SURFACE USE PLAN

XTO Energy, Inc.
Eunice Monument South Unit (EMSU) #262H
Surface Hole: 661' FSL & 663' FWL, Section 3, T. 21 S., R. 36 E.
Bottom Hole: 3080 FSL & 2160 FEL, Section 4, T. 21 S., R. 36 E.
Lea County, New Mexico

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: Go north of the intersection of State Highway 176 and State Highway 8 for 2.3 miles, turn right on County Road E-36 (Curry Road) for 560 ft., turn right for 0.2 miles on existing road to the existing well pad. All existing roads are either paved or a caliche lease road.

   B. See attached plats and maps provided by John West Surveying.

   C. The access routes to the well location is depicted on Surveyors plats.

   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.

   E. No right-of-way (ROW) is required to access this well due to surface being private back to nearest county road.

2. NEW OR RECONSTRUCTED ACCESS ROADS:

   A. No new access road is required.

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. In the event the well is found productive, there is an existing 3", buried fiberglass, production line at this well site (when the EMSU 262 was in production) that will be utilized to take production, east, to the EMSU Satelite #6 tie in the SE1/4SW1/4 of section 3.
   B. 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.
   C. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berns will be constructed or compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.

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 A shows the dimensions of the proposed well pad.
B. The proposed well pad size will be 200' x 200' (See Exhibit A). This will be drilling a horizotnal well from an existing well bore. The existing well pad will require a slight expansion to the size referenced above. 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. The John West Surveyor's plat, Form C-102 and Exhibit A, shows the existing pad and the proposed expansion.
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 top soil will be returned to the pad 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 pad will be very small and due to the need for space required for workover operations, will not be reclaimed and seeded as per BLM requirements for interim reclamation.

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 redisturbed 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 gullying, 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 to 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 Miller Deck Estate. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
B. An agreement has been reached with the Estate.

12. OTHER INFORMATION:

A. The area surrounding the well site is in a gentle sloped, shallow sandy loam, rolling hills type area. The vegetation consists of Mesquite, Yucca with three-awns and some dropseed species.
B. There is no permanent or live water in the immediate area.
C. There are dwellings within 1/4 mile of this location to the south.
D. A Class III Cultural Resources Examination has been completed by SMAS Services and the results will be forwarded to the BLM office.

13. BOND COVERAGE:

Bond Coverage is Nationwide; Bond Number UTB000138.

OPERATORS REPRESENTATIVE:

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

Surface:
Barry W. Hunt – Permit Agent
1403 Spring Farm Place
Carlsbad, NM 88220
(575) 885-1417 (Home)
(575) 361-4078 (Cell)

Drilling & Production:
Chip Amrock – XTO Energy, Inc.
200 N. Loraine, Suite 800
Midland, Tx. 79701
(432) 638-8372 (Office)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY 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 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 9 th day of February, 2012

Well: Eunice Moment South Unit #262H, Sec. 3, T21S, R36E, Lea Co., NM

Operator Name: XTO ENERGY INC

Signature: Tate Kale **Printed Name:** Tate Kale

Title: Drilling Manager Date:

Email (optional): tate_kale@xtoenergy.com

Street or Box: 200 N. Loraine St., Ste. 800

City, State, Zip Code: Midland, TX 79701

Telephone: 432-682-8873

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

Email (optional):

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

XTO ENERGY

December 8, 2010

To Whom It May Concern:

Mr. Barry Hunt is employed by XTO Energy Inc. to sign as their agent for APD's and Right of Ways in the state of New Mexico and Texas.

If you have any questions, please contact me at my office at 432-682-8873.

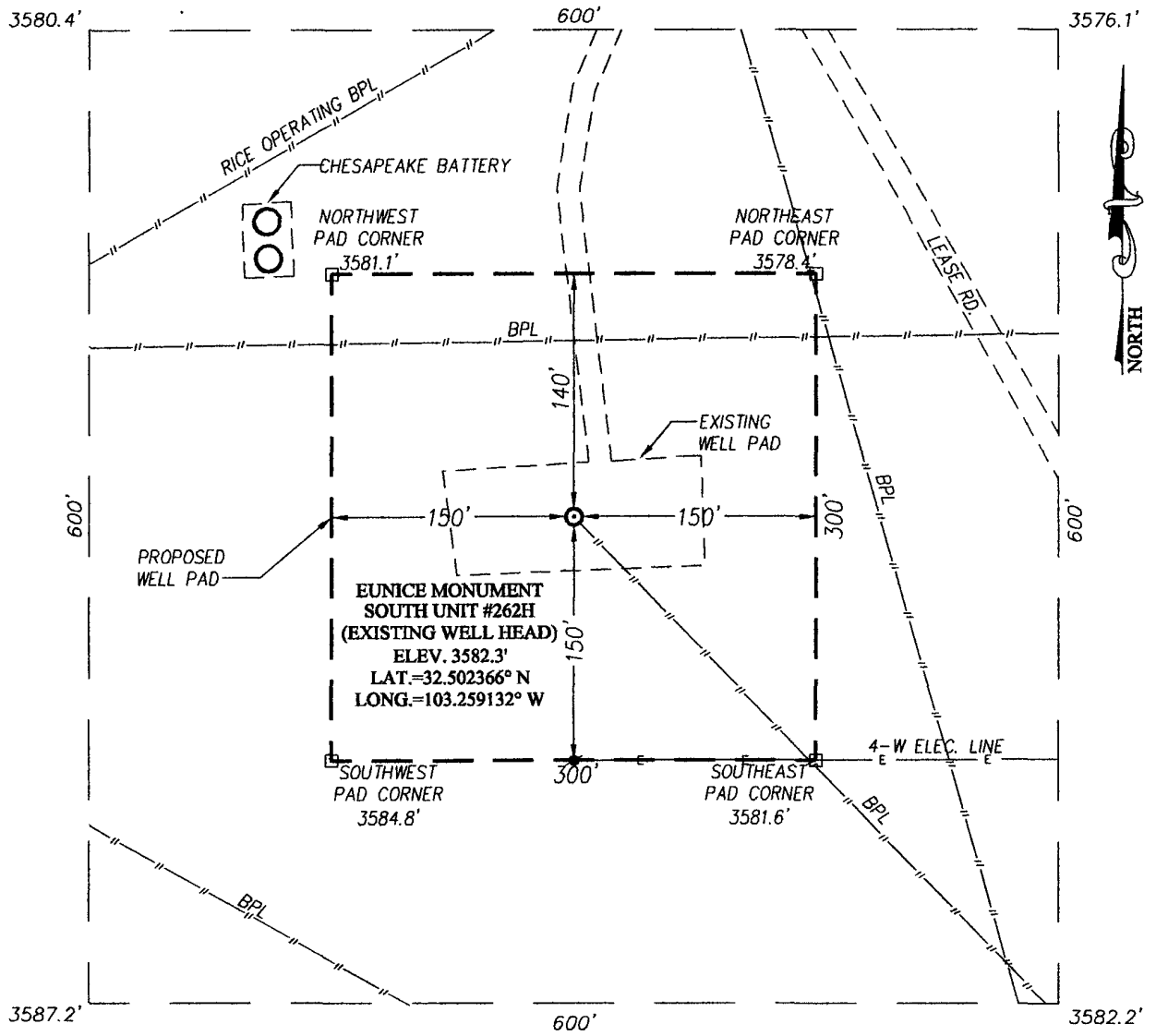
Sincerely,

Don Eubank
XTO Energy Inc.
Drilling Manager

XTO Energy Inc. · 200 North Loraine, Suite 800 · Midland, Texas 79701 · (432) 682-8873 · Fax: (432) 687-0862

SECTION 3, TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.

LEA COUNTY NEW MEXICO



100 0 100 200 Feet

Scale: 1"=100'

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #176 AND ST. #8 GO NORTH ON ST. HWY. #8 APPROX. 2.3 MILES. TURN RIGHT AND GO EAST ON CO. RD. E-36 APPROX. 560 FEET. THIS LOCATION IS APPROX 0.2 MILES SOUTH OF THE LEASE ROAD.

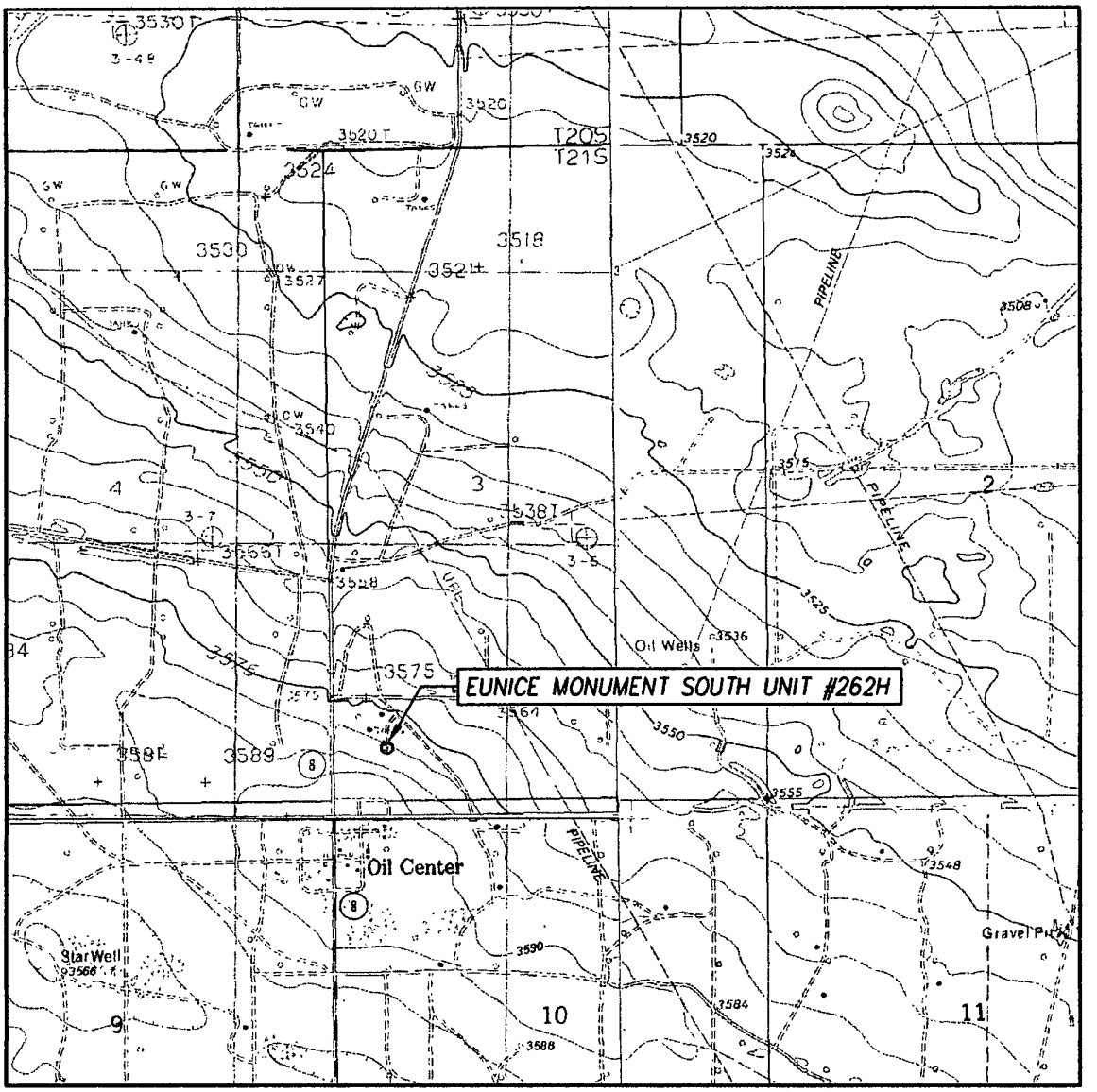
PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

XTO ENERGY

EUNICE MONUMENT SOUTH UNIT #262H WELL
LOCATED 661 FEET FROM THE SOUTH LINE
AND 663 FEET FROM THE WEST LINE OF SECTION 3,
TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 1/14/12	Sheet 1 of 1 Sheets		
W.O. Number: 12.11.0033	Dr. By: AF	Rev 1:	
Date: 1/30/12	Rel. W.O.: .	12110033	Scale: 1"=100'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MONUEMENT SOUTH, N.M. – 5'
OIL CENTER, N.M. – 10'
HOBBS SW, N.M. – 10'
EUNICE, N.M. – 5'

SEC. 3 TWP. 21-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 661' FSL & 663' FWL

ELEVATION 3582'

