



Form 3160-5
(August 2009)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NM-14778
6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
OGX RESOURCES, LLC

3a Address
P O BOX 2064
MIDLAND, TX 79702

3b. Phone No. (include area code)
432-685-1287

7 If Unit of CA/Agreement, Name and/or No

8 Well Name and No
MESCAL "22" FEDERAL #2H

9. API Well No.
30-015-37949

10. Field and Pool or Exploratory Area
CORRAL DRAW - BONE SPRINGS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
880 FSL & 560 FEL
SEC 22 / T25S / R29E

11 Country or Parish, State
EDDY CO. NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CONSTRUCT
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	FRAC POND

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

280' x 280' 2 Fast 7-20-10

OGX Resources wishes to amend the surface Use Plan for the captioned well to include one 250'L x 200'W x 12'D fresh water frac reservoir. The reservoir will be approximately 40' off of the east side of location. The reservoir will contain fresh water only without any added chemicals. It will also be fenced for the safety of livestock in the area and to prevent illegal dumping of produced water. An archaeological report covering the proposed disturbed area will be submitted to the BLM as soon as it becomes available. Please note the attached plat.

Thank You

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)

JEFF BIRKELBACH

Title ENGINEERING MANAGER

Signature

Date

6/21/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

FOR
FIELD MANAGER

Title

Date

JUL 26 2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MZ

GA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

I&E - CFO

RECEIVED

JUL 30 2010

NMOC D ARTESIA

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OMB No 1004-0137
Expires July 31, 2010

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MESCAL "22" FEDERAL #2H

9 API Well No. 3001537949

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SEC 22 / T25S / R29E

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OGX wishes to suplimment the original sundry notice (6/21/10) to include the attached:

- 1) detailed schematic of the frac pond construction
- 2) survey of the BLM witnessed/approval location of frac pond

Also, this frac pond will service our approved Patron 23 Fed #1H and all subsequent wells in sections 23, 24, and 25 (25S/29E). Additionally, this pond's use will be offered to offset operators as scheduling permits.

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed)

JEFF BIRKELBACH

Title ENGINEERING MANAGER

Signature

Date

JUL 27, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

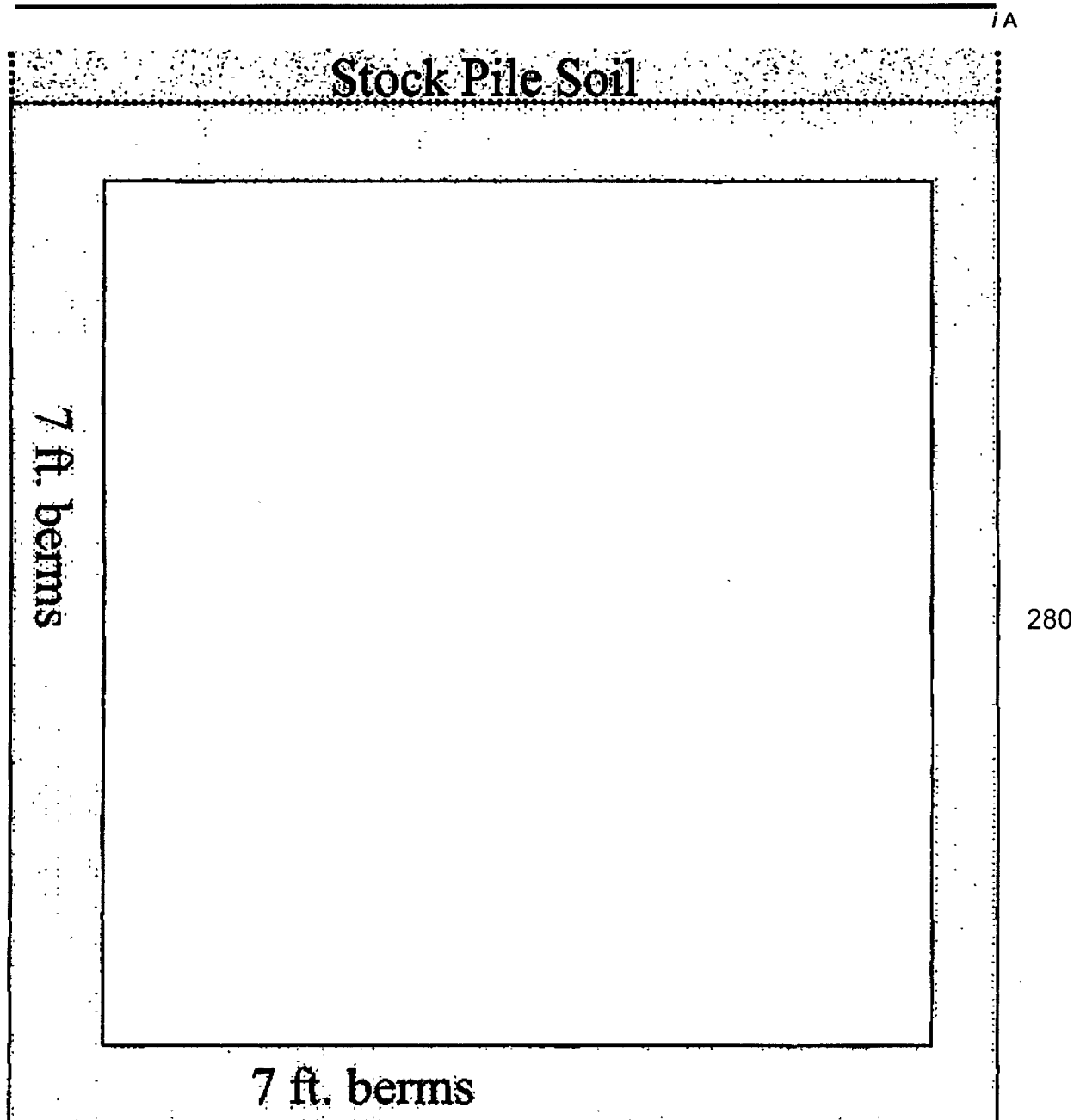
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

