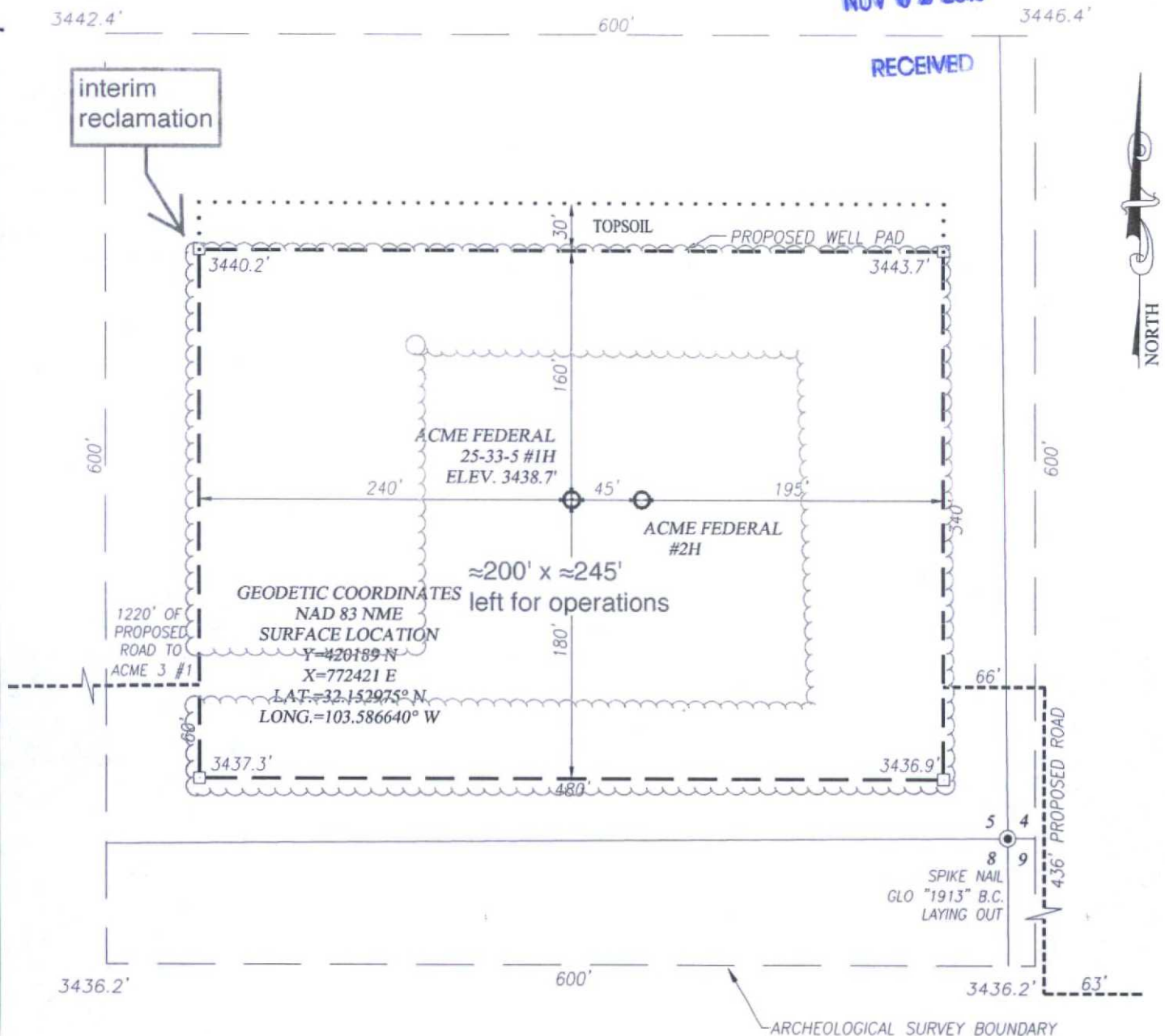


INTERIM RECLAMATION DIAGRAM

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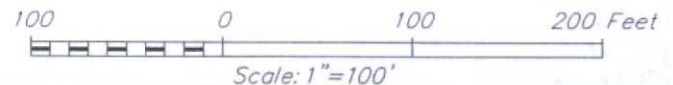


DIRECTIONS TO ACME FEDERAL 25-33-5 #1H:

FROM THE INTERSECTION OF ST. HWY. 128 AND CO. RD. 21 (DELAWARE BASIN) GO WEST APPROX 1.4 MILES ON ST. HWY. 128 TURN LEFT ON VACA RD. AND GO SOUTH 200' ROAD VEERS LEFT GO SOUTHEAST APPROX 2.2 MILES TURN RIGHT AND GO SOUTHWEST APPROX 1.2 MILES TURN LEFT AND GO SOUTH GO THRU CATTLE GUARD APPROX 0.1 MILE TURN RIGHT AND GO SOUTHWEST APPROX 0.8 MILES TURN LEFT AND GO SOUTHEAST APPROX 0.1 MILE TURN RIGHT AND GO WEST APPROX 0.7 MILES ROAD VEERS RIGHT GO WEST 150' TURN LEFT AND GO SOUTH APPROX. 0.2 MILES TURN RIGHT AND GO WEST 0.5 MILES TURN LEFT AND GO SOUTHWEST APPROX. 0.7 MILES TURN RIGHT AND GO WEST APPROX. 1.0 MILE TURN RIGHT AND GO NORTH APPROX. 650' TURN LEFT AND GO NORTHWEST APPROX. 0.6 MILES TURN RIGHT AND GO NORTH APPROX. 0.2 MILES PROPOSED ROAD STARTS GO NORTHEAST APPROX. 250' THEN NORTH 835' THEN EAST 2480' TO WELL.

NOTE:

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



ROADRUNNER OIL & GAS, LLC

ACME FEDERAL 25-33-5 #1H WELL
LOCATED 220 FEET FROM THE SOUTH LINE
AND 280 FEET FROM THE EAST LINE OF SECTION 5,
TOWNSHIP 25 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



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Survey Date: 7/03/14	CAD Date: 6/20/14	Drawn By: LSL
W.O. No.: 14110578	Rev: 9/15/14	Rel. W.O.: 14110629
Sheet 1 of 1		

NOV 05 2015

Roadrunner Oil & Gas LLC
Acme Federal 25-33-5 1H

SURFACE PLAN PAGE 1

SHL: 220' FSL & 280' FEL Sec. 5, T. 25 S., R. 33 E.

BHL: 250' FNL & 430' FEL Sec. 5, T. 25 S., R. 33 E.

Lea County, New Mexico

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See MAPS 1-6 & 8)

From the junction of NM 18 and NM 128 in Jal...

Go West 21-1/2 miles on NM 128 to the equivalent of Mile Post 30.6

Then turn left onto caliche Vaca Road and go south and southeast 2-1/4 miles

Then turn right and go Southwest 1.2 miles on a caliche road to a cattle guard

Then go South 0.1 mile on a caliche road to a caliche pit entrance

Then bear right and go Southwest 0.8 miles on caliche road

Then turn left and go Southeast 0.1 mile on a caliche road

Then turn right and go Southwest 2/3 mile on a caliche road

Then turn left and go South 0.1 mile on a mile on a caliche road

Then turn right and West-Southwest 0.5 mile on a caliche road

Then turn left and go Southwest 0.7 mile on a caliche road

Then turn right and go West 1.0 mile on a caliche road to just before a gate

Then turn right and go North 0.1 mile on a caliche road

Then turn left through a cattle guard and go NW 0.6 mile on a caliche road

Then bear right and go North 0.2 mile on a caliche road

Then bear right and go Northeast 250' cross-country

Then bear left and go North 835' cross-country

Then turn right and go East 2480' cross-country to the pad

Roads will be maintained to a standard at least equal to or better than their present condition.

This APD is also doubling as a plan of development for an accompanying BLM road right-of-way application. Application covers 20' x 28,909' (= 13.27 acres) road in W2NW4 & NWSW 6-24-33e and Lot 4 Section 1, SESE Section 3, SESW & S2SE4 Section 5, NESE, S2NE4, & E2NW4 Section 8, N2S2 & SESE Section 9, and NWSW Section 10, all 25s-33e, Lea County, NM. Road includes ≈24,344' (4.80 miles) existing road and ≈3,565' proposed road.

Roadrunner Oil & Gas LLC
Acme Federal 25-33-5 1H

SURFACE PLAN PAGE 2

SHL: 220' FSL & 280' FEL Sec. 5, T. 25 S., R. 33 E.

BHL: 250' FNL & 430' FEL Sec. 5, T. 25 S., R. 33 E.

Lea County, New Mexico

2. ROAD TO BE BUILT OR UPGRADED (See MAPS 4-6 & 8)

Approximately 3,565' of new road will be built to the pad. The new road will be crowned, have a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 20'. Maximum grade = 1%. Maximum cut or fill = 2'. No culvert, cattle guard, or turn out is needed. Upgrading of the existing road will consist of filling potholes with caliche, e. g., west of the last cattle guard.

Forty feet of new road will be built to the central tank battery (CTB). The road will be crowned, have a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 20'. Maximum grade = 1%. Maximum cut or fill = 2'. No culvert, cattle guard, or turn out is needed.

3. EXISTING WELLS (See MAP 4)

Oil wells and P & A wells are within a 1-mile radius. There are no water, gas, disposal, or injection wells within a mile.

