

NOV 07 2013

RECEIVED

SURFACE USE PLAN OF OPERATION

SHL: 250' FSL & 990' FWL, Unit M, Section 25, T24S-R33E, N.M.P.M., Lea Co, NM
BHL: 230' FNL & 380' FWL, Unit D, Section 25, T24S-R33E, N.M.P.M., Lea Co, NM

An onsite inspection was conducted on Thursday, January 17, 2013 with BLM Natural Resources Specialist Trisha Bad Bear and representatives from EOG Resources, Inc. to review the surface location, roads and infrastructure routes for the Hawk 25 Fed #1H.

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Michael B. Brown of Topographic Land Surveyors, N.M.P.S. No. 18329.
- b. All roads into the location are depicted on Exhibits 2 and 2a.
- c. Operator shall maintain existing lease roads and improve said roads as deemed necessary, whether by observation of Operator or by an Authorized Officer of the BLM. In compliance with Onshore Order 1, Operator will improve or maintain existing roads in a condition the same as, or better than before operations began. Proper crowning, ditching, drainage and turnouts shall be monitored and updated as necessary. Should additional surfacing be required, surfacing material shall be obtained from a BLM approved caliche pit. Any updates to existing roads would comply with the parameters set out in the Construction section of the Conditions of Approval for the well site location and its road access.
- d. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Michael B. Brown of Topographic Land Surveyors, N.M.P.S. No. 18329.
- e. All roads into the location are depicted on Exhibits 2 & 2a.
- f. Directions to Location: Beginning in Jal at the intersection of State Hwy 18 and State Hwy 128, go west on State Hwy 128 for 22.0 miles, turn left on Vaca Lane and head south for 2.3 miles, then turn right on Resource Land and head west northwest on new lease road for 4,429 feet to the southwest corner of the location.

2. NEW OR RECONSTRUCTED ACCESS ROAD:

- a. The well site layout, Exhibit 2a shows the layout. The location will be accessed using a new lease road heading north off of Resource Lane and will enter the SW corner of the well pad. This new lease road will travel a distance of 490 feet.
- b. The maximum width of the lease road is 20'. It is crowned and consists of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent soil erosion.

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HAWK 25 FED #1H

- c. Surface material is native caliche. This material will be obtained, as needed for maintenance, from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- d. No cattle guards or gates will be required.

3. LOCATION OF EXISTING WELLS:

Exhibit 3 shows all existing wells within a one-mile radius of the surface hole and the bottom hole of this well.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

- a. In the event the well is found to be productive, the production equipment will be located on site. Please refer to the attached production facility diagram. The production of this well will be measured for sales on lease.
- b. Applicant will construct a buried 6" poly low pressure gas sales pipeline, a distance of 4,303 feet south and east, at which point the gas sales line will travel off of our lease and enter State of New Mexico surface in Section 36, T24S-R33E to an existing gas sales point. Applicant shall lay two (2) poly low pressure SWD pipelines, one 4" surface pipeline and one 6" buried pipeline, also a distance of 4,303 feet south and east, at which point the SWD lines will also travel off of our lease and enter State of New Mexico surface in Section 36, T24S-R33E to tie into an existing produced water line. These SWD lines will be utilized to handle produced water from the Hawk 25 Fed #1H well. A 4" poly surface pipeline will be laid a distance of 4,303 feet south and east, and will be used as a gas lift line for the Hawk 25 Fed #1H well. Applicant will construct a buried 4" steel low pressure oil sales pipeline in a separate 30' right of way intended to be assigned at a later date to a midstream oil purchaser. This oil line, in its separate right-of-way will also travel a distance of 5,013 feet south and east, at which point the oil sales line will once again travel off of our lease and enter State of New Mexico surface in Section 36, T24S-R33E to an existing oil sales pipeline. All pipelines described above are depicted on Exhibit 5.
- c. Electricity is available on the State of New Mexico surface in Section 36, T24S-R33E. A pole will be installed from the existing line and will travel 4,303 feet south and east to an existing line that will service the electricity needs on the Hawk 25 Fed #1H well location.
- d. Refer to b above.
- e. If the well is productive, rehabilitation plans are as follows:
 - i. The location shall not be reduced due to the needs of two separate production facilities to service the three wells that are located on the Hawk 25 Fed #1H well pad as depicted by the Location Layout. The three wells located on this facility are intended to produce minerals for two separate Federal leases.
 - ii. The original topsoil, which will be stored to the north of the well pad, will be retained and be available to be returned to the location should that opportunity arise.

