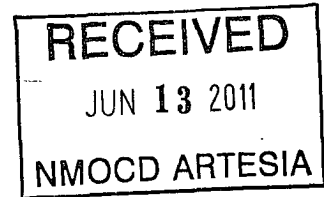


SURFACE USE PLAN

30-015-39194

HUDSON OIL COMPANY OF TEXAS
PUCKETT NORTH # 12
UNIT "D" SECTION 12
T17S-R31E EDDY CO. NM



1. EXISTING AND PROPOSED ROADS:

- A. Exhibit "B" is a reproduction of a County General Hi-way Map showing existing roads. Exhibit "C" is a reproduction of a USGS Topographic map showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. All new roads will be constructed according to BLM specifications.
- B. Exhibit "A" shows the proposed well site as staked.
- C. DIRECTIONS TO LOCATION: From Hobbs New Mexico take US Hi-way 62-180 West 15± miles to the junction with State Hi-way 529 bear Right follow 529 for 31 miles to the junction with US Hi-way 82, turn Right go 2± miles , turn Left on lease roadgo .3 miles, turn Right go .3 miles bear bear Right go .3 miles, bear Left follow lease road 1.6± miles, turn Right follow lease road .85 miles to well # 2 follow main lease road 1.1 miles to location.
- D. Exhibit "C" is a topographic map showing existing roads and proposed roads, proposed flowline and powerline routes that will follow existing and proposed roads.

2. PLANNED ACCESS ROADS: Approximately 1000' of new road will be constructed.

- A. The access roads will be crowned and ditched to a 14' wide travel surface, within a 30' R-O-W.
- B. Gradient of all roads will be less than 5%.
- C. Turn-outs will be constructed where necessary.
- D. As required all new access roads will be surfaced with a minimum of 4-6" of caliche. This material will be obtained from a local source.
- E. The center line of roads will be flagged and road construction will be done as field conditions require.
- F. Culverts will be placed in the access roads as drainage conditions require. Roads will be constructed to use low water crossings for drainage as topographic require to keep erosion to a minimum.

3. EXHIBIT "A" SHOWS EXISTING WELLS WITHIN A ONE MILE RADIUS OF THE LOCATION.

- | | |
|--------------------|-----------------------------|
| A. Water wells | - None known |
| B. Disposal wells | - None known |
| C. Drilling wells | -None known |
| D. Producing wells | - As shown on Exhibit "A-1" |
| E. Abandoned wells | - As shown on Exhibit "A-1" |

SURFACE USE PLAN

HUDSON OIL COMPANY OF TEXAS
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4. If on completion this well is successful the operator will complete it as a producer. The operator will lay flow lines to an existing tank battery located on lease as indicated on Exhibit "C". If a power line is required to operate facilities they will be constructed along existing R-O-W's, or obtained R-O-W's. These are shown on Exhibit "C".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and transported by transport or piped to location by flexible flowlines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the leveling of the drill site. If additional material will be require it will be obtained from a local source and transported over access roads shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. In case this well is drilled using a closed mud system the cuttings will be collected in containers and disposed of in a state approved disposal site. Drilling fluids likewise will be contained in tanks and disposed of in state approved disposal sites.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When job is complete all contents will be taken from location and disposed of in a state approved disposal site.
- C. Salts and other mud material remaining after completion of the well will be collected by the supplier and be removed from the location.
- D. Waste water from living quarters will be directed into an onsite sewage treatment unit and when well is completed residue will be removed and disposed of in a state approved disposal site. Porto-johns will be on location for rig crews, completion crews and other contract personnel, this equipment will be properly maintained during drilling and completion. When all operations are complete the residue will be removed and disposed of in a state approved disposal site and the equipment removed by supplier.
- E. Any fluids produced during the completion phase will be separated and the oil sold and water will be disposed of in an approved disposal site.

8. ANCILLARY FACILITIES:

- A. No camps, airstrips, or staging areas will be constructed on location.

