

SURFACE USE PLAN

XTO Energy, Inc.

SEVERUS 31 FEDERAL COM #2H

SHL: 130'FSL & 2300'FEL, O-30-T20S-R34E

1st Take Point: 330'FNL & 2263'FEL, B-31-T20S-R34E

2nd Take Point: 330'FSL & 1890'FEL, O-31-T20S-R34E

BHL: 200'FSL & 1880'FEL, O-31-T20S-R34E

Lea County, NM

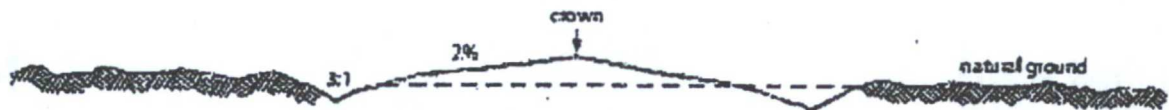
This plan is submitted with form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

- a. DIRECTIONS: From the mile marker 11, go East on St. Hwy. 176 approximately 0.4 miles to Skeen Road. Turn left and go Northwest approximately 3.0 miles, turn left and go Southwest approximately 0.6 miles to the proposed road. Follow proposed road stakes South 1646.7' to this location.
- b. See attached plats and maps provided by John West Surveying Company.
- c. The access route from St. Hwy. 176 to the well location is depicted on maps provided by John West Surveying. The route highlighted in red will be the access and no ROW is required for this well.
- d. Existing roads on the access route will be improved and maintained to the standard set forth in Section 2 of this Surface Use Plan of Operations.

2. NEW OR RECONSTRUCTED ACCESS ROADS:

- a. 1646.7' of new road is proposed for this location. Below regards any upgrading of the existing caliche road system to the proposed well location.
- b. The maximum width of the driving surface will be 14 feet. The road 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

- c. Surface material will be native caliche. The average grade of the entire road will be approximately 3%.
- d. Fence Cuts: No.
- e. Cattle Guards: No
- f. Turnouts: No
- g. Culverts: No

- h. Cuts and Fills: Not significant
- i. 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.
- j. 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.
- k. 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 EXISTING WELLS:

See attached map (Exhibit B) showing all wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- a. A separate standalone 400'x400' facility pad containing 3.67 acres was staked in Section 30-T20S-R34E to support 4 anticipated wells in the area. See Exhibit F for plat of facility location.
- b. Flare will be located on the facility site as staked.
- c. The facility location was staked out the time of the wells with permission by Trishia Bad Bear.
- d. All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted to BLM specifications.
- e. 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.
- f. Flowlines: Approximately 800' of flowline will be run through approved road corridors. Flowlines will go from the Severus 31 Federal Com #1H well pad to the standalone facility.
- g. Electrical: Approximately 11364.7' of 12,740 volt electrical line will be laid cross-country to the West, following Section line 31 to the South to tie-in to all 4 Severus wells and the facility. Please see attached plat.

5. LOCATION AND TYPE 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 shown in the attached survey plats. If a commercial water well is nearby, a temporary, surface poly line, will be laid along existing roads or other ROW easements and the water pumped to the well. No water well will be drilled on the location.

6. SOURCE OF CONSTRUCTION MATERIALS:

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 will be constructed of 6" rolled and compacted caliche.

7. METHODS OF HANDLING WASTE DISPOSAL:

- a. 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 an NMOCD approved disposal site.
- b. Drilling fluids will be contained in steel mud pits.
- c. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.
- d. Oil produced during operations will be stored in tanks until sold.
- e. Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, 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 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.
- f. All trash, junk, and other waste materials will be contained in trash cages or bins 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.

8. ANCILLARY FACILITIES:

No campsite, airstrip or other facilities will be built as a result of the operation of this well. No staging areas are needed.

9. WELL SITE LAYOUT:

- a. Exhibit D shows the dimensions of the proposed well pad.
- b. The proposed well pad size will be 370' x 350' (See Exhibit D & Maps from John West Surveying) including top soil storage and will be a dual pad with the Severus 31 Federal Com #2H. There will be no reserve pit due to the well being drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17.
- c. John West Surveying Company's plat, Form C-102 and Exhibit D, shows the direction of the pad at a V-Door West.
- d. A 600' x 600' area has been staked and flagged.
- 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:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, all the equipment will be removed, the surface material, caliche, will be removed from the well pad and road and transported to the original caliche pit or used for other roads. The original stock piled topsoil will be returned to the paid and contoured, as close as possible, to the original topography. The access road will have the caliche removed and the road ripped, barricaded and seeded as directed by the BLM.

- b. If the well is a producer, 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 D for Interim Reclamation Plat for this Well).

c. Reclamation Performance Standards

The following reclamation performance standards will be met:

Final 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.

- The original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors.
- 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 are 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. The surface is owned by the Bureau of Land Management (BLM). 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 project area is situated across an overall flat plain which, locally, trends gradually downhill to the southwest at a grade of less than one percent. Local soils are of the Pyote-Maljamar-Kermit association as defined by the Soil Conservation Service of the U.S. Department of Agriculture. The light reddish-brown sandy soils have been wind-worked into occasional outcrops of parabolic and coppice dunes up to 3m in height with most being less than 1.5m. Local vegetation is typical of Chihuahuan Desert scrub and includes various grasses, mesquite, shin oak, sage, yucca, wild sunflowers, prickly pear cacti and various low forbes.
- b. There is no permanent or live water in the area.
- c. There are no dwellings within 2 miles of this location.
- d. A Class III Cultural Resources Examination has been completed by Boone Archaeological Services and the results will be forwarded to the BLM office.

13. BOND COVERAGE:

- a. Bond Coverage is Nationwide; Bond Number UTB000138.

OPERATORS REPRESENTATIVE:

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

Surface:

Jeff Raines
XTO Energy, Inc
500 W. Illinois St Ste 100
Midland, TX 79701
432-620-4349 (Office)

Jimie Scott
XTO Energy, Inc
500 W. Illinois St Ste 100
Midland, TX 79701
432-488-9955 (Office)

Drilling & Production:

Weston Turner
XTO Energy, Inc.
500 W. Illinois St Ste 100
Midland, TX 79701
432-638-4380 (Office)

On-Site Performed December 3, 2014 had well falling 50' West of East boundary line of drilling island, 100' North of pipeline running Northeast and Southwest. Moved 160' West and 100' South. V-Door West, Top Soil South, Road into Northeast off of BC Operating's proposed new road.

PRESET AT ON-SITE:

Rebecca Hill, Boone Arch Surveying

Jimie Scott, Contract Representative for XTO Energy, Inc

John West Surveying Company

Trishia Bad Bear previously cleared this drill island with BC Operating and gave XTO Energy, Inc. verbal permission to stake the wells so long as they fell on the approved drilling island.



Certification

January 8, 2016

Stephanie Rabadue
XTO Energy Inc.
500 W. Illinois St, Ste. 100
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 site and access road 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 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 8th day of January 2016.

Thank you,

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

Stephanie Rabadue
Regulatory Analyst