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5. LOCATION AND TYPE OF WATER SUPPLY:

This location will be drilled using a combination of water mud systems (outlined in the drilling program). The water will be obtained from commercial water stations in the area and hauled to location by poly pipelines using existing and proposed roads shown in Exhibit 2 & 2a. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If poly pipeline is used to transport fresh water to the location, proper authorization will be secured by the contractor.

6. CONSTRUCTION MATERIALS

Obtaining Mineral Material – Caliche utilized for the drilling pad and proposed access road will be obtained either from an existing approved pit, or by benching into a hill which will allow the pad to level with existing caliche from cut, or extracted by “flipping” the location. A caliche permit shall be obtained from the BLM prior to excavating any caliche on Federal Lands. Amount will vary for each pad. The procedure for “flipping” the location is as follows:

- a. An adequate amount of topsoil for final reclamation will be stripped from the well location surface and stockpiled along the edge of the location as shown in the well site layout.
- b. An area will be used within the proposed well site to excavate caliche.
- c. The subsoil will then be removed and stockpiled within the footages of the well location.
- d. Once caliche/mineral material is found, the material will be excavated and stockpiled within the footages of the well location.
- e. The subsoil will then be placed back in the excavated hole.
- f. Caliche/mineral material will then be placed over the entire pad and/or road to be compacted.

In the event that caliche is not found on site, a permit will be acquired if caliche is obtained from a BLM approved caliche pit

7. METHODS OF HANDLING WASTE MATERIALS

- a. Drill cuttings shall be disposed of in a steel cuttings bin (catch tanks) on the drilling pad (behind the steel mud tanks). The bin and cuttings shall be hauled to an approved cuttings dumpsite.
At the site, the cuttings shall be removed from the bin & the bin shall be returned to the drilling site for reuse.
- b. All trash, junk, and other waste material shall be contained in trash cages or trash bins to prevent scattering. When a job is completed, all contents shall be removed and disposed of in an approved landfill.

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- c. The supplier, including broken sacks, shall pick up salts remaining after completion of well.
- d. If necessary, a porto-john shall be provided for the rig crews. This equipment shall be properly maintained during the drilling and completion operations and shall be removed when all operations are complete.
- e. Remaining drilling fluids shall be hauled off by transports to a state approved disposal site. Water produced during completion shall be put in storage tanks and disposed of in a state approved disposal. Oil and condensate produced shall be put in a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
 - i. RGB TRUCKING
 - ii. LOBO TRUCKING
 - iii. I & W TRUCKING
 - iv. CRANE HOT OIL & TRANSPORT
 - v. JWS
 - vi. QUALITY TRUCKING

8. ANCILLARY FACILITIES:

- a. No airstrip, campsite, or other facilities will be built.

9. WELL SITE LAYOUT:

- a. Exhibit 4 shows the proposed location of sump pits, living facilities and well site layout with dimensions of the pad layout.
- b. Mud pits in the active circulating system shall be steel pits and the catch tanks shall be steel tanks set in shallow sumps behind the steel circulating tanks and sumps.
- c. The area where the catch tanks are placed shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.

10. PLANS FOR SURFACE RECLAMATION:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche shall be removed from the pad and transported to the original caliche pit or used for other drilling locations and roads. The road shall be reclaimed and the surface vegetation restored to as or near the same condition

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HAWK 25 FED #1H

- that existed prior to operations. The original topsoil shall again be returned to the pad and contoured, as close as possible, to the original topography.
- b. After the well is plugged and abandoned, the location and road shall be reclaimed and the surface vegetation restored to as or near the same condition that existed prior to operations.
 - c. Caliche from areas of the pad site not required for operations shall be reclaimed. The original topsoil shall be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad shall be contoured, as close as possible, to match the original topography.