SURFACE USE PLAN

HUDSON OIL COMPANY OF TEXAS
PUCKETT NORTH # 12
UNIT "D" SECTION 12
T17S-R31E EDDY CO. NM

9. WELL SITE LAYOUT:

- A. Exhibit "D" shows a generic well site for a well drilled using a closed mud system.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the surface will start after the well has been completed, if the well is completed as a producer production facilities may be constructed on the location. What area is not required for the operation of this project will be reclaimed and restored as near as possible to the original grade and vegetation.

If in case this well is unsuccessful and is a dry hole the drilling pad and the access roads will be reclaimed according to specifications provided by The Bureau of Land Management. Caliche or other road material will be removed for the possible use in another location or deposited in an approved reclamation site.

Drill cuttings and mud used to drill this well will be removed and disposed of at an approved disposal site. All trash and any other debris will be collected disposed of as the above.

11. ADDITIONAL INFORMATION:

- A. Topography consists of many sand dunes both large and small with corresponding blow outs with a slight dip to the East with drainage into Taylor Creek. Soils consist of deep sands, and sandy loams where present. Vegetation consists of shinny oak, mesquite, yucca, sand sage, and native grasses.
- B. The surface and minerals are owned by The U. S. Department of Interior and is administered by The Bureau of Land Management. The surface is used for the production of oil and gas. The surface is also used to graze livestock.
- C. There are no dwellings located in the near vicinity of this location.
- D. The Permian Basin MOA system will be used in lieu of a contract archeological report.

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 the 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 that 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 a false statement

OPERATORS REPRESENTATIVES

BEFORE CONSTRUCTION

TIERRA XPLORATION, INC.