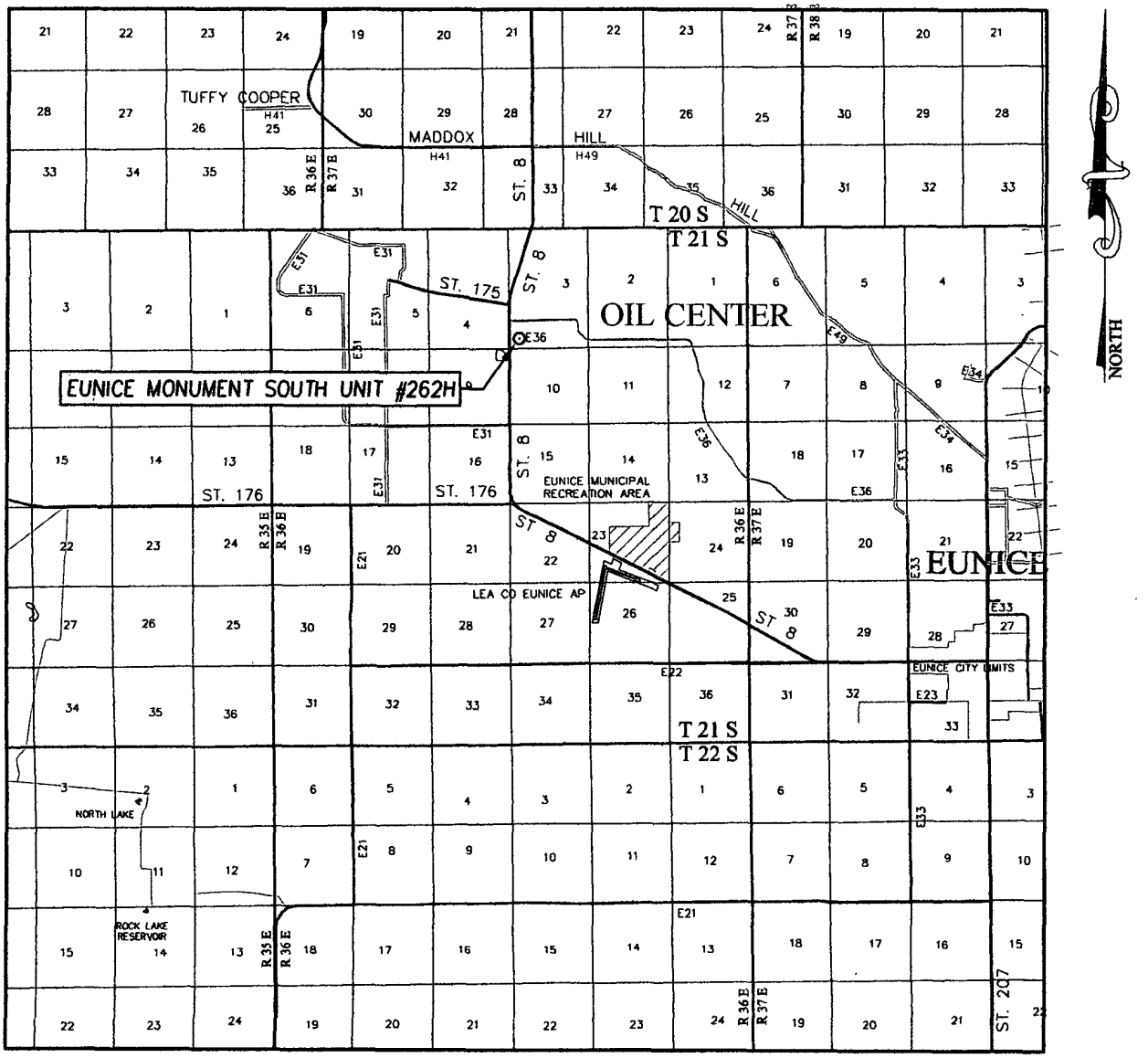
OPERATOR XTO ENERGY

LEASE EUNICE MONUMENT SOUTH UNIT

U.S.G.S. TOPOGRAPHIC MAP
MONUEMENT SOUTH, N.M.

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

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 3 TWP. 21-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 661' FSL & 663' FWL

ELEVATION 3582'