11. SURFACE OWNERSHIP

The surface is owned by the United States of America. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:

- a. The area surrounding the well is mesquite and tar brush. The topsoil is sandy in nature. The vegetation is moderately sparse with native prairie grass, cactus and shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes, birds and rodents transverse the area.
- b. There are not dwellings within 0.75 miles of location.
- c. A Cultural Resources Examination will be conducted by Boone Archeology and the results of this examination will be registered with the BLM office in Carlsbad, New Mexico..

13. BOND COVERAGE:

- a. Bond Coverage is Nationwide; Bond No. NM 2308

COMPANY REPRESENTATIVES:

Representatives responsible for ensuring compliance of the surface use plan are listed below:

Land and Right of Way

Mr. Roger Motley
Senior Lease Operations ROW Representative

EOG RESOURCES, INC.
HAWK 25 FED #1H

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3642 Office
(361) 537-8281 Cell

Drilling

Mr. Steve Munsell
Drilling Engineer
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3609 Office
(432) 894-1256 Cell

Operations

Mr. Howard Kemp
Production Manager
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3704 Office
(432) 634-1001 Cell

Regulatory

Mr. Stan Wagner
Regulatory Analyst
EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702
(432) 686-3689 Office

OPERATOR CERTIFICATION

I 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 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 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 13th day of February, 2013.

Name: Roger Motley

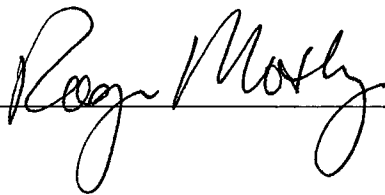
Position: Sr. Lease Operations ROW Representative

