

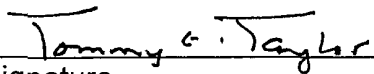
Fasken Oil and Ranch, Ltd.

Shell Federal No. 1

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access road proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws application 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 27th day of August 2010.



Signature

Name: Tommy Taylor

Position: Drilling Manager

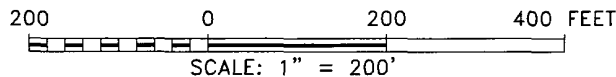
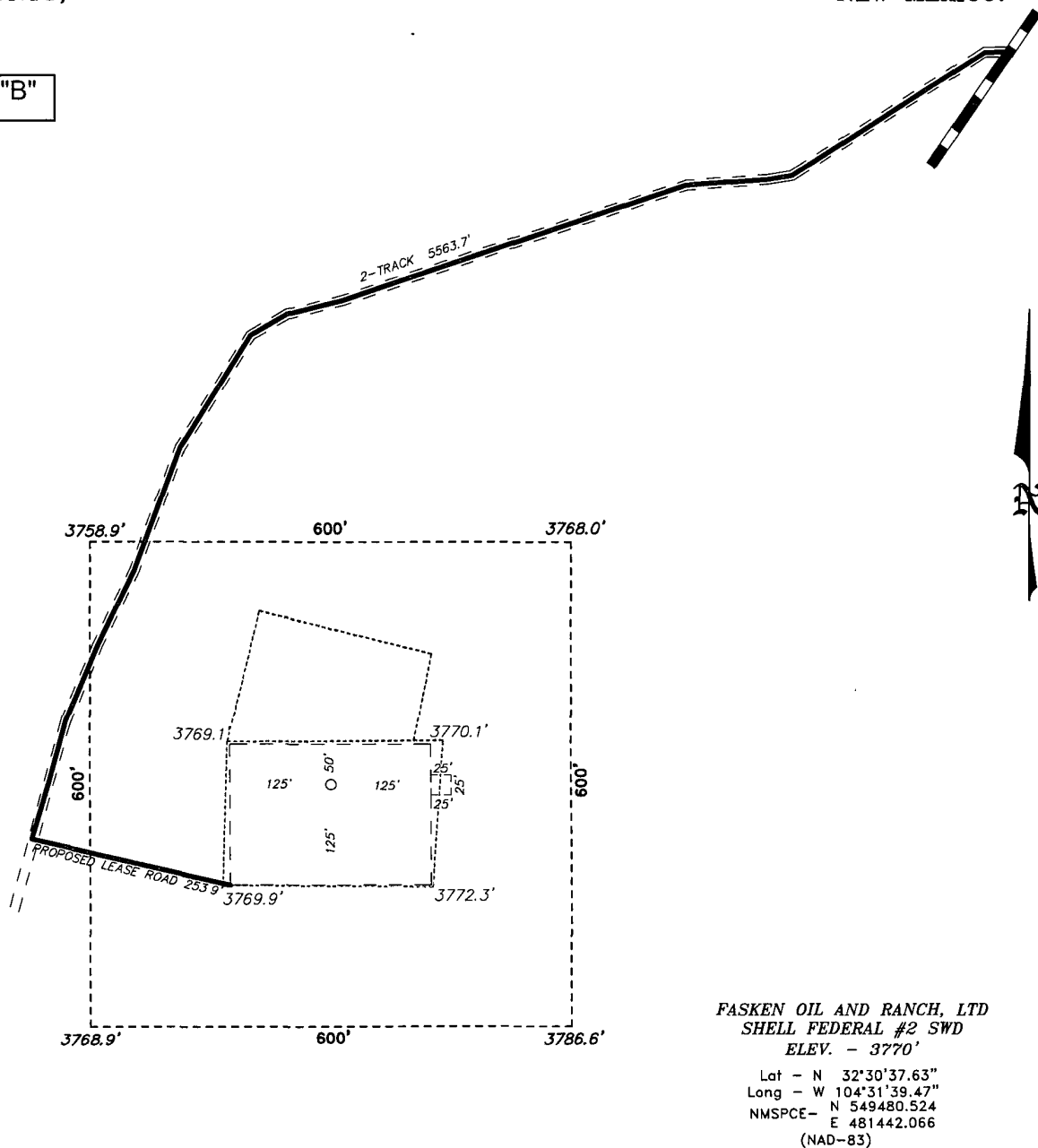
Address: 303 West Wall, Suite 1800
Midland, TX 79701

Telephone: (432) 687-1777

Email: tommyt@forl.com

SECTION 5, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Exhibit "B"



Directions to Location:

FROM THE JUNCTION OF WHITE PINE AND MARATHON, GO
NORTH ON WHITE PINE FOR 4.2 MILES TO 2-TRACK, GO
WEST 1.1 MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 24595 Drawn By: J. SMALL