P. O. BOX 1288

HOBBS, NEW MEXICO 88241

JOE JANICA 575-391-8503

CELL 575-390-1598

DURING AND AFTER CONSTRUCTION

HUDSON OIL COMPANY OF TEXAS

616 TEXAS STREET

FORT WORTH, TEXAS 76102-4612

JON SMITH 575-676-2266

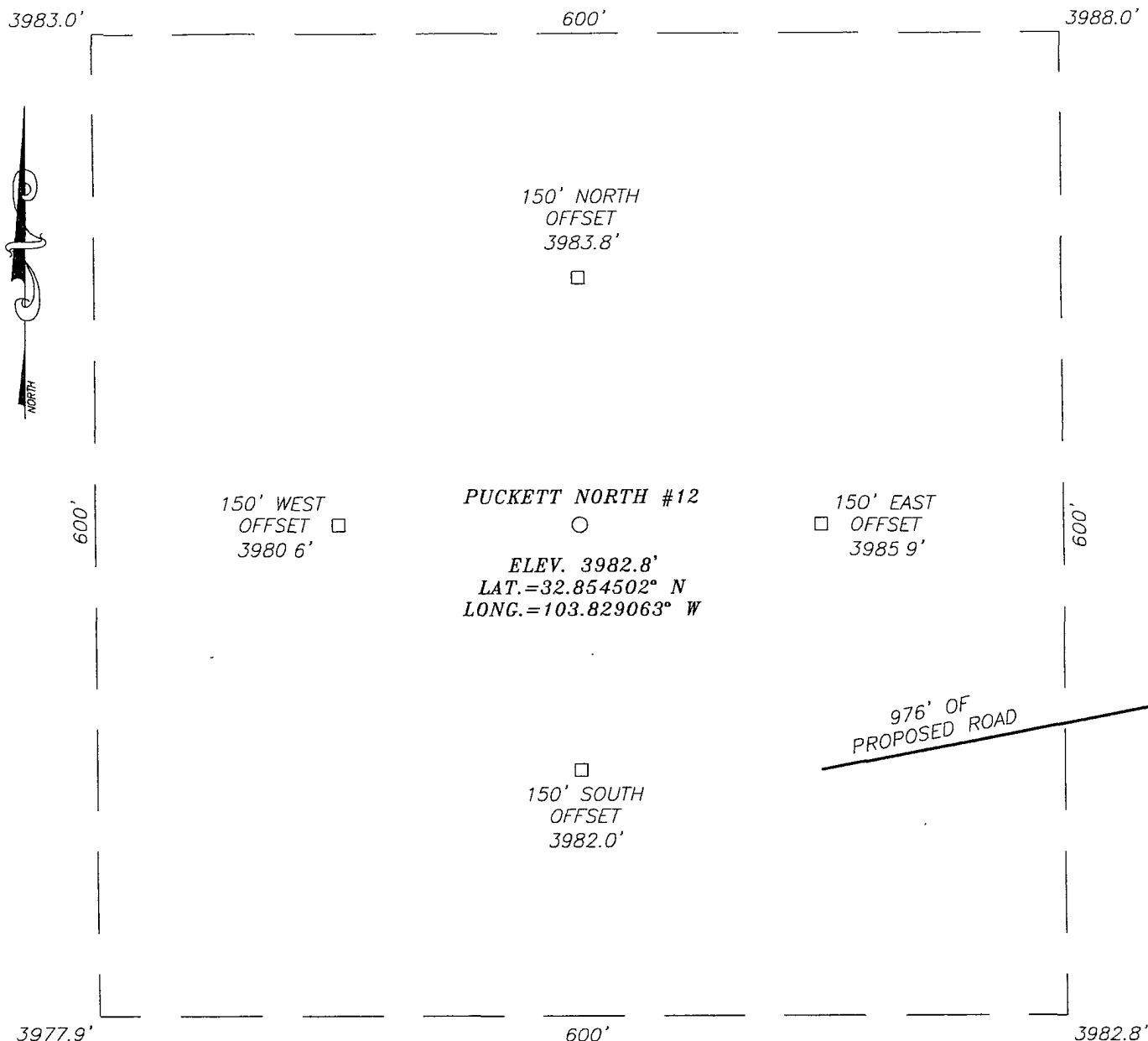
CELL 575-365-8064

NAME Joe T. Janica

TITLE PERMIT ENG.

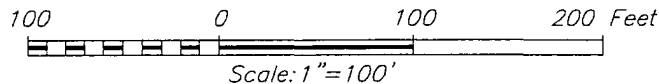
DATE 04/11/11

SECTION 12, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

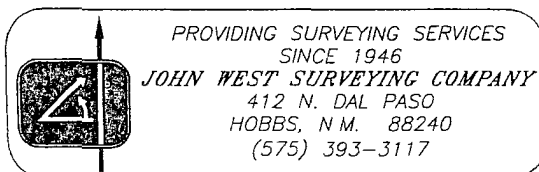
FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #224 (RIPPLE RD.), GO SOUTHWEST ON U.S. HWY. #82 APPROX. 1.2 MILES. GO NORTHWEST APPROX. 0.3 MILES. GO NORTH APPROX. 0.3 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 0.5 MILES. VEER LEFT AND GO NORTH APPROX. 0.3 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 0.5 MILES. VEER LEFT AND GO NORTH APPROX. 1.1 MILES. GO EAST APPROX. 1.0 MILE. VEER LEFT AND GO NORTH-NORTHEAST APPROX. 0.5 MILES. VEER LEFT AND GO NORTHWEST APPROX. 0.3 MILES. GO WEST APPROX. 750 FEET TO THE PUCKETT NORTH #11 WELL. THIS LOCATION STAKE IS APPROX. 1125 FEET WEST OF EXISTING WELL.