Address: P.O. Box 2267, Midland, TX 79705

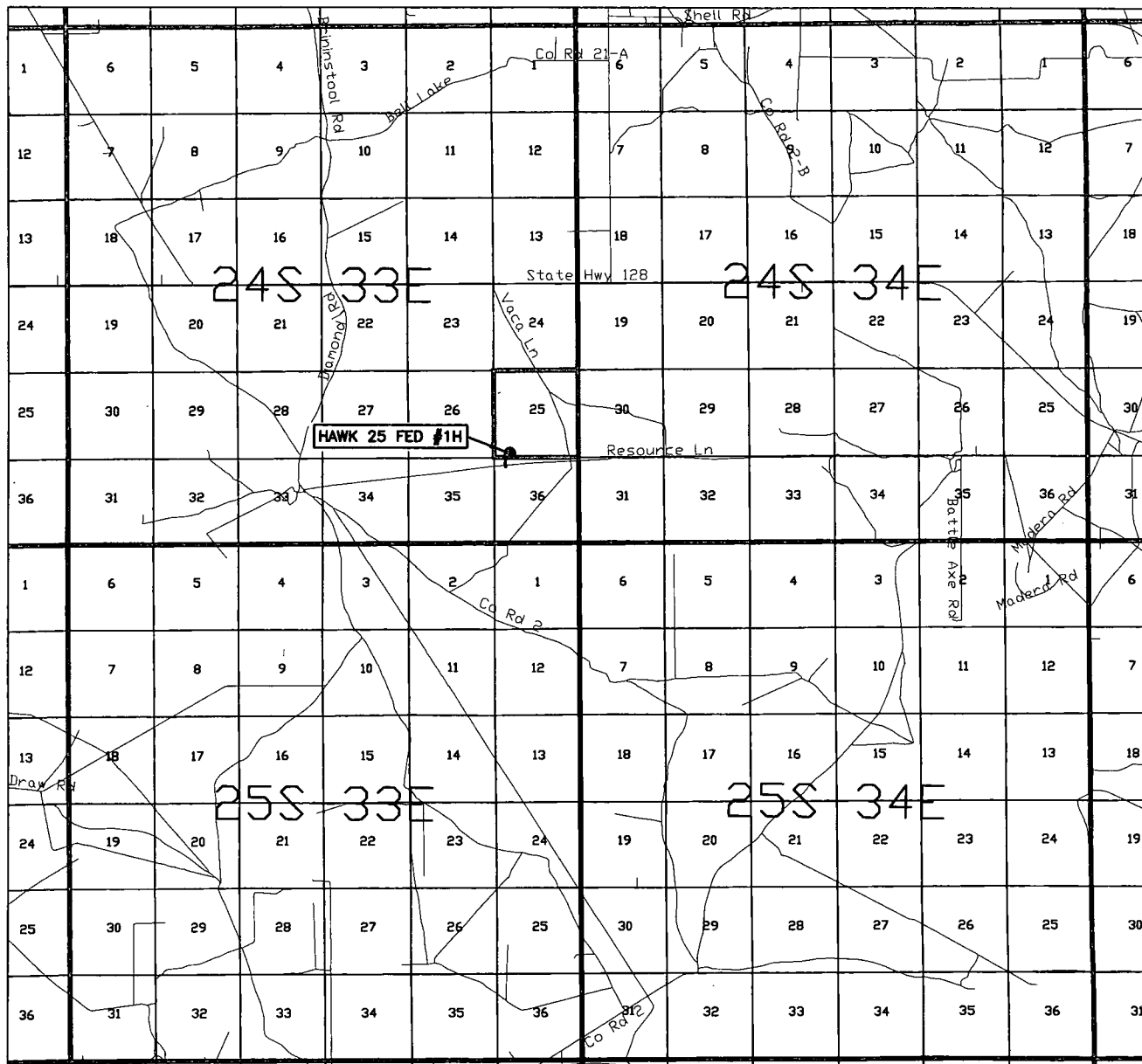
Telephone: (432) 686-3642

Email: roger_motley@eogresources.com

Signed

A handwritten signature in cursive script, appearing to read "Roger Motley", is written over a horizontal line.

VICINITY MAP

LEASE NAME & WELL NO.: HAWK 25 FED #1HSECTION 25 TWP 24-S RGE 33-E SURVEY N.M.P.M.COUNTY LEA STATE NMDESCRIPTION 250' FSL & 990' FWL

DISTANCE & DIRECTION FROM INT. OF NM-18 N & NM-128,
GO WEST ON NM-128 W ±22.0 MILES, THENCE SOUTH (LEFT)
ON VACA LN. ±2.3 MILES, THENCE WEST (RIGHT) ON
RESOURCE LN. ±0.7 MILES, TO A POINT ±490 FEET SOUTH
OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY EOG RESOURCES, INC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE OF THE NORTH AMERICAN DATUM 1927, U.S. SURVEY FEET.



SCALE: 1" = 10000'
 0' 5000' 10000'