OPERATOR XTO ENERGY

LEASE EUNICE MONUMENT SOUTH UNIT

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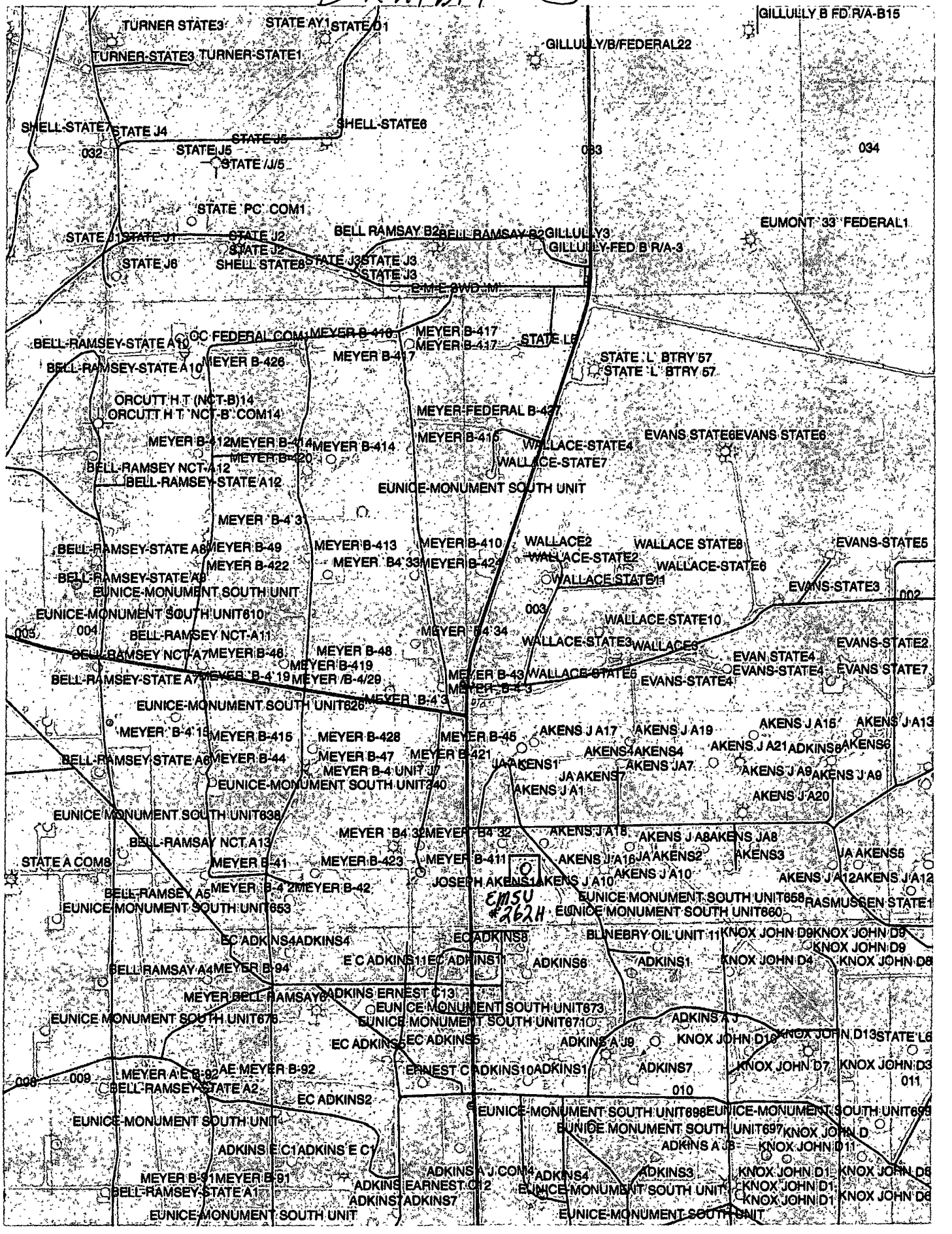
Exhibit B


