

SURFACE USE PLAN

30-015-39191

OGX RESOURCES, LLC.
CANVAS BACK "13" FEDERAL # 1H
UNIT "D" SECTION 13
T24S-R31E LEA 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 to BLM specifications.
- B. Exhibit "A" shows the proposed well site as staked.
- C. Directions to location: From Hobbs New Mexico take U. S. Hi-way 62-180 West 38± miles to CR-C29 turn Left (South) go 21.5 Miles to State Hi-way 128, turn Left (East) go 1.9 miles to CR-786 (Buck Jackson Road), turn Right go approximately 1 mile turn Right go .28 miles, turn Left go .22 miles, turn Right go .25 miles to well location, turn Left go approximately 600' to location on the Right.
- D. Exhibit "C" is a topographic map showing existing and proposed roads. Tank battery will be constructed on location and if powerlines are required they will follow existing roads to location.

2. PLANNED ACCESS ROADS: Approximately 600' of new road will be constructed.

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

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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 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 in the area is relatively flat with low lying sand dunes with an occasional blowout. The area has a slight dip to the Northwest.
- B. Vegetation in the area consists of mesquite, shinnery oak, sunflower and native grasses.
- C. The surface and the minerals are owned by The U. S. Department of Interior and is administered by The Bureau of Land Management. The surface is used to graze livestock and for the production of oil and gas.
- D. The Permian Basin MOA will be used in lieu of an archaeological survey.
- E. There are no known water well or dwellings in the immediate area of this location.

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.

OPERATOR'S REPRESENTATIVES:

BEFORE CONSTRUCTION

TIERRA EXPLORATION, INC.

P.O. BOX 2188

HOBBS, NEW MEXICO 88241

JOE JANICA 575-391-850

DURING AND AFTER CONSTRUCTION

OGX RESOURCES, LLC.

P. O. BOX 2064

MIDLAND, TEXAS 79702

JEFF BIRKELBACH 432-685-1287

NAME

Joe T. Janica

Permit Eng.