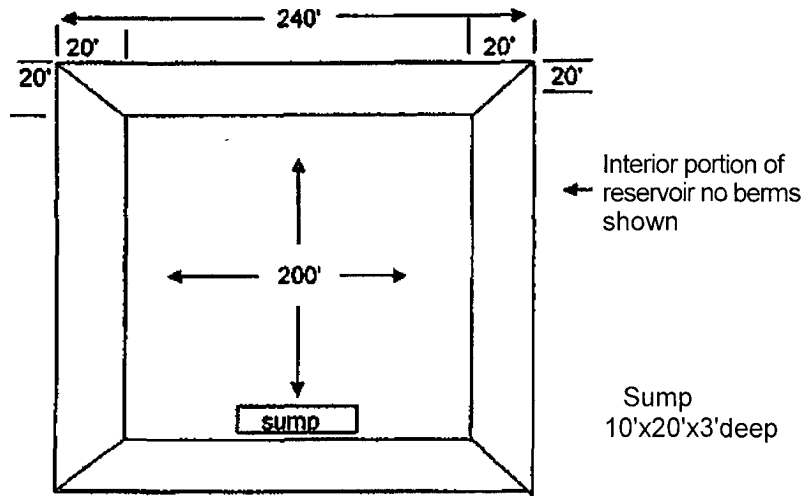
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

OGX Resources LLC
Mescal "22" Fed # 2H
FRAC PIT
Section 22,T-25-S, R-29-E
Eddy County, NM



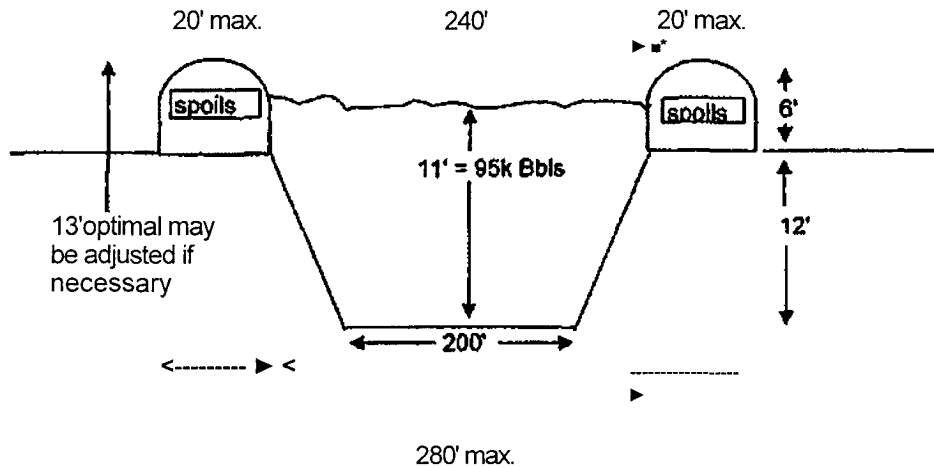
Fresh Water Reservoir



240'