TOPOGRAPHIC

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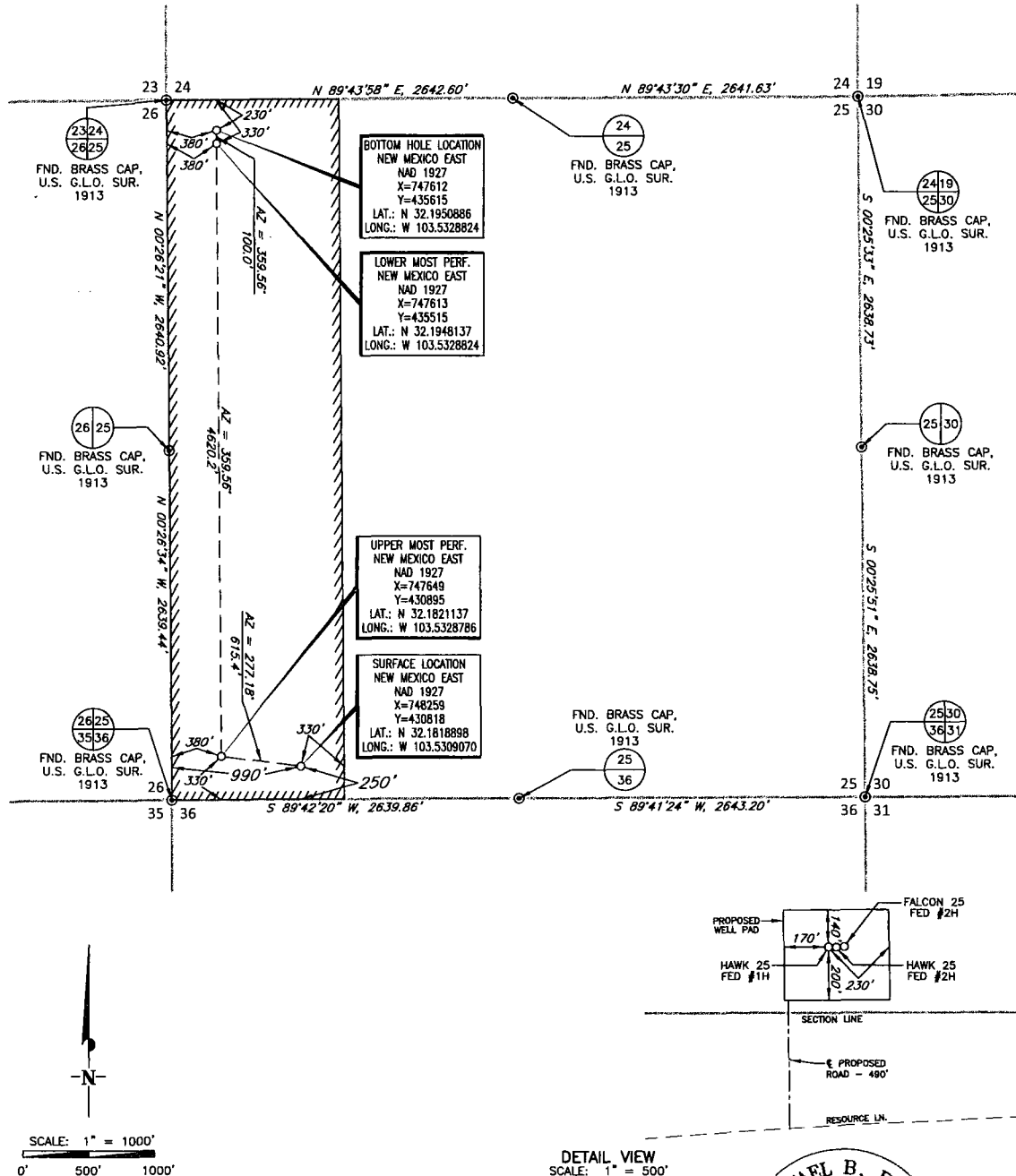
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SECTION 25, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: HAWK 25 FED #1H

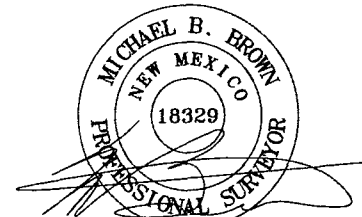
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ORIGINAL DOCUMENT SIZE: 8.5" X 14"



Michael Blake Brown, P.S. No. 18329
FEBRUARY 12, 2013

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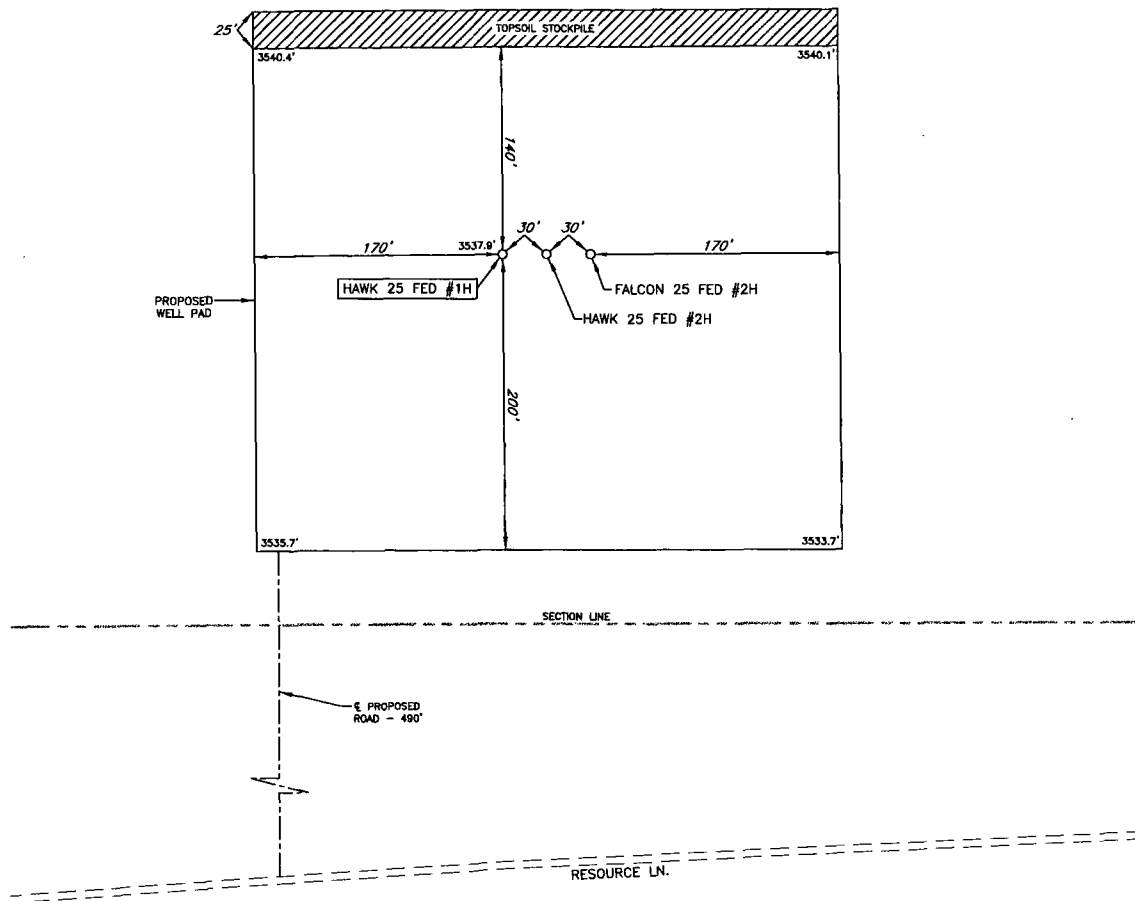
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SECTION 25, TOWNSHIP 24 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: HAWK 25 FED #1H
#1H LATITUDE N 32.1818898 #1H LONGITUDE W 103.5309070

LEGEND

== == == ROAD WAY
--- --- SECTION LINE
- - - - - PROPOSED ROAD



SCALE: 1" = 100'
0' 50' 100'