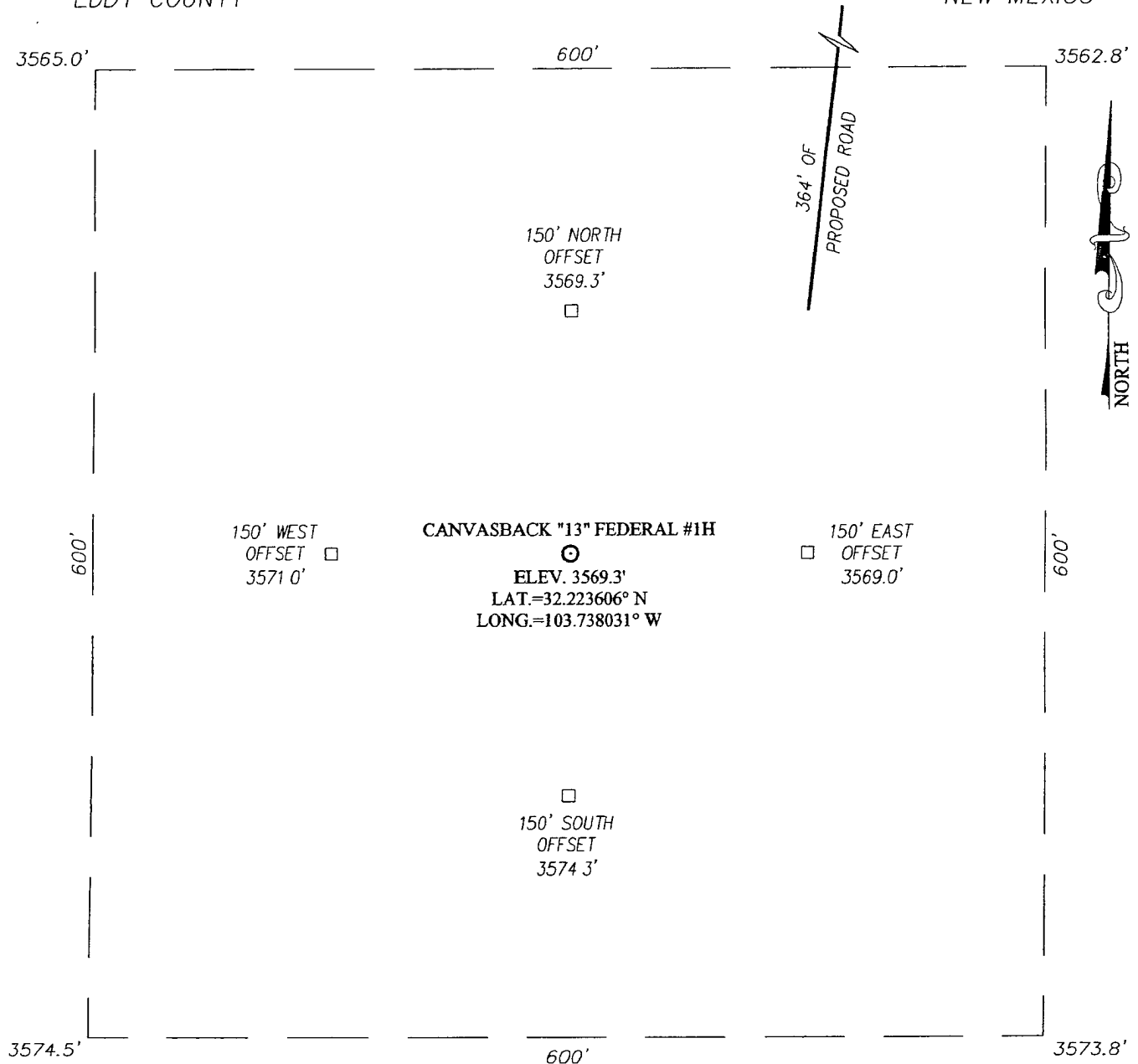
TITLE

04/01/11

DATE

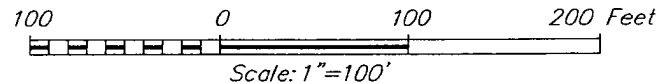
SECTION 13, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.

EDDY COUNTY NEW MEXICO



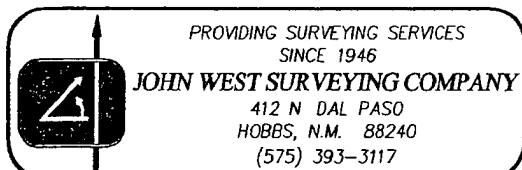
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #128 AND CO. RD. #786 (BUCK JACKSON RD.), GO SOUTHWEST ON CO. RD. 786 APPROX. 1 MILE. TURN RIGHT AND GO NORTHWEST APPROX. 0.28 MILES. TURN LEFT AND GO SOUTH APPROX. 0.22 MILES. TURN RIGHT AND GO WEST APPROX. 0.25 MILES TO THE EXISTING SEABISCUIT FEDERAL COM #1 WELL. FROM THE SOUTHEAST CORNER OF THE EXISTING SEABISCUIT FEDERAL COM #1 WELL PAD, FOLLOW PROPOSED ROAD SURVEY STAKES SOUTH APPROX 364 FEET THIS LOCATION STAKE IS APPROX. 212 FEET SOUTHWEST.