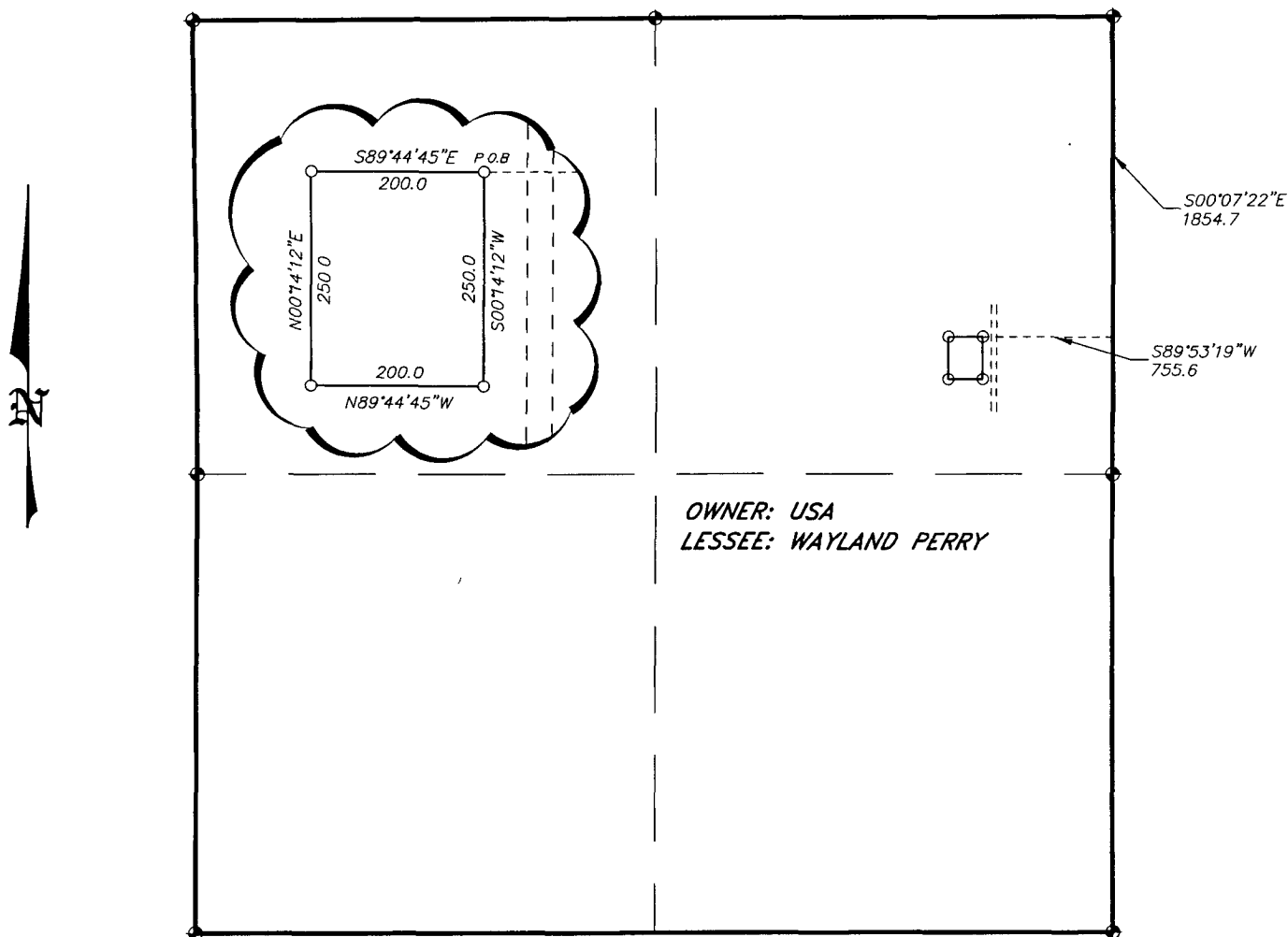
A
19'

Road with ramps that are truck accessible



Spoil piles= 3 sides will normally be narrow and the fourth side will include the road and access to the sump. Bottom Slope- make sure the bottom always slopes to the sump. Top Edge= Make sure top levels are shot in to ensure adequate Free Board (2') Road & Ramps = Must be capable of handling 2 loaded water trucks.