Date: 04-08-2010 Disk: JMS 24595

FASKEN OIL AND RANCH, LTD

REF: SHELL FEDERAL #2 SWD / WELL PAD TOPO

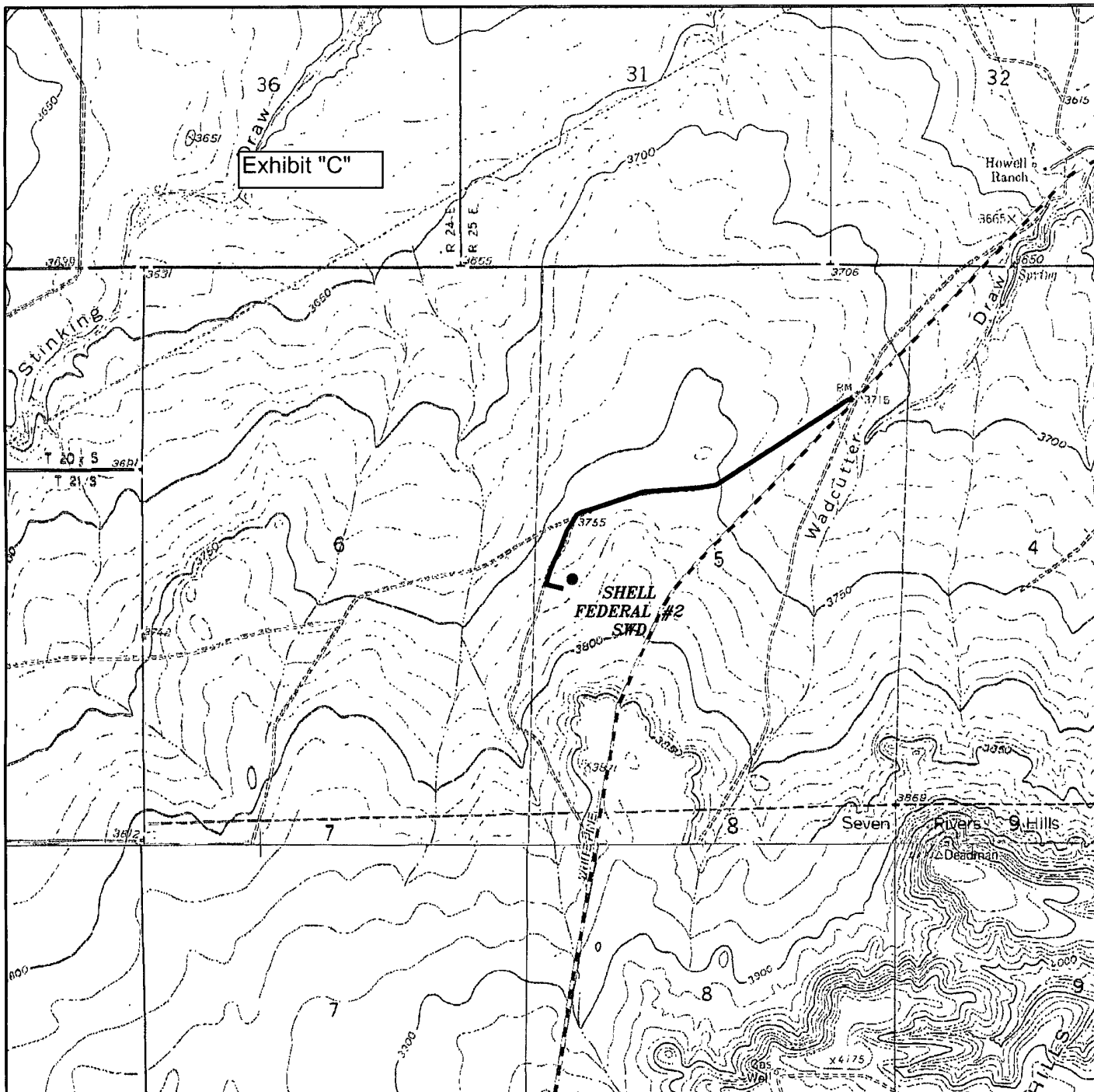
THE SHELL FEDERAL #2 SWD LOCATED 3300'

FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF

SECTION 5, TOWNSHIP 21 SOUTH, RANGE 24 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 03-25-2010 Sheet 1 of 1 Sheets



SHELL FEDERAL #2 SWD

Located 3300' FSL and 660' FWL

Section 5, Township 21 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 24595