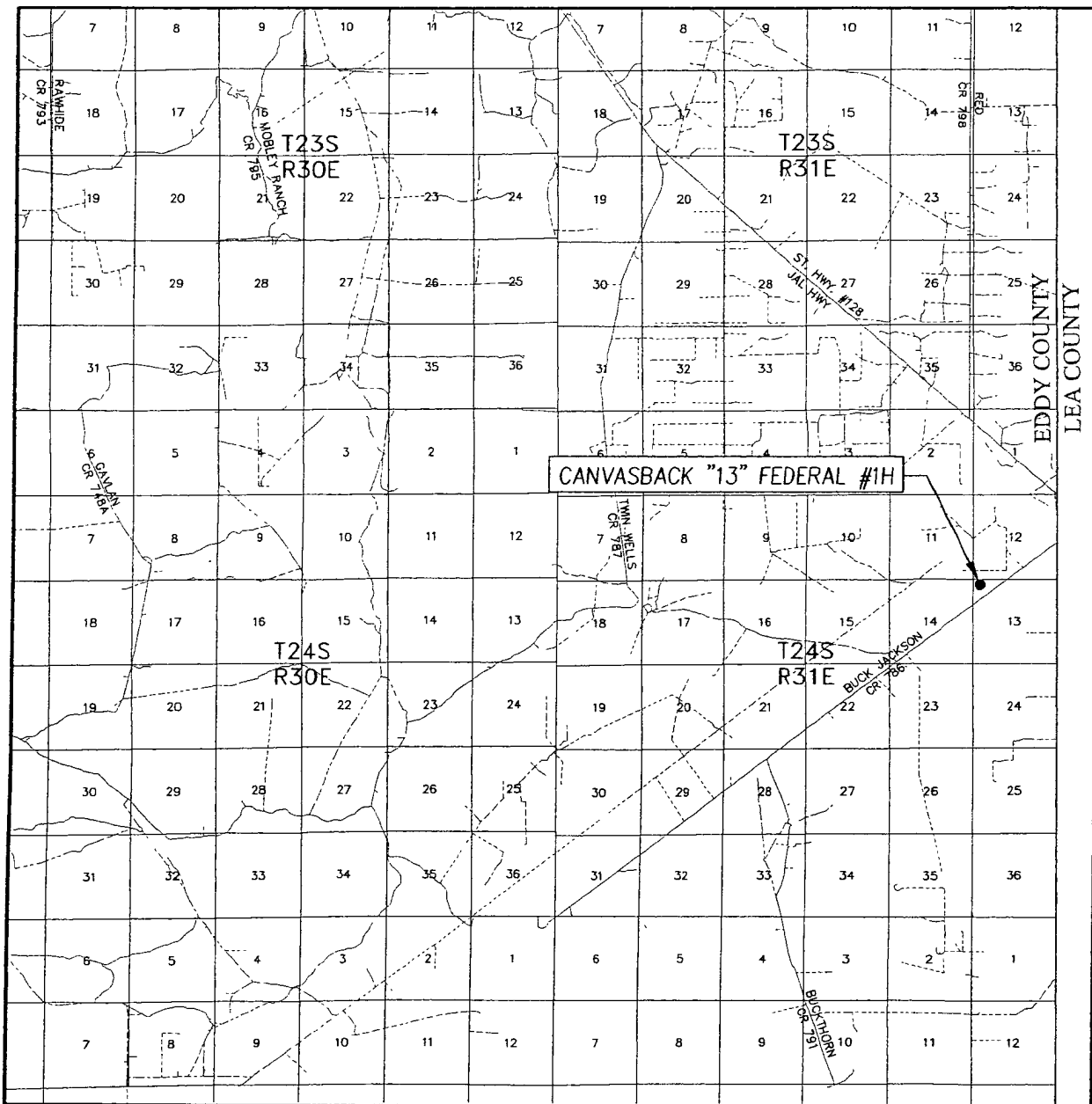
OGX RESOURCES

CANVASBACK "13" FEDERAL #1H WELL
LOCATED 330 FEET FROM THE NORTH LINE
AND 480 FEET FROM THE WEST LINE OF SECTION 13,
TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



Survey Date: 11/5/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1582	Dr. By: DSS
Date: 11/12/10	Rel. W.O.: 10111582
	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 13 TWP. 24-S RGE. 31-E

SURVEY N.M.P.M.

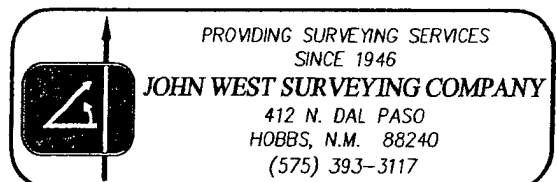
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 330' FNL & 480' FWL

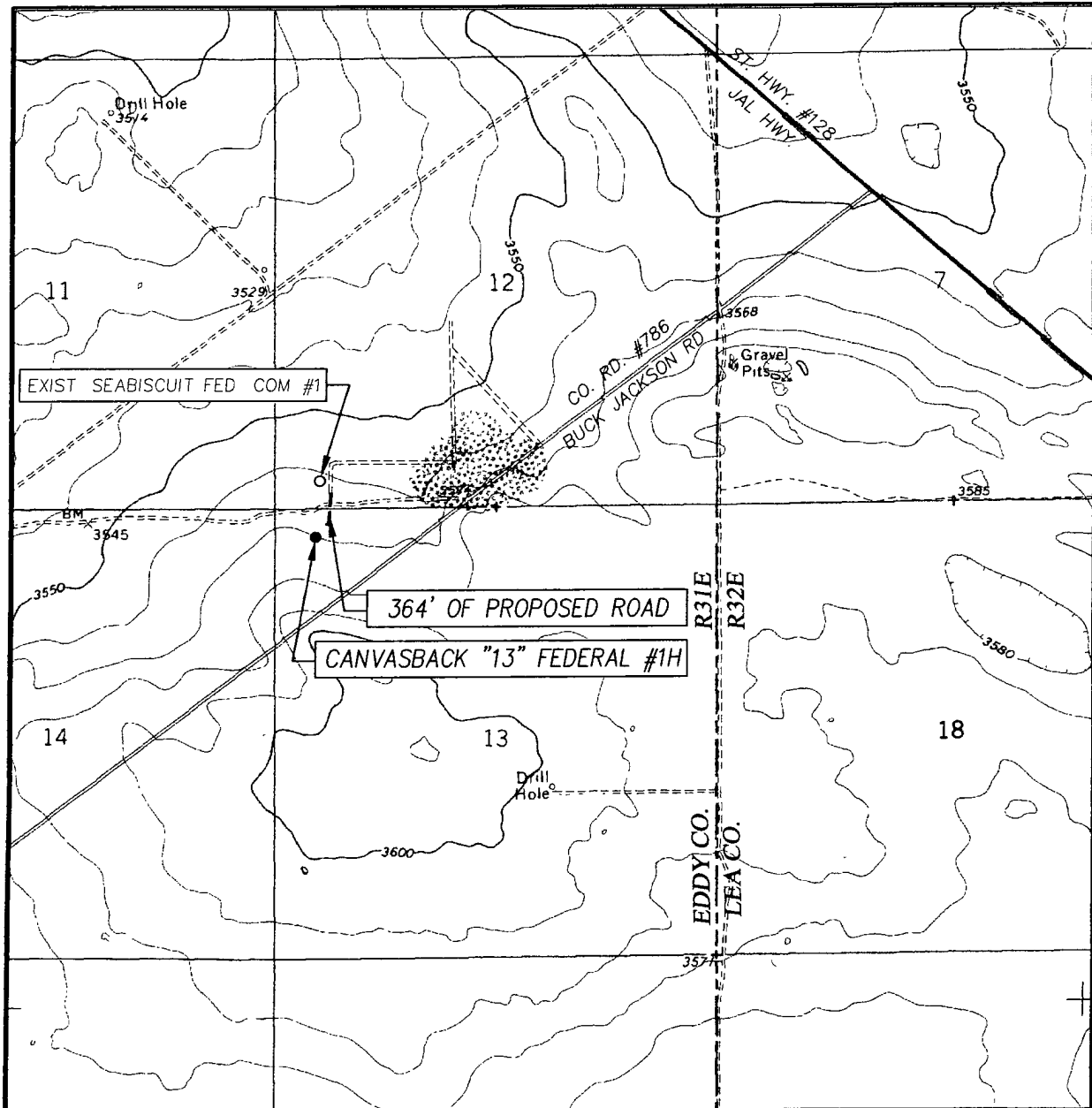
ELEVATION 3569'

OPERATOR OGX RESOURCES

LEASE CANVASBACK "13" FEDERAL



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
PADUCA BREAKS NW, N.M. - 10'

SEC. 13 TWP. 24-S RGE. 31-E

SURVEY N.M.P.M

COUNTY EDDY STATE NEW MEXICO

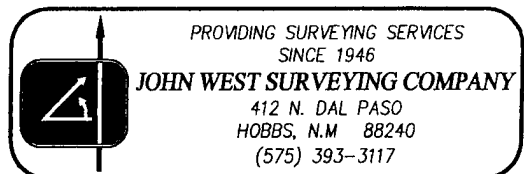
DESCRIPTION 330' FNL & 480' FWL

ELEVATION 3569'

OPERATOR OGX RESOURCES

LEASE CANVASBACK "13" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
PADUCA BREAKS NW, N.M.



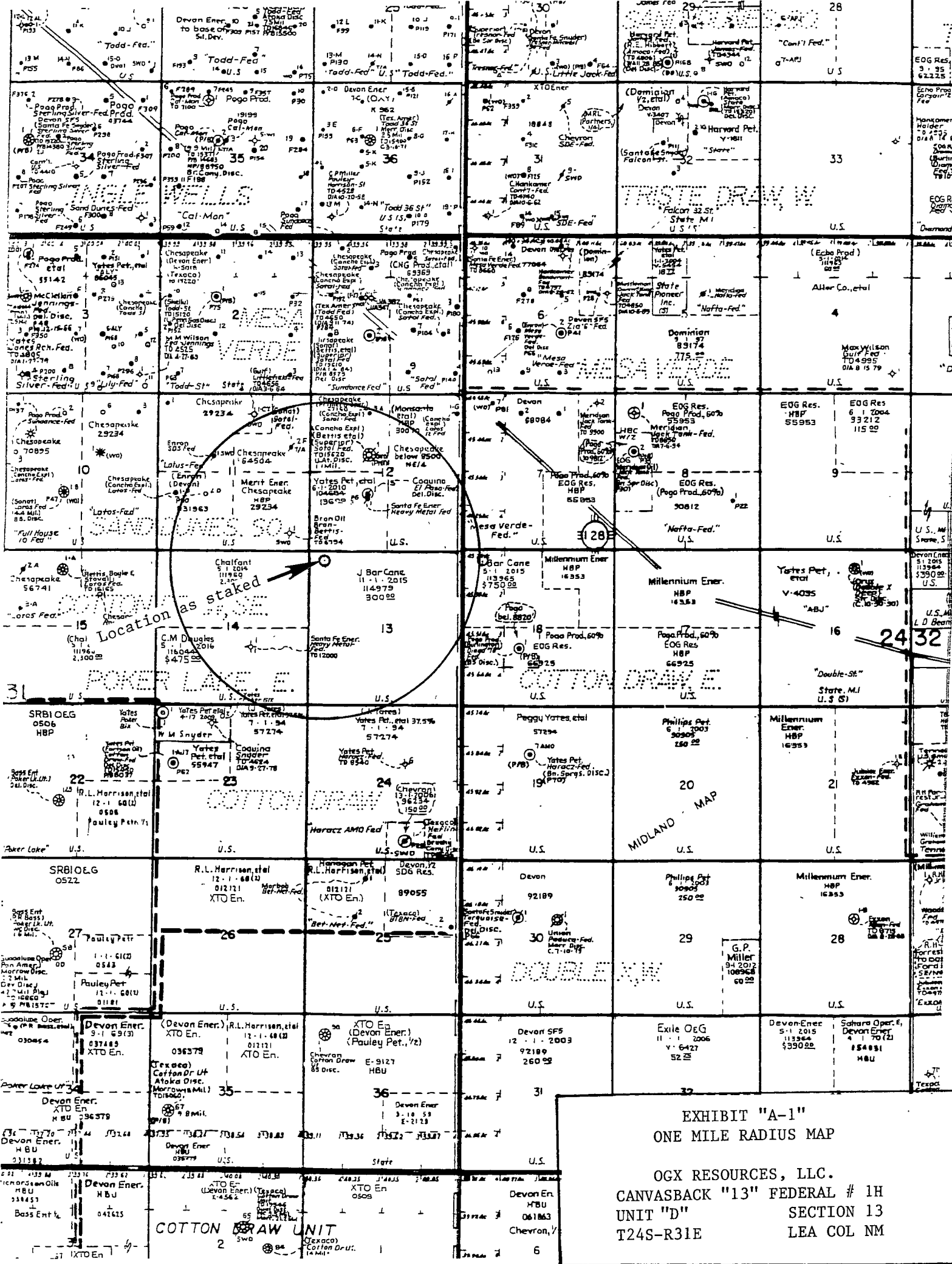


EXHIBIT "A-1"
ONE MILE RADIUS MAP
OGX RESOURCES, LLC.
CANVASBACK "13" FEDERAL # 1H
UNIT "D" SECTION 13
T24S-R31E LEA COL NM