SECTION 22, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

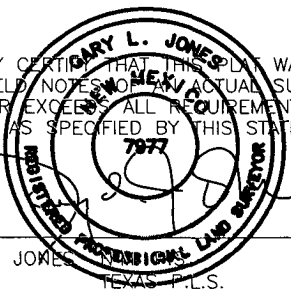


OWNER: USA
LESSEE: WAYLAND PERRY

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 22, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT WHICH LIES S.00°07'22"E., 1854.7 FEET AND S.89°53'19"W., 755.6 FEET FROM THE NORTHEAST CORNER OF SAID SECTION 22; THENCE S.00°14'12"W., 250.0 FEET, THENCE N.89°44'45"W., 200.0 FEET; THENCE N.00°14'12"E., 250.0 FEET; THENCE S.89°44'45"E., 200.0 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 1.15 ACRES, MORE OR LESS.

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



GARY L. JONES No. 7977
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO No. 5074

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

W.O. Number: 23049 Drawn By: J. M. SMALL

Date: 07-07-2010 Disk: JMS 23049

1000 0 1000 2000 FEET

OGX RESOURCES, LLC

REF: PROPOSED FRAC TRACT FOR THE MESCAL 22 FEDERAL #2

A TRACT LOCATED ON USA LAND IN
SECTION 22, TOWNSHIP 25 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 07-01-2010 Sheet 1 of 1 Sheets

BLM LEASE NUMBER: NM-14778
COMPANY NAME: OGX Resources, LLC
ASSOCIATED WELL NO. & NAME: Mescal 22 Federal #2H

FRAC POND CONDITIONS OF APPROVAL

A copy of the APD, Sundry Notice and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The BLM shall administer compliance and monitor construction of the frac pond. Notify Jim Amos (575-234-5909) at least 3 working days prior to commencing construction of the frac pond.
2. The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil shall not be used for constructing the berms of the frac pond and will be used for final reclamation.
3. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
4. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
5. The frac pond will only be authorized to contain freshwater and testing of water quality is required during the life of the frac pond. The Authorized Officer may ask the operator to sample water quality of the frac pond at any time during the life of the frac pond. If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly. Reclamation efforts will then commence. Otherwise, reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing the wells. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting therefrom, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
5. All construction and maintenance activity should be confined to the authorized area to avoid excess disturbance.
6. If other wells, not mentioned in the current Sundry Notice, need to be serviced by the frac pond, a separate Sundry Notice needs to be submitted to the appropriate BLM office.

7. Mineral materials extracted during construction of the frac pond shall not be used for surfacing the well pad or access road or other facilities. All mineral material extracted shall only be used for constructing the frac pond or stored adjacent to the frac pond.

8. The frac pond will be lined. The frac pond shall be constructed so that upon completion of drilling operations the plastic lining will be removed.

9. The frac pond shall be fenced on all sides.

10. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

11. Seeding is required and will be done according to the attached seeding requirements, using the following seed mix.

<input checked="" type="checkbox"/> (x) seed mixture 1	<input type="checkbox"/> () seed mixture 3
<input type="checkbox"/> () seed mixture 2	<input type="checkbox"/> () seed mixture 4

12. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

13. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

14. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

15. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

16. When the frac pond is no longer stimulating wells, reclamation shall commence. The plastic liner shall be removed before any earthwork begins. Any associated pipelines shall be removed as well. All disturbed areas and erosion caused by the frac pond, pipelines or other infrastructure will be reclaimed. Earthwork for final reclamation must be completed within three (3) months of final well completion. The frac pond location must be reclaimed to a satisfactory revegetated,

safe, and stable condition. After all disturbed areas have been satisfactorily prepared; these areas need to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact a BLM surface protection specialist prior to surface reclamation operations for site specific objectives (Jim Amos: 575-234-5909).

17. Special Stipulations: