PPE WITH A BRASS CAP MARKED "527, 526, 535, S34, 1-23-5, R-32-E", FOR THE COMMON CORNER OF SECTIONS 35, 34, 27, AND 26, T-23-5, R-32-E, BEARS SOUTH 89'07'46" WEST, A DISTANCE OF 2093.76 FEET, FOR A CORNER HEREOF,

THEMCE HORTH RETISTON EAST, A DISTANCE OF 30.00 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N:462066 7 E:/53445.9), FROM WHICH A 1 INCH IRON PIPE WITH BRASS CAP MARKED "S26, S35 1/4 CORNER", BEARS SOUTH 8913'45" EAST, A DISTANCE OF 516.01 FEET, FOR A CORNER HEREOF.

THENCE SOUTH 00728'31" EAST, A DISTANCE OF 11.87 FEET, PASSING THE COMMON LINE OF THE SAID SECTIONS 25 AND 35, A TOTAL DISTANCE OF 2310.5; FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3359" (M-59756.3 E-753465.1), FROM WHICH THE SAID 1 INCH IRON PIPE WITH BRASS CAP MARKED "\$35, S36 1/4 CORNER", BEARS SOUTH 84'25'19" EAST, A DISTANCE OF 3170.87 FEET, FOR A CORNER" HEREOF.

THENCE SOUTH 4705'46" EAST, A DISTANCE OF 42.65 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N:45972/2 5:753496.3), FROM WHICH THE SAID 1 INCH IRON PIPE WITH BRASS CAP MARKED "535, SJ6 1/4 CORNER", BEARS SOUTH 84'55'20" EAST, A DISTANCE OF 3:37.21 FEET, FOR A CORNER HEREOT:

THENCE HORTH BETI4'09" EAST, A DISTANCE OF 238.50 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (H:459742.2 E:753734.3), FROM WHICH THE SAID 1 INCH IRON PIDE WITH BRASS CAP MARKED "335, S39 1/4 CORNER", BEARS SOUTH 8410'06" EAST, A DISTANCE OF 2801.65 FEET, FOR A CORNER HERCO":

THENCE SOUTH 4030'SC EAST, A DISTANCE OF 1864-59 FEET TO A 1/2 INCH IRON ROD SET WITH A CAP MARKED "3959" (N.458477.) E754615.6), FROM WHICH THE GAID T INCH IRON PIPE WITH BRASS CAP MARKED "\$35, \$36 1/4 CORNER", BEARS NORTH 6143'SS" EAST, A DISTANCE OF 2049.84 FEET, FOR A CORNER HEREOF,

SHENCE SOUTH 07/23/43" WEST, A DISTANCE OF 1336 98 FEET TO THE PLACE OF BEGINNING AND CONTAINING 8.335 ACRES, MORE OR LESS

NAS CENTRAL TONE MITH A COMMERCIANCE OF O STRAINTS AND DISTINCES CHIRAL COMPANIES SOLE FACION OF ORDSTRAINS THE POSTRAINAL INCEMENCE OF CHIRALONIST FOR A EXEMPTI SAFON. THE REPORT AND PRIME OF THE ABSTRACT OF TO MINDRILL HE SHORT! OF A TITLE REPORT AND PRIME OF THE ABSTRACT OF TO MADIO COMPANIES AFFORMS COMPANIES OF STRAINS AND HEREON. (OFFICIAL OR SHOWS MORE BERTON COMMISSION SCHOOL OF THE FOREIT AND HAVE BEEN DOCUMENTS AND TAMBERS OF THE STRAINS.)

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A PROPOSED ROW CORIDOR IN SECTIONS 35 & 26 1-23-S, R-32-E LEA COUNTY, NEW MEXICO.

Watton Professional Inc

P.O. DRAWER HEAS VIDIANE, TEXAS 79702 (400) 520-9200 FAT (402) 520-3212

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5/20/2013

W.D. Wotson, Jr. NEW MEXICO P.L.S 3959

CONSULTING ENGINEERS, LANE SURVEYORS & PLAUMERS

DATE