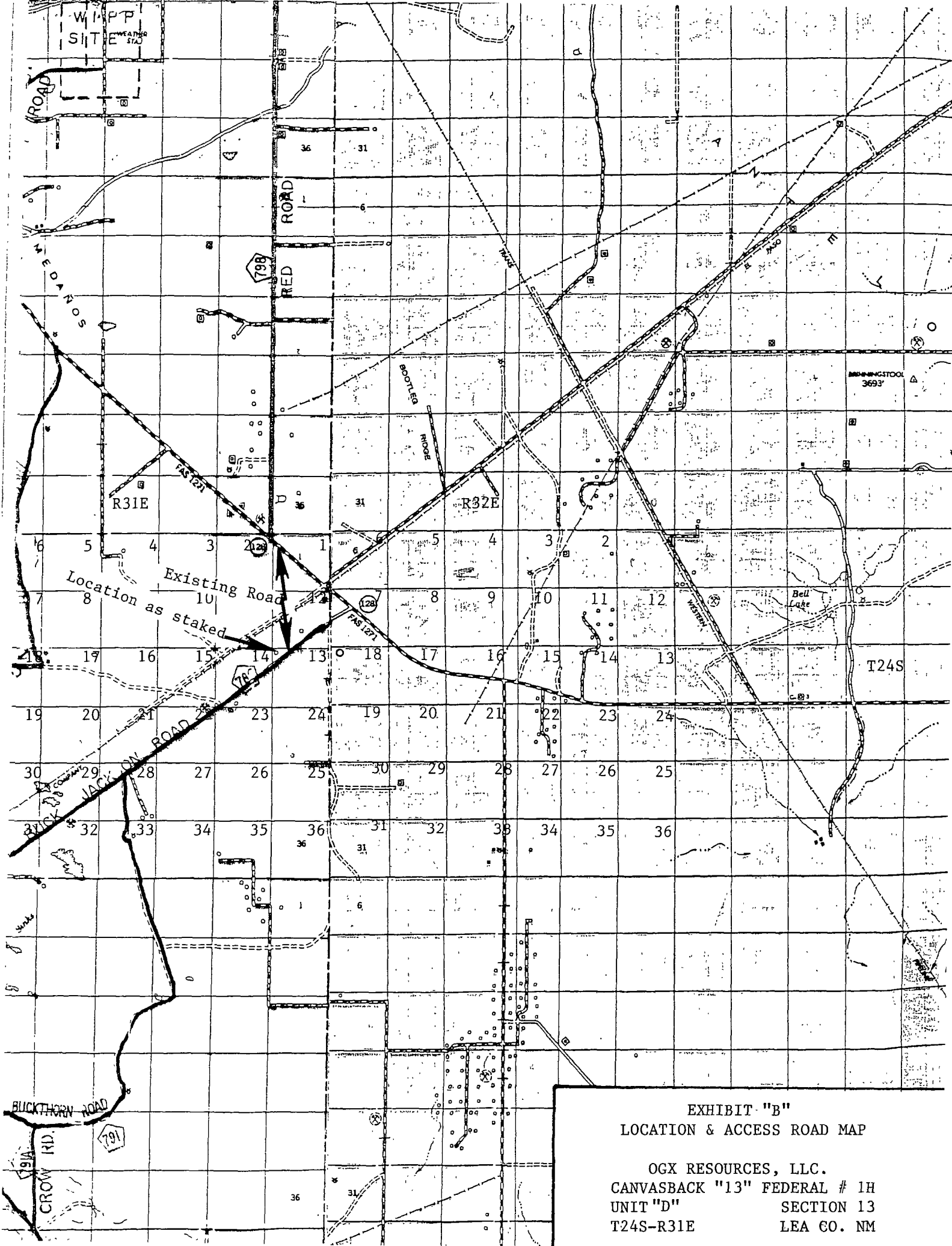


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

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