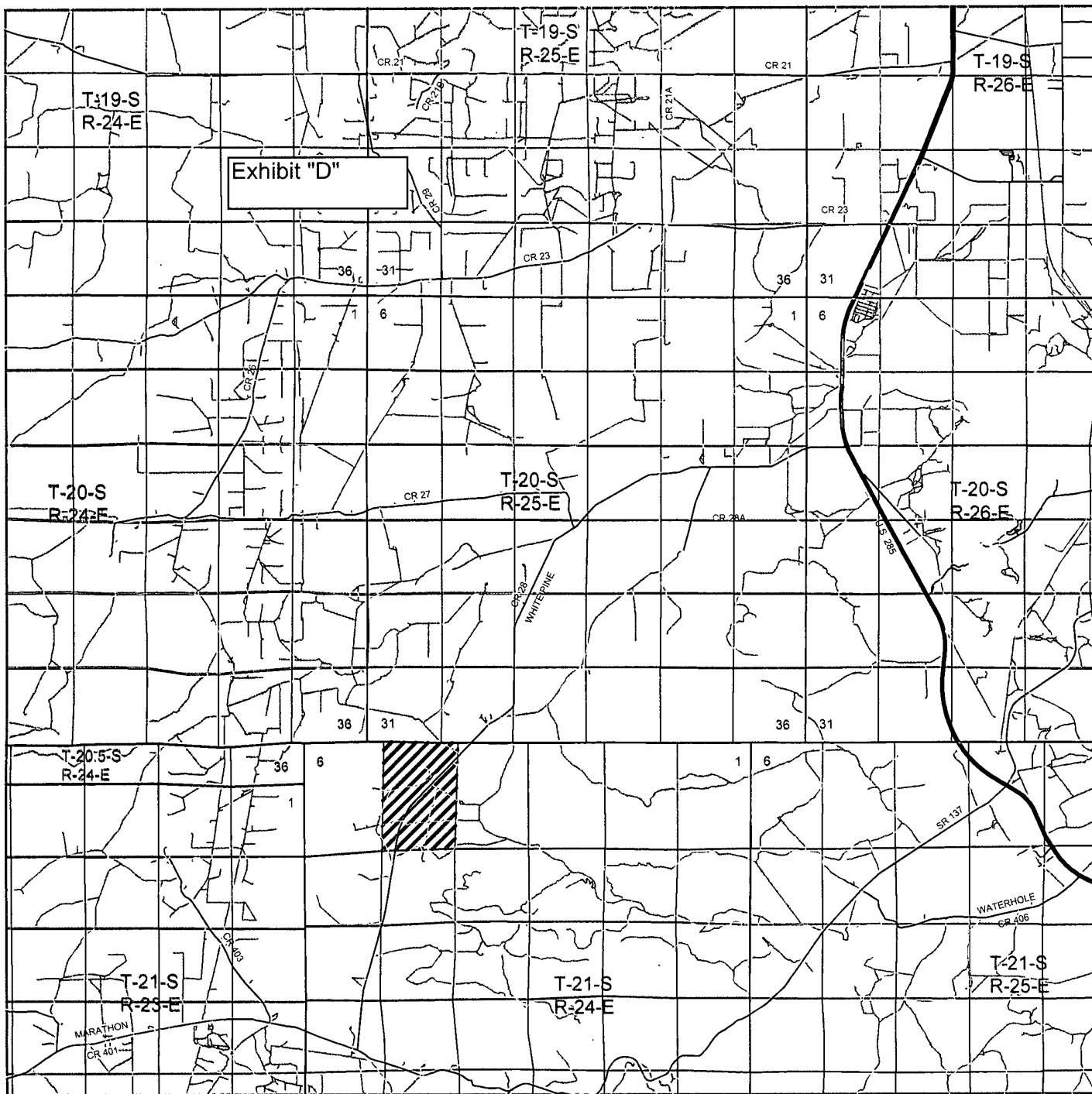
Survey Date: 03-25-2010

Scale: 1" = 2000'

Date: 04-08-2010



**FASKEN OIL
AND RANCH,
LTD**



SHELL FEDERAL #2 SWD

Located 3300' FSL and 660' FWL

Section 5, Township 21 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 24595

Survey Date: 03-25-2010

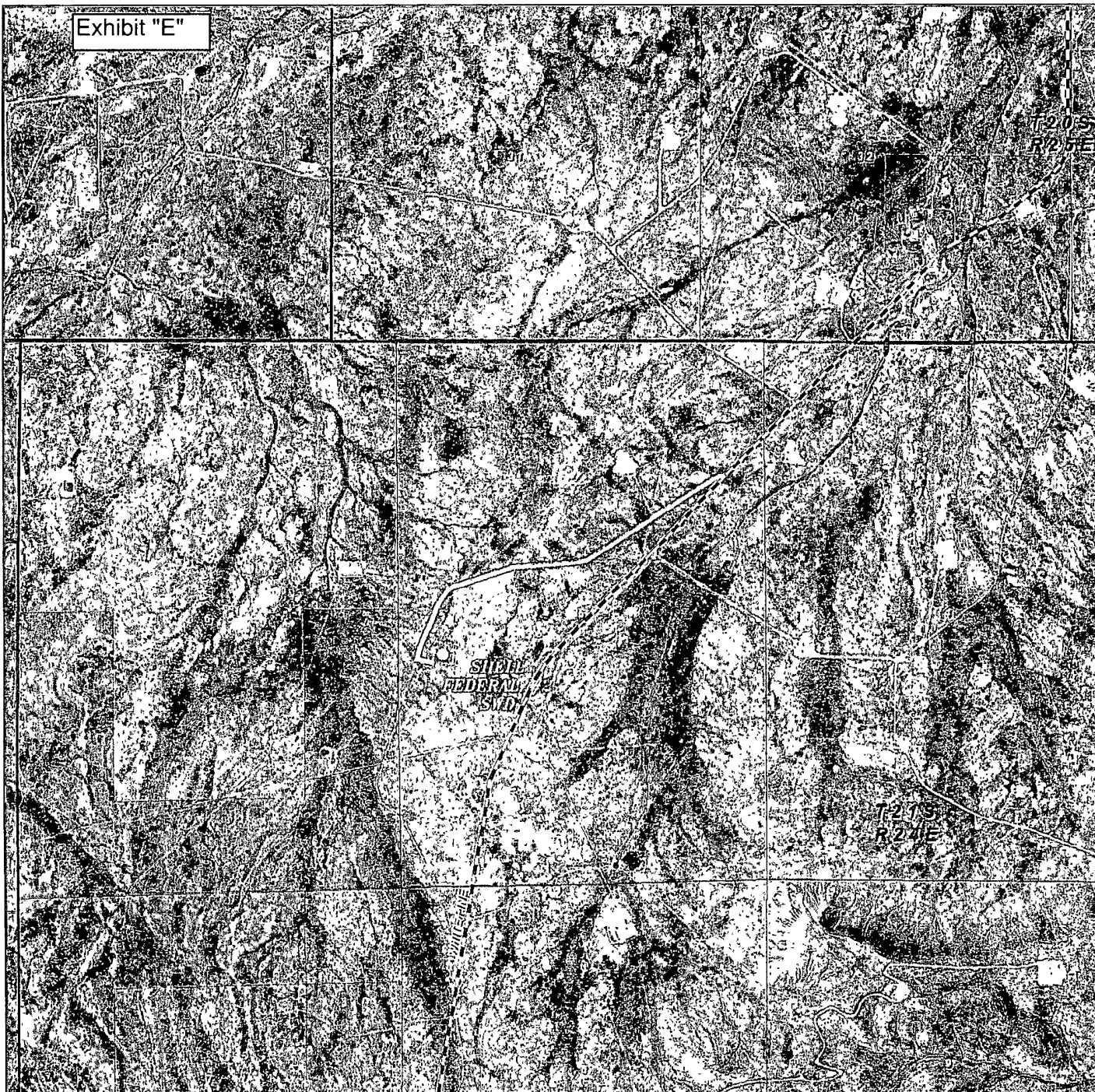
Scale: 1" = 2 Miles

Date: 04-08-2010



**FASKEN OIL
AND RANCH,
LTD**

Exhibit "E"



SHELL FEDERAL #2 SWD
Located 3300' FSL and 660' FWL
Section 5, Township 21 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

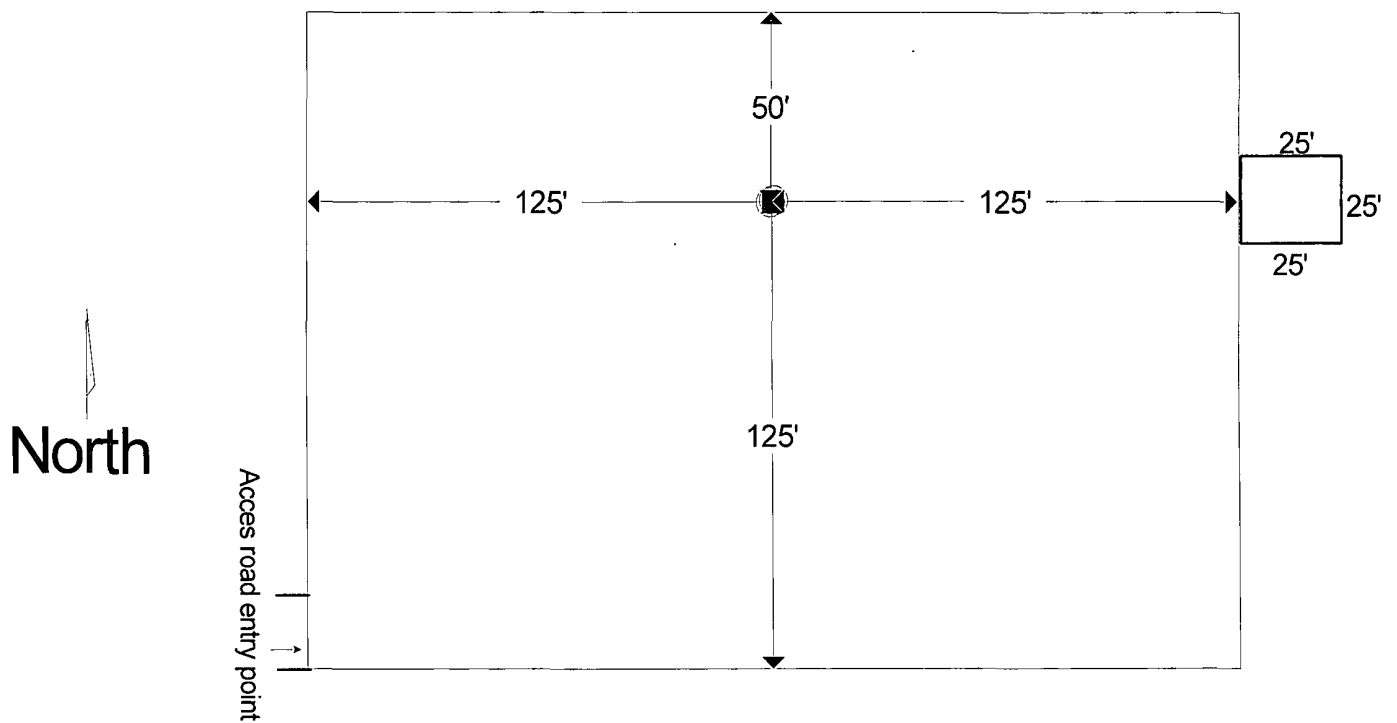
W.O. Number: JMS 24595

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

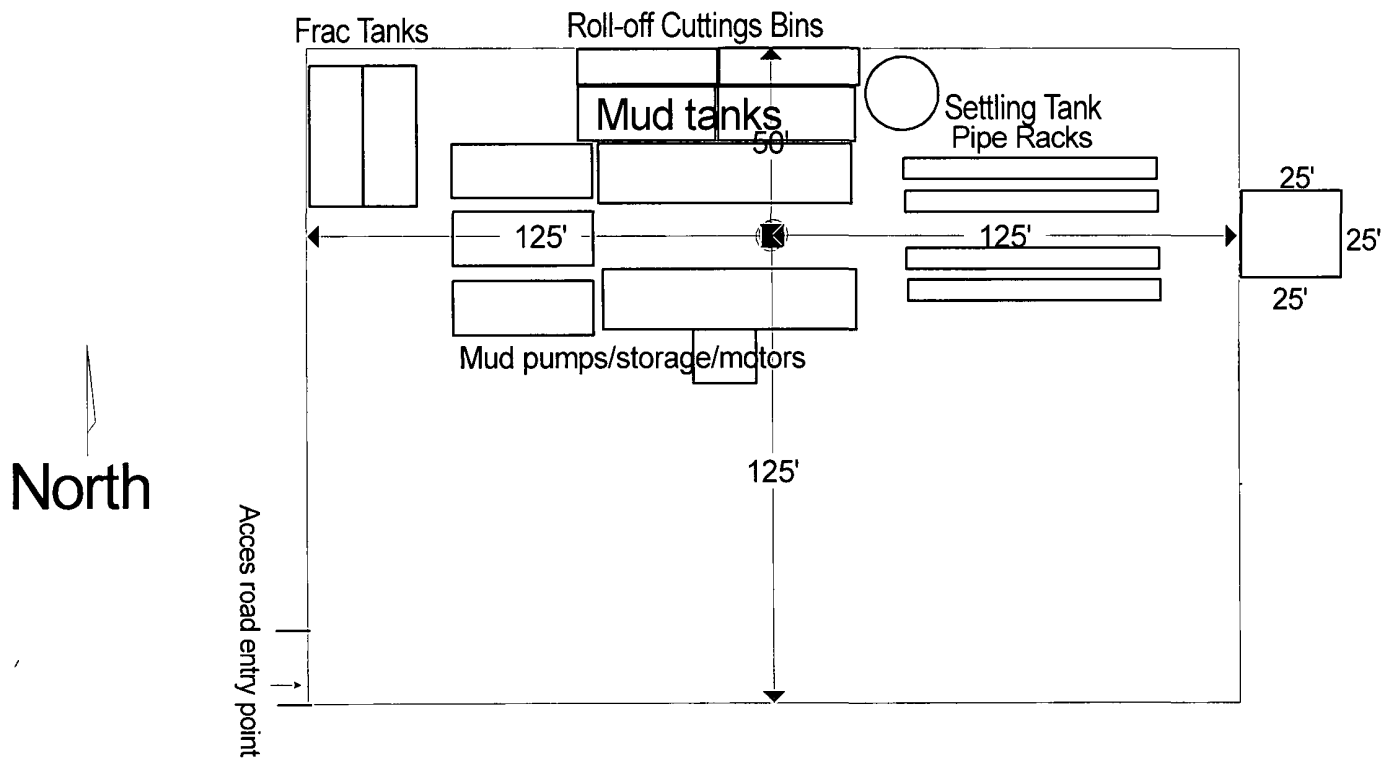
FASKEN OIL
AND RANCH,
LTD

Fasken Oil and Ranch, Ltd.
Shell Federal #2 SWD
Re-entry Wellsite Layout
"Exhibit F"