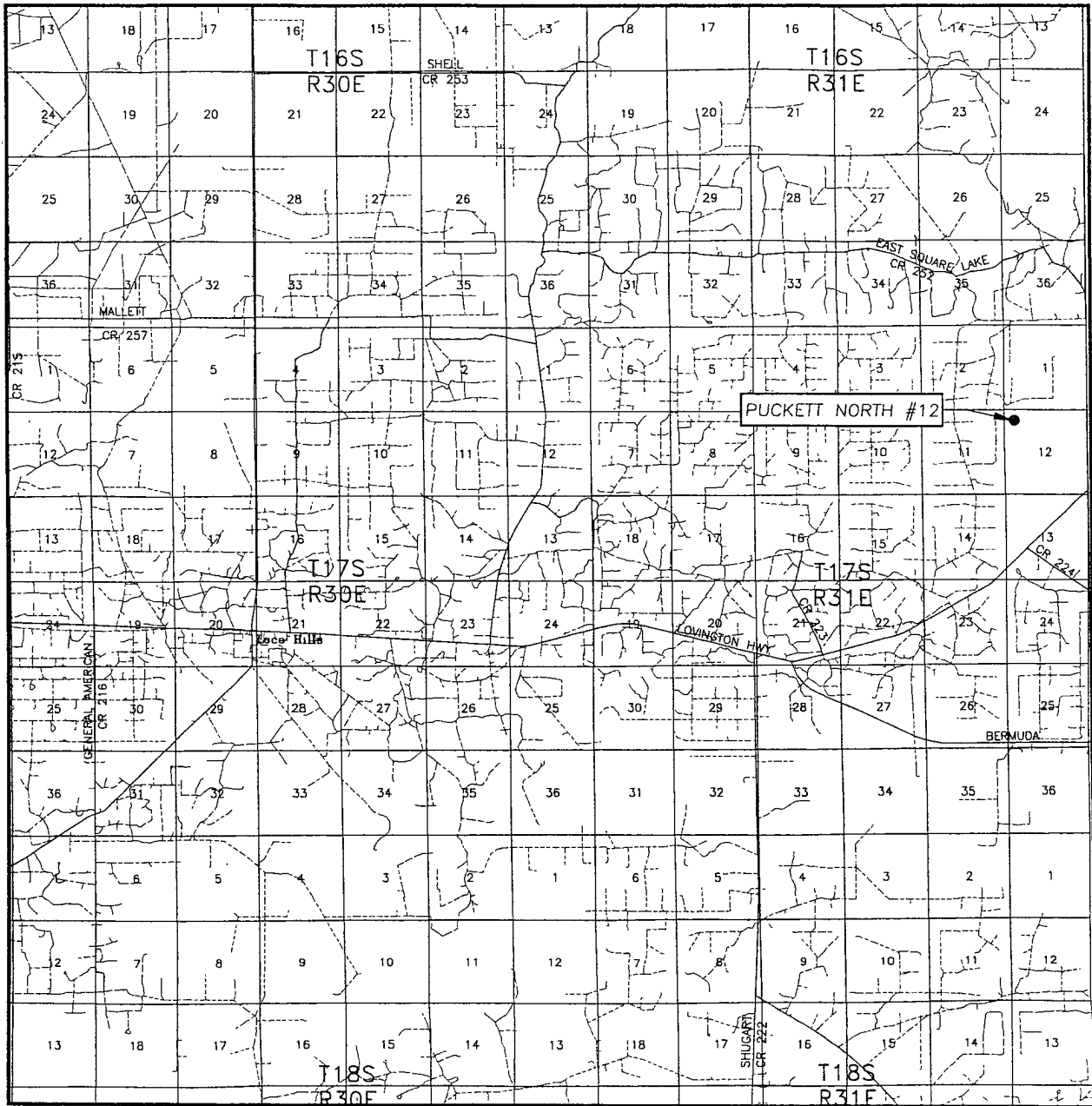
HUDSON OIL COMPANY OF TEXAS

PUCKETT NORTH #12 WELL
 LOCATED 660 FEET FROM THE NORTH LINE
 AND 660 FEET FROM THE WEST LINE OF SECTION 12,
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date. 2/21/11	Sheet 1 of 1 Sheets
W.O. Number 11 11 0220	Dr By: LA Rev 1: N/A
Date 3/3/11	11110220 Scale 1"=100'



