

OGX RESOURCES, LLC.
COTTONMOUTH "13" FEDERAL COM. #1H
UNIT "N" SECTION 13
T26S-R28E 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 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 to BLM specifications.
- B. Exhibit "A" shows the proposed well site as staked.
- C. Directions to location: From malaga New Mexico take U. S. Hi-way 285 South 12.5 miles to Whitehorn Road (CR-725) turn Left (East) go .6 miles to lease road on South side of road, Turn Right and follow road approximately 1.1 miles to location on the East side of road.
- D. Exhibit "C" shows a topographic map that has existing roads that will be used to gain access to location.

2. PLANNED ACCESS ROADS: No new roads will be required to gain access to location.

- A. The access roads will be crowned and sitched 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. If require new access roads will be surface with a minimum of 4-6" of caliche. this material will be obtained from a local source.
- E. Center line for new roads will be flagged, road construction will be done as field conditions require.
- F. Culverts will be placed in the access road as drainage conditions require. Roads will be constructed to use low water crossings for drainage as required by the topographic conditions.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS: EXHIBIT "A-1"

- A. Water wells - None known
- B. Disposal wells - None known in the immediate area
- 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

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4. If on completion this well is a success the operator will complete it as a producer. The operator will construct production facilities and tank battery on location. If power lines will be required to produce this well they may be constructed along existing R-O-W's as 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 required 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.

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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 will 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:

The topography consists of limestone low relief hills with a gentle dip toward the Southwest with drainage into the Delaware River. The surface is used for the grazing of livestock and the production of oil and gas. An Archaeological survey will be performed and the results will be filed with the Bureau of Land Management Carlsbad Field Office. Vegetation consists of mesquite, prickly pear, and native range grasses.

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

DURING AND AFTER CONSTRUCTION

TIERRA EXPLORATION, INC.

OGX RESOURCES, LLC.

P.O. BOX 2188

P. O. BOX 2064

HOBBS, NEW MEXICO 88241

MIDLAND, TEXAS 79702

JOE JANICA 575-391-850

JEFF BIRKELBACH 432-685-1287

CELL 575-390-1598

CELL 432-553-0391

NAME

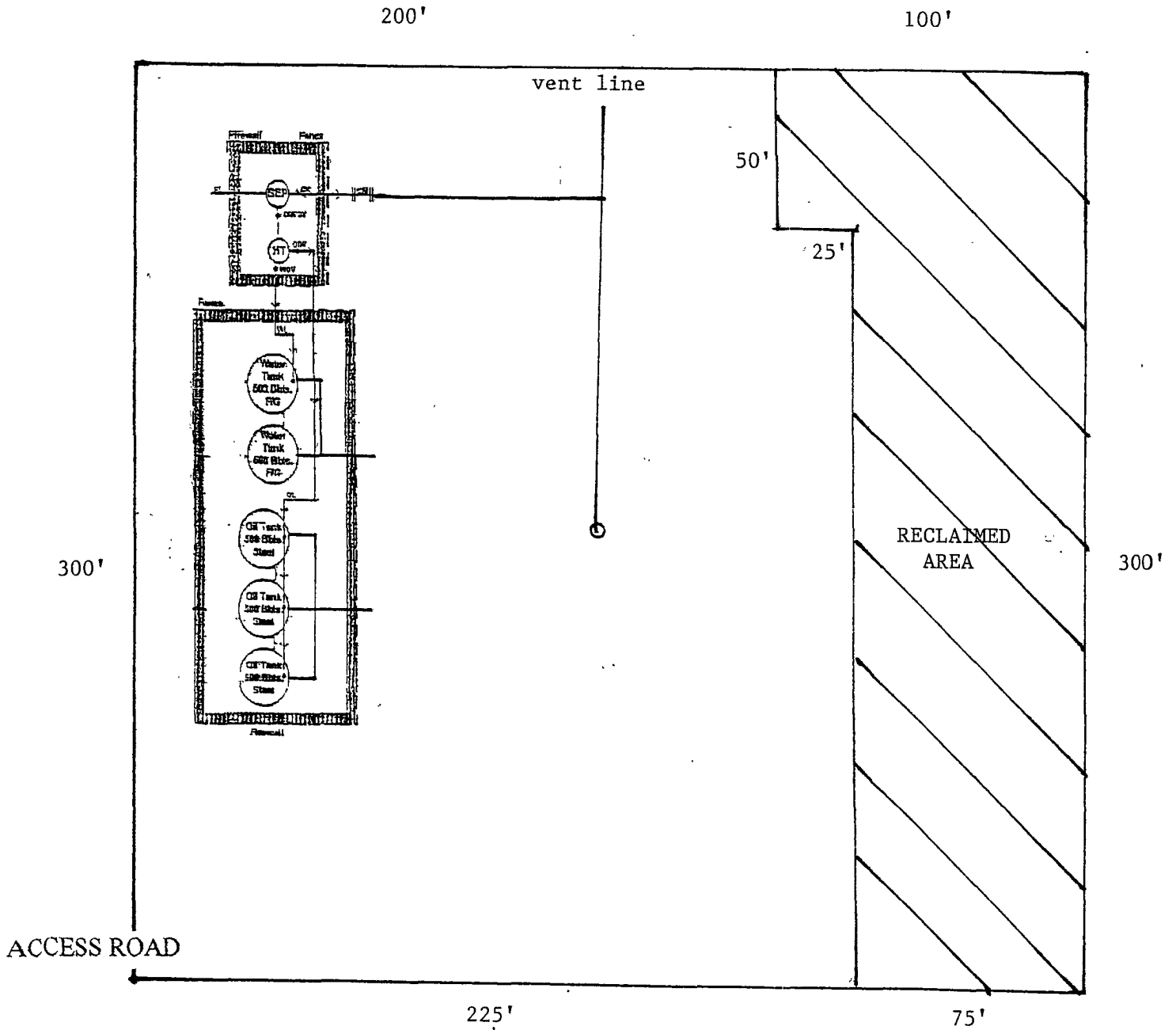
Joe T. Janica Joe T. Janica

TITLE

Permit Eng.

DATE

10/11/11



PLAT OF PROPOSED RECLAIMED AREA

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