4. PROPOSED PRODUCTION FACILITIES (See MAPS 4-6)

A 4.65-acre central tank battery will be built in the SESW & SWSE 5-25s-33e. The CTB will initially be used for frac tanks during the completion of the well. 1,935' long pipelines will connect the pad and CTB. If a pipeline operating pressure will exceed 125 psi, then that pipeline will be buried. The pipeline route will not be used as a road.

5. WATER SUPPLY (MAP 7)

Water will be piped via a temporary surface pipeline from the existing Rockhouse pond on private land in 31-24s-34e to the CTB and then via a second similar pipeline to the well.

Roadrunner Oil & Gas LLC
Acme Federal 25-33-5 1H

SURFACE PLAN PAGE 3

SHL: 220' FSL & 280' FEL Sec. 5, T. 25 S., R. 33 E.

BHL: 250' FNL & 430' FEL Sec. 5, T. 25 S., R. 33 E.

Lea County, New Mexico

6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) will be notified before construction starts. Topsoil and brush will be stockpiled north of the pad. V door will be to the east. A closed loop drilling system will be used. Caliche will be bought and hauled from an existing approved caliche pit. Dirt contractor will be responsible for caliche.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to a county landfill. There will be no trash burning. Contents (drill cuttings, mud, salts, and other chemicals) of the mud tanks will be hauled to state approved disposal sites. Human waste will be disposed of in chemical toilets and hauled to an approved dump station.

8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

9. WELL SITE LAYOUT

See MAP 8 and the rig diagram for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Interim reclamation will consist of removing caliche from and reducing the pad footprint by $\approx 70\%$ to a $\approx 200'$ x $\approx 245'$ area surrounding the wellheads and anchors, while leaving enough space for safe work operations and equipment.

Roadrunner Oil & Gas LLC
Acme Federal 25-33-5 1H

SURFACE PLAN PAGE 4

SHL: 220' FSL & 280' FEL Sec. 5, T. 25 S., R. 33 E.
BHL: 250' FNL & 430' FEL Sec. 5, T. 25 S., R. 33 E.
Lea County, New Mexico

Disturbed areas will be contoured to a natural shape and no steeper than 3:1. Topsoil will be evenly spread over disturbed areas. Seeded areas will be ripped and/or harrowed. A BLM approved seed mix will be sown in a BLM approved manner. Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. Once the well is plugged, then the remainder of the pad will be similarly reclaimed. Noxious weeds will be controlled.

11. SURFACE OWNER

All earth moving construction will be on BLM. Temporary surface fresh water pipeline will cross State land (36-24s-33e and 2-25s-33e). A right of entry will be filed with the State Land Office. This pipeline will also cross private land (31-24s-34e) owned by Mark T. McCloy (phone: 575-398-1035; P. O. Box 1076, Jal NM 88252). The pipeline will not require earth moving, just installation. Road crossings will use ramps.

12. OTHER INFORMATION

The nearest hospital (Lea Regional Medical Center) is a $\approx 1\text{-}1/4$ hour drive away on the north side of Hobbs at 5419 North Lovington Highway. Phone number is (575) 492-5000.

On site inspections were conducted with Trish Bad Bear (BLM) on June 25 and July 30, 2014.

Lone Mountain submitted archaeology report NMCRIS 130828 June 20, 2014.

Roadrunner Oil & Gas LLC
Acme Federal 25-33-5 1H

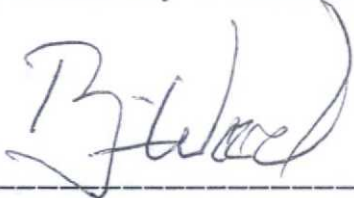
SURFACE PLAN PAGE 5

SHL: 220' FSL & 280' FEL Sec. 5, T. 25 S., R. 33 E.

BHL: 250' FNL & 430' FEL Sec. 5, T. 25 S., R. 33 E.

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 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 18th day of October, 2014.



Brian Wood, Consultant
Permits West, Inc.

37 Verano Loop, Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representatives will be:

Mark Beach, Drilling Manager

Office: (281) 674-2019

Mobile: (281) 546-7665

Buddy Novak, Operations Engineer

Office: (281) 674-2449

Mobile: (713) 254-5418

October 18, 2014

To Who it May Concern:

Roadrunner Oil & Gas LLC has a private surface owner agreement with Mark T. McCloy (P. O. Box 1076, Jal NM 88252) to lay a surface water pipeline across Section 31, T. 24 S., R. 34 E., Lea County, NM.

A handwritten signature in dark ink, appearing to read "B. Wood". The signature is stylized with a large, looped initial "B" and a cursive "Wood".

Brian Wood