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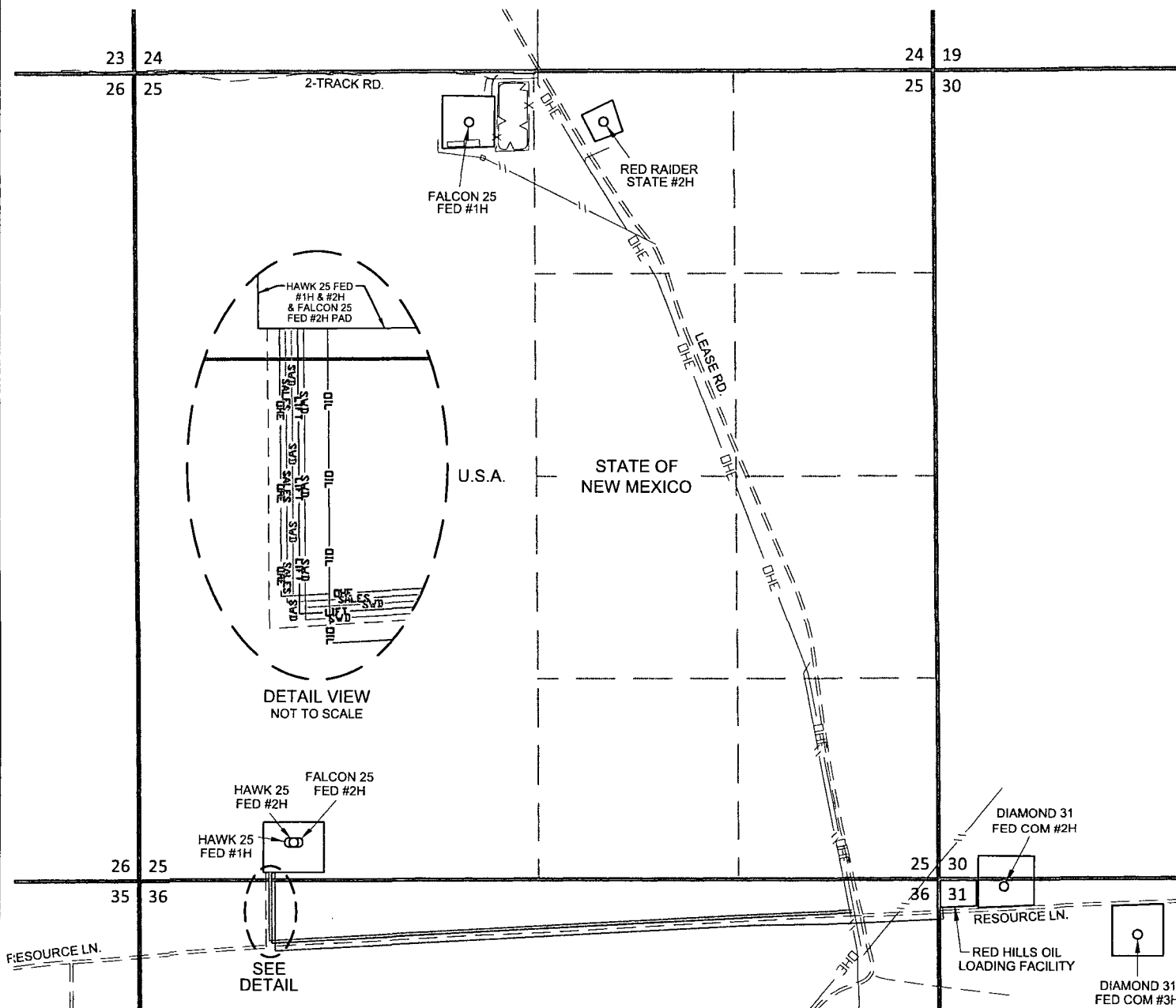
ORIGINAL DOCUMENT SIZE: 8.5" X 14"

SCALE 1" = 1000'

0' 500' 1000'

