

MULTI-POINT SURFACE USE & OPERATIONS PLAN



BTA OIL PRODUCERS, LLC

HOBBS OCD

7811 JV-P Vaca Draw Unit SWD #1

FEB 22 2016

658' FSL & 662' FEL

Sec. 21, T25S, R33E

RECEIVED

Lea County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the referenced well. The plan describes the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance, and the procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made concerning the environmental effects associated with the operations.

1. Existing Roads

- A. The well was staked by John West Surveying Company.
- B. Exhibit -A- is a map showing the location of the proposed well as staked with existing roads and conditions within the one mile area. The proposed location is approximately 22.2 miles due east from Jal, New Mexico as shown.
- C. From the intersection of Hwy 18 and Hwy 128 (Jal, New Mexico) go west on Hwy 128 approximately 29.2 miles to Co. Rd. J1 (Orla Rd.). Turn south and travel approximately 10.4 miles to Pipeline Rd. Turn east on Pipeline Rd. and travel approximately 6 miles to an existing lease road on the north. Turn left on the lease road and travel north approximately 3.1 miles to an existing lease road on the west. Turn left on the existing lease road and go approximately 1050 feet to proposed well pad.
- D. The existing access road route to the proposed project is depicted on Exhibit -A- Topographic and Access Road Map. Improvements to the driving surface will be done if necessary.
- E. The operator will improve or maintain existing roads, as needed, in a condition the same as or better than before operations begin. This is inclusive of and not limited to pot holes, clearing ditches, repairing the crown, etc. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.
- F. We will prevent and abate fugitive dust as needed, whether created by vehicular traffic, equipment operations, or wind events. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.

2. Access Roads

- A. No new road will be constructed for this project.

3. Location of Existing Wells

- A. All existing wells within 1 mile radius of our proposed well are shown on the attached one-mile radius map.
4. Location of Existing and/ or Proposed Facilities if Well is Productive.
- A. We will use the existing well pad for the tank battery and all necessary production facilities.
- B. If necessary, the well will be operated by means of an electric prime mover. Electric power poles and lines will be set alongside of the access road ROW to tie in with an existing electric line (Xcel Energy). We are, with this application applying for new electric ROW from Pipeline Rd. extending to this location for BLM surface as shown on Exhibit -A- & Exhibit -B-.
- C. The tank battery and facilities, including all flow lines will adhere to API standards. All flowlines will follow existing roads.
- D. Additional facilities, if necessary for operations, will be applied for via Sundry notice with a schematic diagram prior to installation.
- E. All facilities will be painted a flat, nonreflective, earth tone color to match the standard environmental colors within six months of installation.
5. Location and Type of Water Supply
- A. The source and location of the water supply are as follows: Water for drilling and completion operations will either be purchased from approved BLM commercial water stations in the area and trucked to the well site using existing roads or transported from the existing 7811 JV-P Rojo Fed Com No. 2H Frac Pit in Sec. 22 T25S-R33E by 1) plastic temporary "fas line" laid on the surface alongside existing roads or 2) truck using existing roads. We are, with this application applying for ROW for the "fas line" as herein described. No water well be drilled on the location.
6. Source of Construction Materials
- A. Caliche used for construction of the drilling pad will be obtained from the closest existing caliche pit as designated by the BLM or from prevailing deposits found under the location. If there is not sufficient material available, it will be purchased from the area designated by the BLM. Possible Caliche location: Dinwiddle Pit, Sec. 3 T26S-R33E.
7. Methods of Handling Waste Disposal
- A. This will be a closed loop system.
- B. Any water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
- C. Grey water and sewage will be contained safely and disposed of properly at a state-approved facility.
- D. The supplier will pick up salts remaining after completion of well, including broken sacks.
- E. Trash, waste paper and garbage will be disposed of by hauling to an approved and available disposal. All waste material will be contained in a totally enclosed trash basket with a fine wire mesh, to prevent wind scattering during collection. The road and pad will be kept litter free.
8. Ancillary Facilities
- A. It is possible that a mobile home will be used at the well site during drilling operations

9. Wellsite Layout

- A. Exhibit –B– shows the proposed pad layout.
- B. No major cut and fill will be required at the well site; however, it may require clearing and leveling.
- C. Mud pits in the active circulating system will be steel pits.
- D. Solids/mud will be stored in steel roll off bins & frac tanks and hauled to R360 facility.

10. Plans for Restoration of Surface

Reclamation Objectives

- i. The objective of interim reclamation is to restore vegetative cover and a portion of the landform sufficient to maintain healthy, biologically active topsoil; control erosion; and minimize habitat and forage loss, visual impact, and weed infestation, during the life of the well or facilities.
- ii. The long-term objective of final reclamation is to return the land to a condition similar to what existed prior to disturbance. This includes restoration of the landform and natural vegetative community, hydrologic systems, visual resources, and wildlife habitats. To ensure that the long-term objective will be reached through human and natural processes, actions will be taken to ensure standards are met for site stability, visual quality, hydrological functioning, and vegetative productivity.
- iii. The BLM will be notified at least 3 days prior to commencement of any reclamation procedures.
- iv. If circumstances allow, interim reclamation and/or final reclamation actions will be completed no later than 6 months from when the final well on the location has been completed or plugged. We will gain written permission from the BLM if more time is needed.
- v. As agreed upon at the onsite, interim reclamation will not be performed on the well site.

Final Reclamation (well pad, buried pipelines, etc.)

- A. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.
- B. All surfacing material will be removed and returned to the original mineral pit or recycled to repair or build roads and well pads.
- C. All disturbed areas, including roads, pipelines, pads, production facilities, and interim reclaimed areas will be recontoured to the contour existing prior to initial construction or a contour that blends indistinguishably with the surrounding landscape. Topsoil that was spread over the interim reclamation areas will be stockpiled prior to recontouring. The topsoil will be redistributed evenly over the entire disturbed site to ensure successful revegetation.
- D. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture, free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 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.
- E. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area.

- F. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.
- G. All reclaimed areas will be monitored periodically to ensure that revegetation occurs, that the area is not redisturbed, and that erosion is controlled.

11. Surface Topography

- A. The surface ownership is: USA – BLM
620 E. Greene Street
Carlsbad, NM 88220
- B. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- C. The surface owner has been contacted and notified of the staking of this well and our plans for drilling
- D. The location area is fairly flat with sandy loam soil underlain with caliche.
- E. There is no surface water in the general proximity of the location.
- F. There are no houses or building within one mile of the drillsite.
- G. Signs identifying and locating our well will be maintained at the drillsite and principle entrance, commencing with the spudding of the well.
- H. BTA has entered into a PB PA (MOA) agreement with the BLM for the cultural resources examination for this project.

12. Bond Coverage: NM1195

13. Operator's Representative:

- A. The field representative that is responsible for assuring compliance with the approved surface use plan is:

Drilling Manager: Mr. Nick Eaton
Phone: 432/682-3753 (Office)
432/260-7841 (Mobile)

COPY

OPERATOR CERTIFICATION

BTA OIL PRODUCERS, LLC
7811 JV-P Vaca Draw Unit SWD #1
658' FSL 662' FEL
Sec. 21, T25S-R33E
Lea County, New Mexico

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 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 USC 1001 for the filing of false statements. Executed this 28th day of May, 2015.

Signed: Kayla McConnell

Printed Name: Kayla McConnell
Position: Production Assistant
Address: 104 S Pecos, Midland, TX 79701
Telephone: (432) 682-3753
Field Representative Nick Eaton, Drilling Manager
E-mail: kmccconnell@btaoil.com