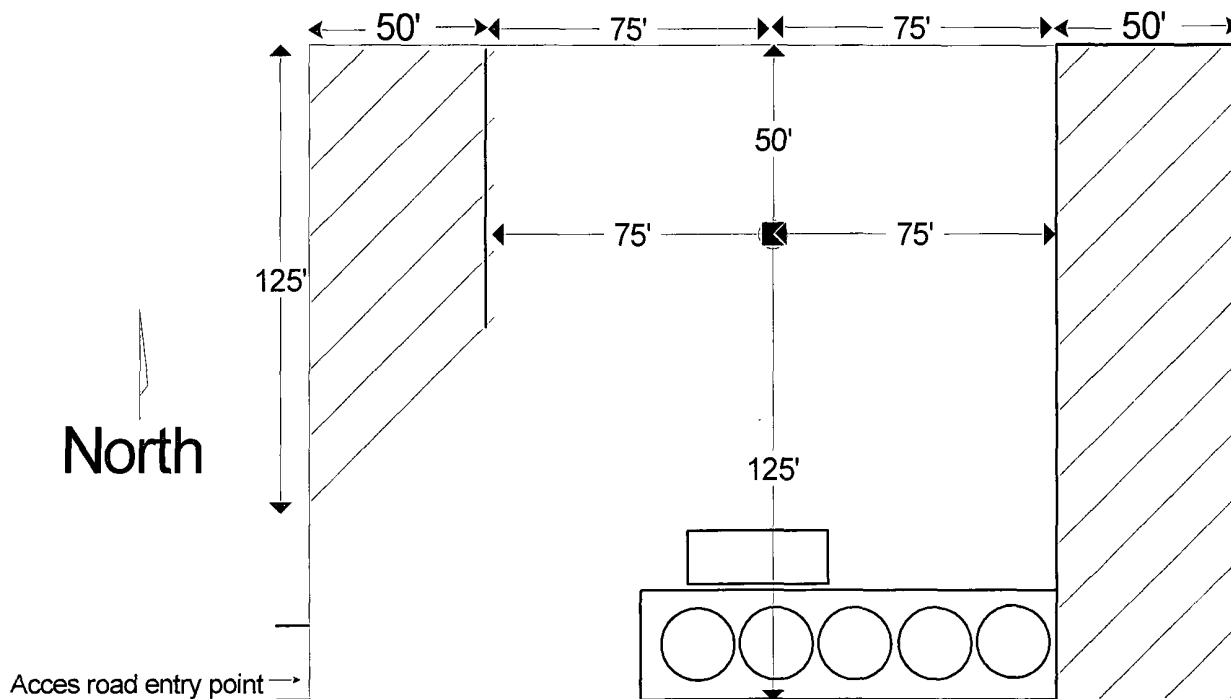
Fasken Oil and Ranch, Ltd. Shell Federal #2 SWD Re-entry Wellsite Layout "Exhibit G"

Note: A flare pit and reserve pit will not be constructed for this project.



Fasken Oil and Ranch, Ltd. Shell Federal #2 SWD Re-entry Wellsite Layout "Exhibit H" Production Facilities

Note: Hatched areas indicate portions of the location that will be reclaimed after drilling/completion operations are complete.



1-750 bbl tank
4-500 bbl tanks
1-triplex pump

Exhibit "I"