VICINITY MAP



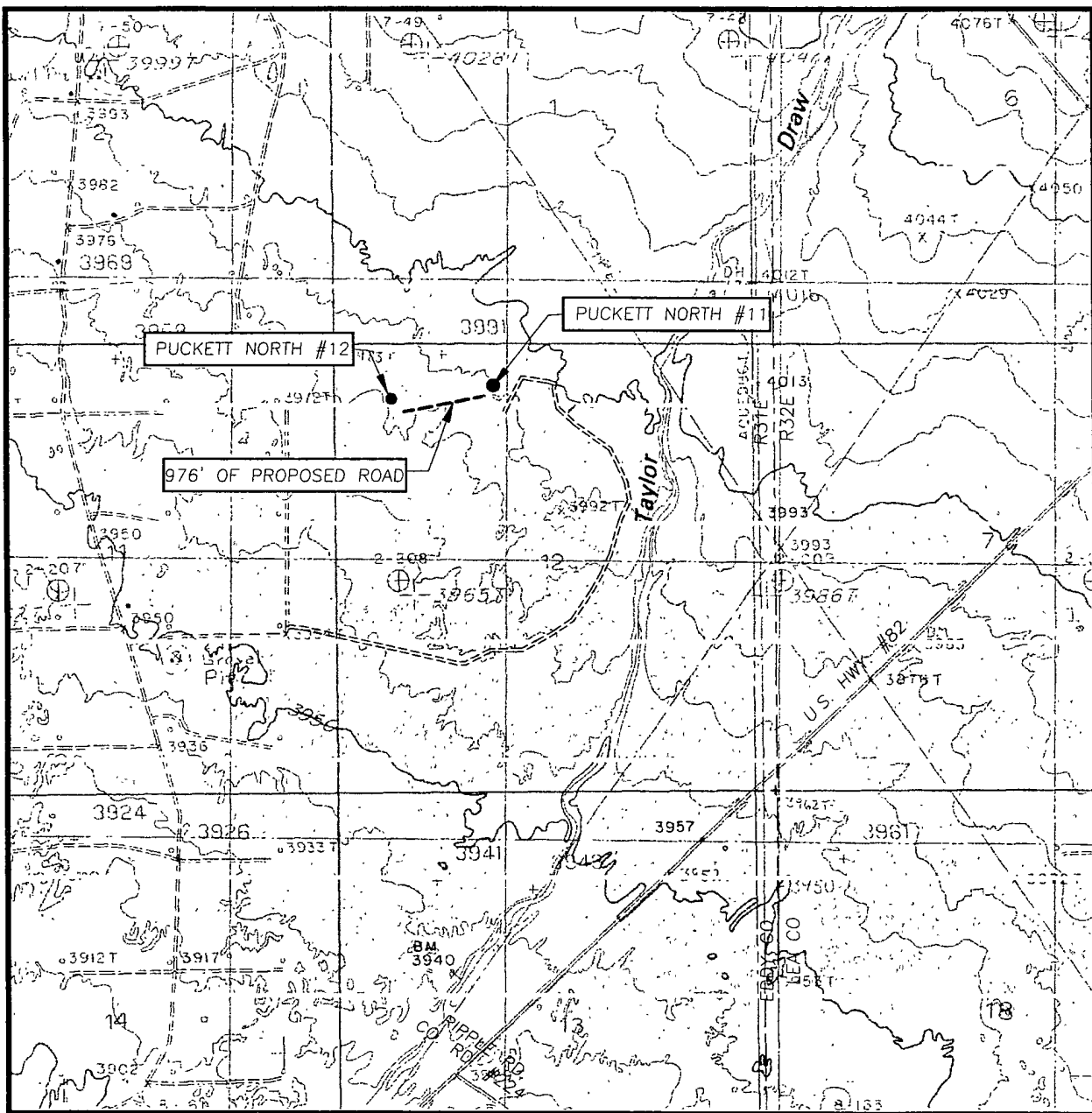
SCALE: 1" = 2 MILES

SEC. 12 TWP. 17-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 660' FNL & 660' FWL
 ELEVATION 3983'
 OPERATOR HUDSON OIL COMPANY OF TEXAS
 LEASE PUCKETT NORTH



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALJAMAR, N.M. - 10'

SEC. 12 TWP. 17-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 660' FNL & 660' FWL

ELEVATION 3983'

OPERATOR HUDSON OIL
COMPANY OF TEXAS

LEASE PUCKETT NORTH

U.S.G.S. TOPOGRAPHIC MAP
MALJAMAR, N.M.



PROVIDING SURVEYING SERVICES
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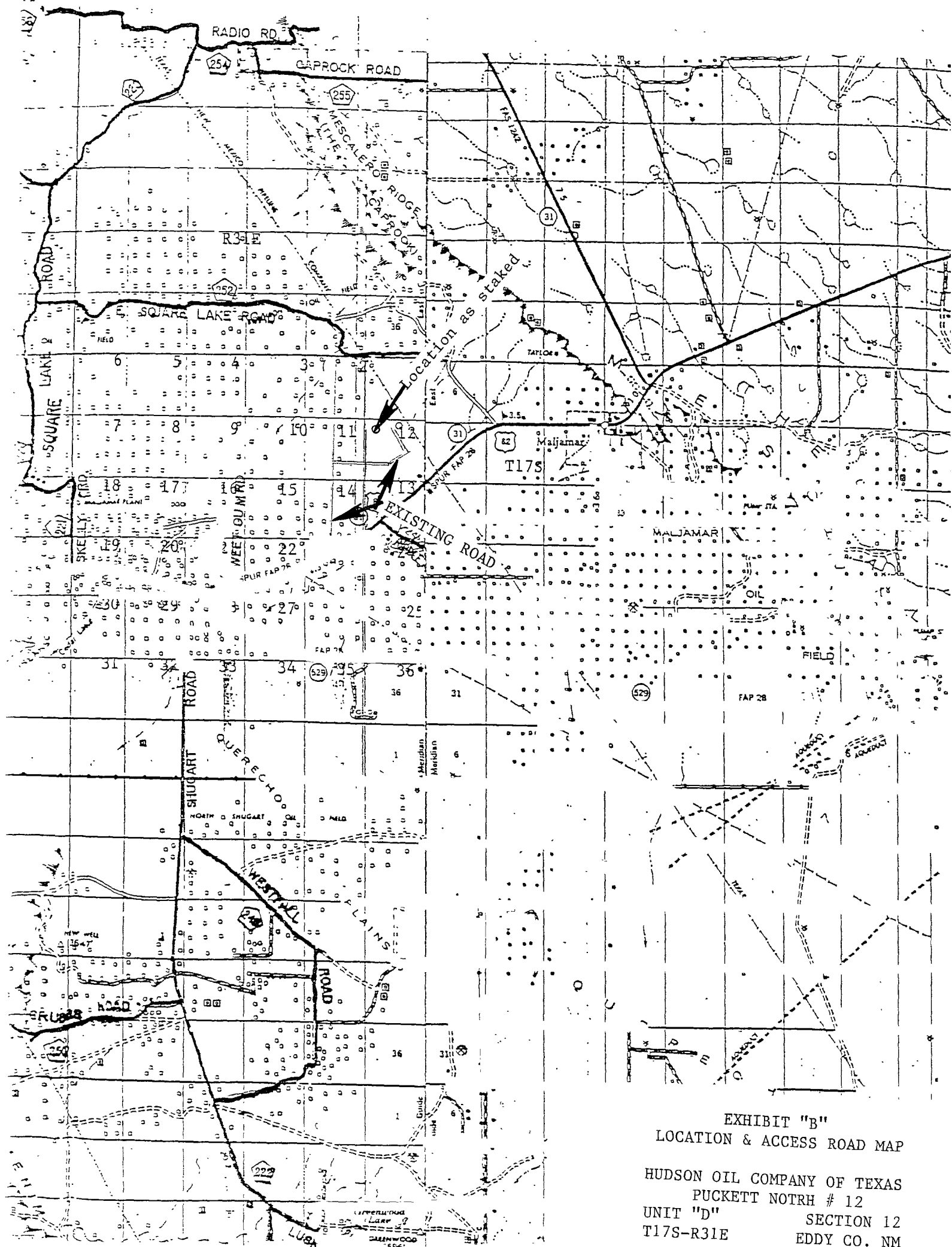


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

HUDSON OIL COMPANY OF TEXAS
PUCKETT NOTRH # 12
UNIT "D" SECTION 12
T17S-R31E EDDY CO. NM

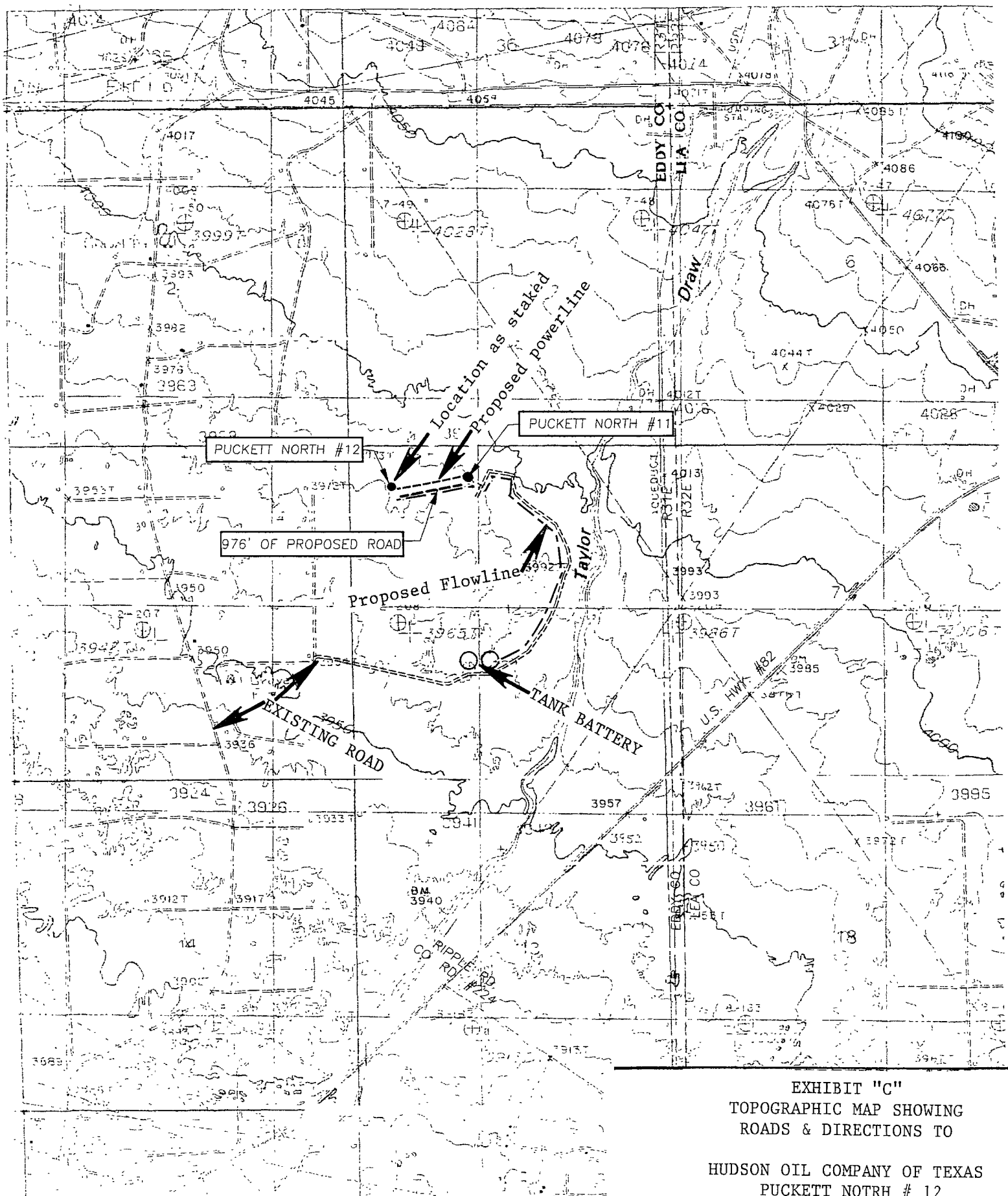


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

HUDSON OIL COMPANY OF TEXAS
PUCKETT NOTRH # 12
UNIT "D" SECTION 12
T17S-R31E E. 1/4