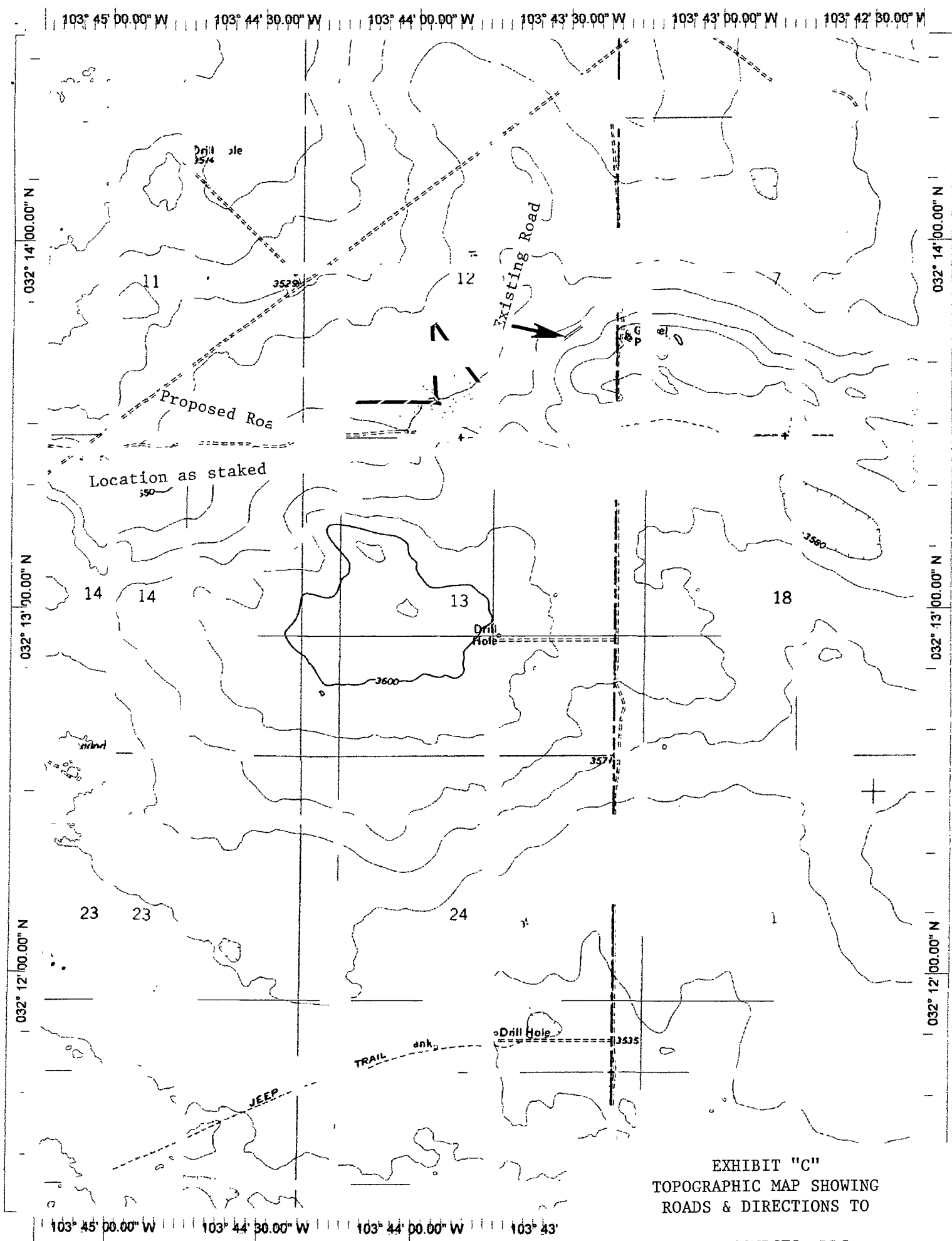


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

OGX RESOURCES, LLC.
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