SKETCH

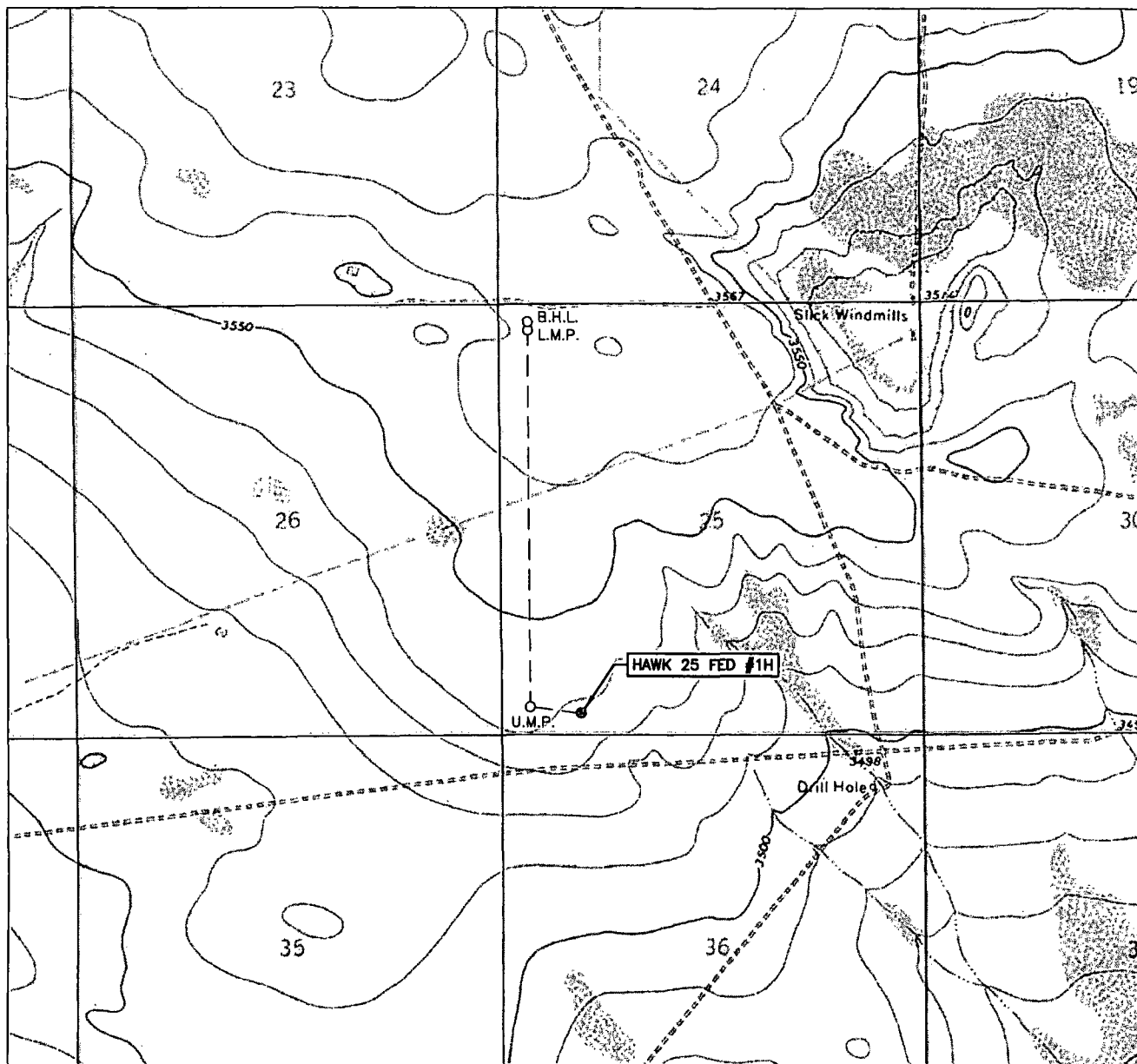
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LEA COUNTY, NEW MEXICO



FALCON 25 FED #2H & HAWK 25 FED #1H & #2H LEASE INFRASTRUCTURE MAP	REVISION:	
	S.V.	8/5/2013
DATE: FEBRUARY 12, 2013		
FILE: SKETCHED BY A HANDS-ON LEASE INFRASTRUCTURE MAP REV		
DRAWN BY: S.V.		
SHEET: 1 OF 1		

- PROPOSED ROAD
-TOTAL FOOTAGE 4,429 FT
- SVD — 6" POLY SWD LINE LIP BURIED
-TOTAL FOOTAGE 4,303 FT
-(WORKING PRESSURE 75-125 PSI)
- SALES — 1-6" GAS SALES LINE LIP BURIED
-TOTAL FOOTAGE 4,303 FT
-(WORKING PRESSURE 75-125 PSI)
- LIFT — 1-4" POLY GAS LIFT LINE
-TOTAL FOOTAGE 4,303 FT
-(WORKING PRESSURE 75-125 PSI)
- DHE — POWER LINE
-TOTAL FOOTAGE 4,303 FT
-(WORKING PRESSURE 75-125 PSI)
- SWD — 1-4" POLY SWD LINE
-TOTAL FOOTAGE 4,303 FT
-(WORKING PRESSURE 75-125 PSI)
- OIL — 4" STEEL OIL LINE (ITS OWN ROW BURIED)
-TOTAL FOOTAGE TO DISPOSAL WELL 5,013 FT
-(WORKING PRESSURE 75-125 PSI)

LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: HAWK 25 FED #1H

SECTION 25 TWP 24-S RGE 33-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3538'
 DESCRIPTION 250' FSL & 990' FWL

LATITUDE N 32.1818898 LONGITUDE W 103.5309070



SCALE: 1" = 2000'
 0' 1000' 2000'

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