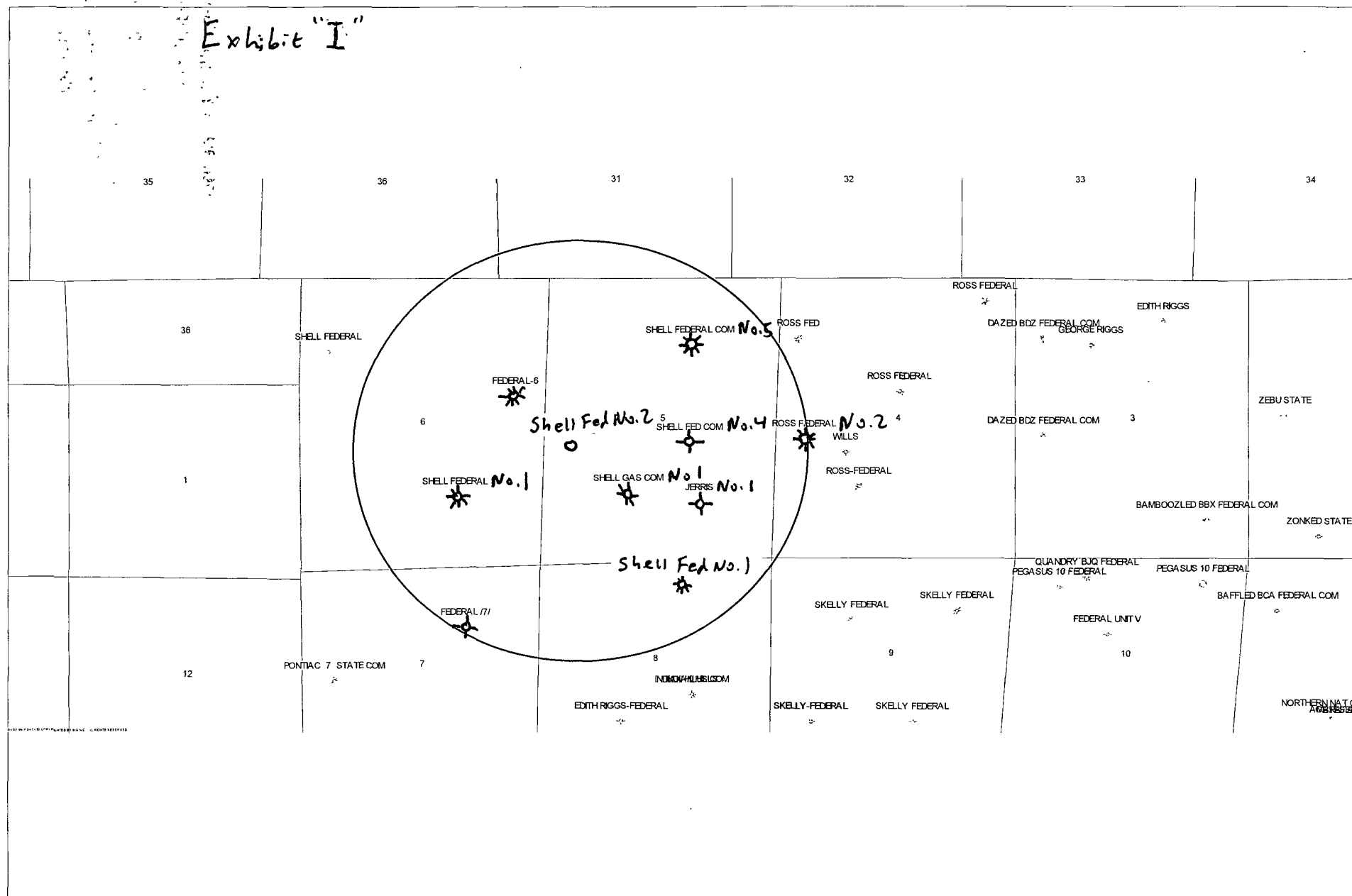
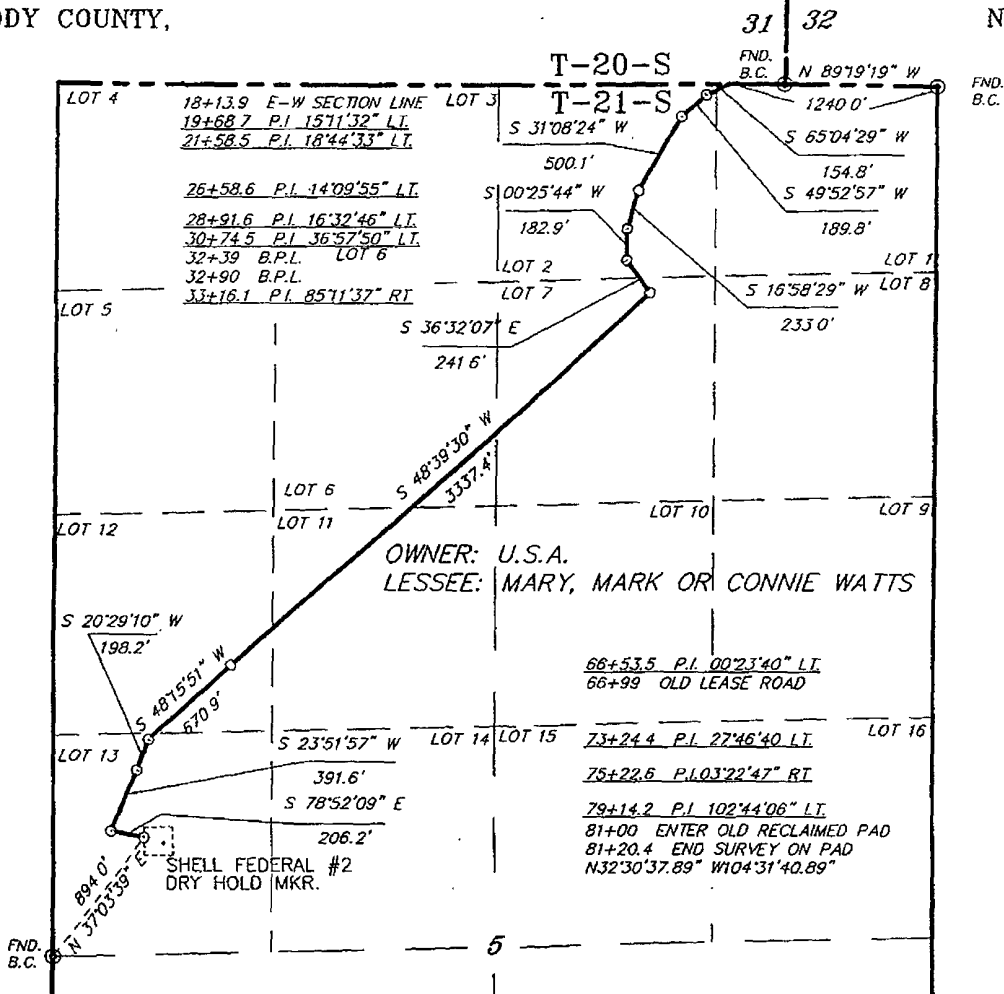


Exhibit "J"

SECTION 5, TOWNSHIP 21 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 21, TOWNSHIP 17 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

TOTAL 6306.5 FEET = 382.21 RODS = 1.19 MILES = 4.34 ACRES

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS THE REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES
No. 7977
No. 5074

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 23644 Drawn By: James Presley

Date: 11/16/10 Disk: JLP #1 - FAS23644

1000 0 1000 2000 FEET

FASKEN OIL AND RANCH, LTD

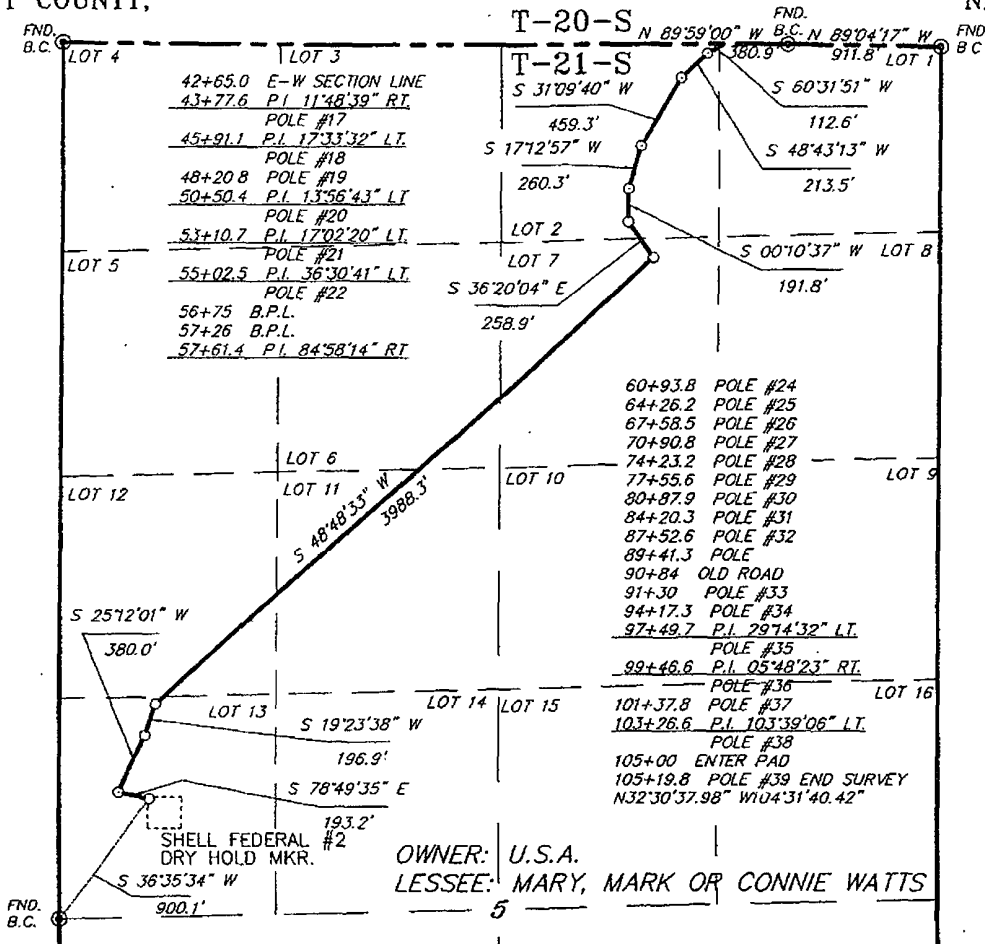
PROPOSED GAS & WATER PIPELINE TO FASKEN-DRY HOLD MKR.

A PIPELINE CROSSING U.S.A. LAND IN
SECTION 5, TOWNSHIP 21 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11/05/10 Sheet 2 of 2 Sheets

Exhibit "K"

SECTION 5, TOWNSHIP 21 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 5, TOWNSHIP 21 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

TOTAL 6254.8 FEET = 379.08 RODS = 1.18 MILES = 4.31 ACRES

I HEREBY CERTIFY THAT THIS SURVEY WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS THE REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THE STATE.

GARY L. JONES, No. 7977
No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23644 Drawn By: James Presley

Date: 11/16/10 Disk: JLP #1 - FAS23644

1000 0 1000 2000 FEET

FASKEN OIL AND RANCH, LTD

REF: PROPOSED ELECTRIC LINE TO THE FASKEN DRY HOLE MK.