TURNER STATE3
STATE AY1
STATE D1
GILLULLY B FD R/A-B15
TURNER-STATE3
TURNER-STATE1
GILLULLY/B/FEDERAL22
SHELL-STATE7
STATE J4
STATE J5
SHELL-STATE6
032
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034
STATE J5
STATE /J/5
STATE PC COM1
EUMONT 33 FEDERAL1
STATE J1
STATE J1
STATE J2
BELL RAMSAY B2
BELL RAMSAY B2
GILLULLY3
STATE J2
GILLULLY-FED B R/A-3
STATE J6
SHELL STATE8
STATE J3
STATE J3
STATE J3
E-M-E-3WD-M
MEYER B-416
MEYER B-417
BELL-RAMSEY-STATE A10
OC FEDERAL COM1
MEYER B-417
STATE L6
MEYER B-426
MEYER B-417
STATE L BTRY 57
BELL-RAMSEY-STATE A10
STATE L BTRY 57
ORCUTT H T (NCT-B)14
ORCUTT H T NCT-B COM14
MEYER-FEDERAL B-427
MEYER B-412
MEYER B-414
MEYER B-414
MEYER B-415
WALLACE-STATE4
EVANS STATE6
EVANS STATE6
MEYER B-420
WALLACE-STATE7
BELL-RAMSEY NCT-A12
BELL-RAMSEY-STATE A12
EUNICE-MONUMENT SOUTH UNIT
MEYER B-4 31
BELL-RAMSEY-STATE A8
MEYER B-49
MEYER B-413
MEYER B-410
WALLACE2
WALLACE STATE8
EVANS-STATE5
MEYER B-422
MEYER B4 33
MEYER B-42
WALLACE-STATE2
WALLACE-STATE6
BELL-RAMSEY-STATE A9
WALLACE STATE11
EVANS-STATE3
002
EUNICE-MONUMENT SOUTH UNIT
003
EUNICE-MONUMENT SOUTH UNIT610
WALLACE STATE10
005
004
BELL-RAMSEY NCT-A11
MEYER B4 34
WALLACE-STATE3
WALLACE3
EVANS-STATE2
BELL-RAMSEY NCT-A7
MEYER B-48
MEYER B-48
EVAN STATE4
MEYER B-419
EVANS-STATE4
EVANS STATE7
BELL-RAMSEY-STATE A7
MEYER B-4 19
MEYER /B-4/29
MEYER B-43
WALLACE-STATE5
EVANS-STATE4
MEYER B-4 3
EUNICE-MONUMENT SOUTH UNIT626
MEYER B-4 3
MEYER B-4 19
MEYER B-415
MEYER B-428
MEYER B-45
AKENS J A17
AKENS J A19
AKENS J A15
AKENS J A13
BELL-RAMSEY-STATE A6
MEYER B-44
MEYER B-47
MEYER B-421
AKENS4
AKENS4
AKENS J A21
ADKINS6
AKENS6
MEYER B-4 UNIT 7
JA AKENS1
AKENS JA7
AKENS J A9
AKENS J A9
EUNICE-MONUMENT SOUTH UNIT640
JA AKENS7
AKENS J A1
AKENS J A20
EUNICE MONUMENT SOUTH UNIT638
MEYER B4 32
MEYER B4 32
AKENS J A18
AKENS J A8
AKENS JA8
BELL-RAMSAY NCT A13
JA AKENS2
AKENS3
JA AKENS5
STATE A COM8
MEYER B-41
MEYER B-423
MEYER B-411
AKENS J A16
AKENS J A10
AKENS J A12
AKENS J A12
JOSEPH AKENS1
AKENS J A10
EUNICE MONUMENT SOUTH UNIT658
RASMUSSEN STATE1
BELL-RAMSEY A5
MEYER B-4 2
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EMSU #262H
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EUNICE MONUMENT SOUTH UNIT660
EC ADKINS4
ADKINS4
EC ADKINS8
BLINEBRY OIL UNIT 11
KNOX JOHN D9
KNOX JOHN D9
KNOX JOHN D9
BELL RAMSAY A4
MEYER B 94
E C ADKINS11
EC ADKINS1
ADKINS6
ADKINS1
KNOX JOHN D4
KNOX JOHN D8
MEYER BELL RAMSAY6
ADKINS ERNEST C13
EUNICE MONUMENT SOUTH UNIT673
EUNICE MONUMENT SOUTH UNIT676
EUNICE MONUMENT SOUTH UNIT671
ADKINS A J
EC ADKINS5
EC ADKINS5
ADKINS A J9
KNOX JOHN D10
KNOX JOHN D13
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008
009
MEYER A E B-92
AE MEYER B-92
ERNEST C ADKINS10
ADKINS1
ADKINS7
KNOX JOHN D7
KNOX JOHN D3
011
BELL-RAMSEY-STATE A2
EC ADKINS2
010
EUNICE-MONUMENT SOUTH UNIT698
EUNICE-MONUMENT SOUTH UNIT699
EUNICE-MONUMENT SOUTH UNIT
EUNICE MONUMENT SOUTH UNIT697
KNOX JOHN D
ADKINS E C1
ADKINS E C1
ADKINS A J8
KNOX JOHN D11
MEYER B-91
MEYER B-91
ADKINS A J COM4
ADKINS4
ADKINS3
KNOX JOHN D1
KNOX JOHN D8
BELL-RAMSEY-STATE A1
ADKINS EARNEST C12
EUNICE MONUMENT SOUTH UNIT
KNOX JOHN D1
ADKINS ADKINS7
KNOX JOHN D1
KNOX JOHN D6
EUNICE-MONUMENT SOUTH UNIT
EUNICE-MONUMENT SOUTH UNIT