A ELECTRIC LINE CROSSING U.S.A. LAND IN
SECTION 5, TOWNSHIP 21 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

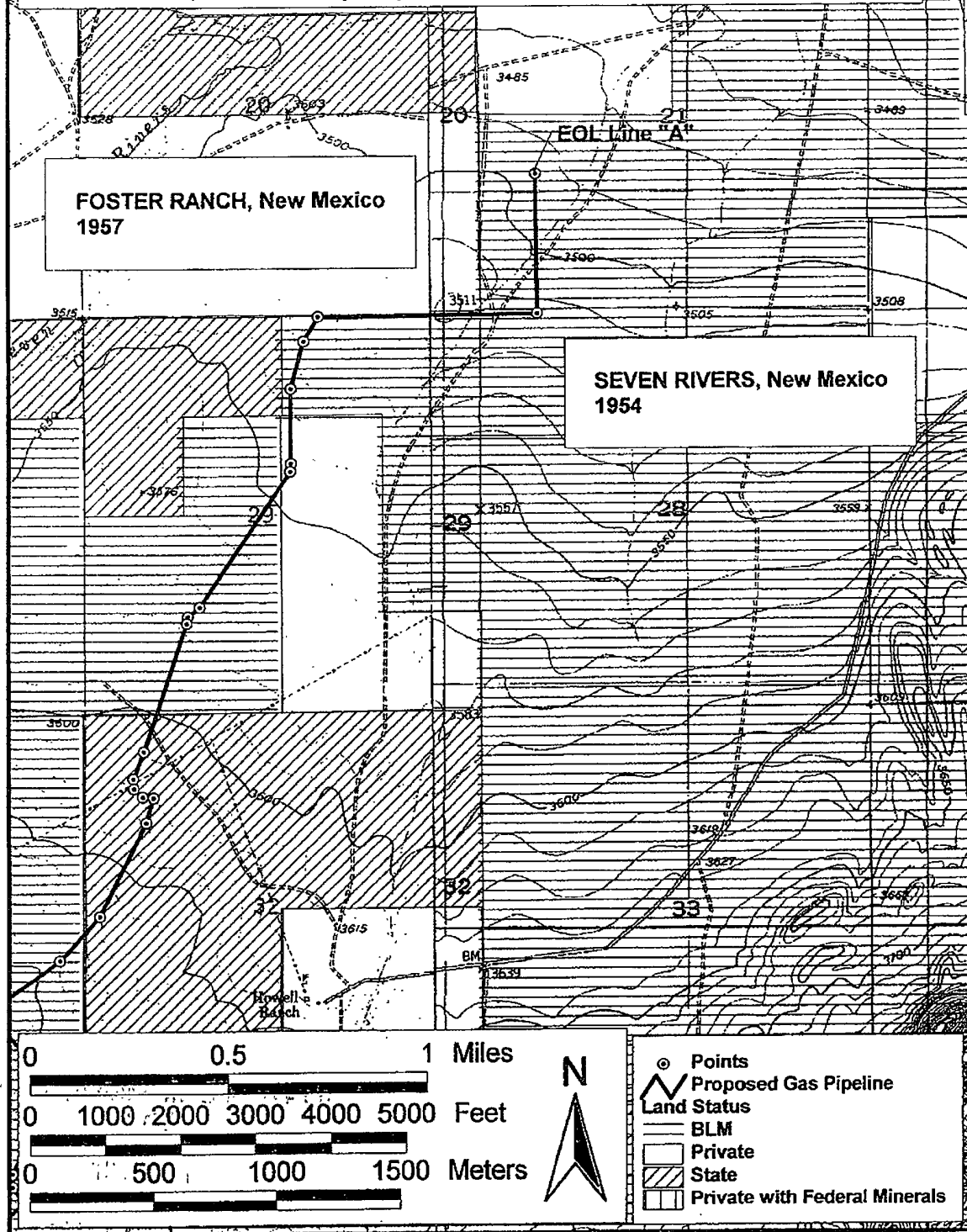
Survey Date: 11/5/10

Sheet 2 of 2 Sheets

Survey for Fasken Oil and Ranch, LTD's Proposed Utility Corridor to Serve an Overhead Electric Line, Gas Pipeline, and Salt Water Disposal Pipeline

Location Map: Sections 21, 28, 29, 31, and 32, T20S, R25E
 Section 26, T20S, R24E, and Section 5, T21S, R24E
 Map Reference: FOSTER RANCH, New Mexico (1957) 32104-D1
 SEVEN RIVERS, New Mexico (1954) 32104-E4

Page 1

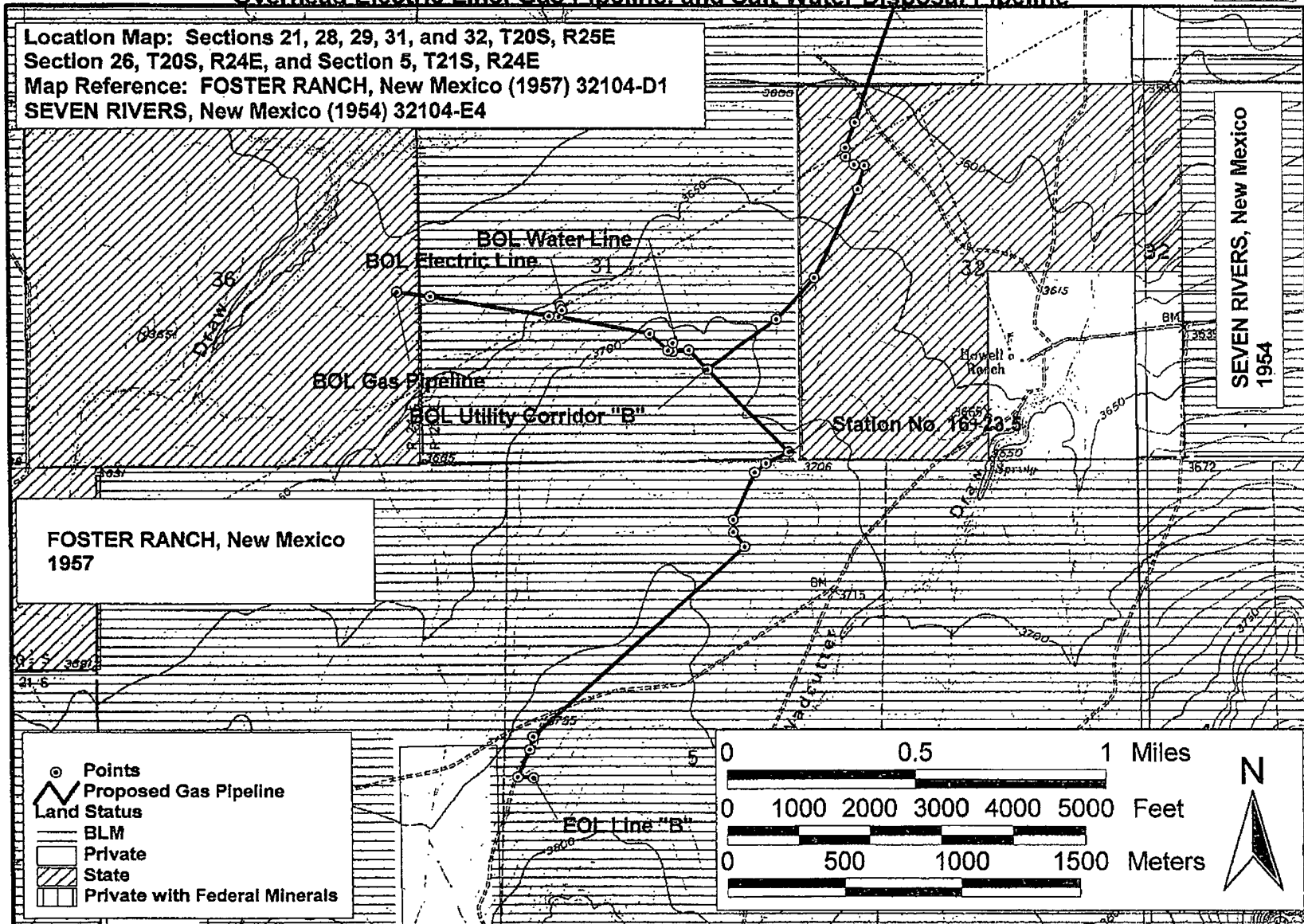


BAS 10-10-32

**Survey for Fasken Oil and Ranch, LTD's Proposed Utility Corridor to Serve an
Overhead Electric Line, Gas Pipeline, and Salt Water Disposal Pipeline**

Page 2

Location Map: Sections 21, 28, 29, 31, and 32, T20S, R25E
Section 26, T20S, R24E, and Section 5, T21S, R24E
Map Reference: FOSTER RANCH, New Mexico (1957) 32104-D1
SEVEN RIVERS, New Mexico (1954) 32104-E4



Google maps

To see all the details that are visible on the screen, use the "Print" link next to the map.



From Carlsbad, NM: Travel North on Highway 285. Turn left on White Pine Road (County Road No. 28). Travel 7.4 miles and take slight right onto caliche road. Travel South/Southwest 4 miles, then West .4 miles along existing oilfield road. Turn left and head South .25 miles. Turn left here, access road will begin here and travel East 200' to re-entry location.