

SURFACE USE PLAN – CABAL ENERGY CORPORATION~~HOBBS~~ OCD**MADERA “24” FEDERAL #2H
UNIT P SECTION 24, T26S – R34E
LEA COUNTY, NEW MEXICO**

SEP 06 2011

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1. EXISTING ROADS AND PROPOSED ROADS: The proposed well site is located approximately 15 miles southwest of Jal, New Mexico. Exhibit “A” is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications. Exhibit “B” shows the proposed well site as staked.

DIRECTIONS: From the intersection of Highway #128 and 3rd Street in Jal, New Mexico, go south on 3rd Street approximately 1.6 miles. Veer right and go southwest on Highway #205 approximately 5.5 miles. Turn right at Beckam Ranch Road, go west approximately 5.2 miles, turn right and go north through the cattle guard approximately 0.4 miles. Veer left and go northwest approximately 1.5 miles, veer left and go west approximately 1.3 miles. Veer left and go southwest approximately 1.0 miles, turn left and go south approximately 0.4 miles to a proposed road survey. Follow proposed road west 960 feet, then south 650 feet to this location.

2. PLANNED ACCESS ROAD: Approximately 1,610 feet of new road will be constructed.
 - A. The access road will be crowned and ditched to a 12’ wide travel surface with a 40’ Right-of-Way.
 - B. Gradient of the roads will be less than 5.00%.
 - C. If turn-outs are necessary they will be constructed
 - D. If needed the roads will be surfaced with a minimum of 4 inches of caliche. This material will be obtained from a local source.
 - E. Center-line for the road will be flagged. Earth-work will be done as field conditions require.
 - F. Culverts will be placed in the access road if they are necessary. The road will be constructed to utilize low water crossing for drainage as required by topography.
3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS:
 - A. There is drilling activity within a one-mile radius of the well site.
 - B. The Exhibit “C” shows existing wells within a one-mile radius of the proposed well site.

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4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.

5. SOURCE OF CONSTRUCTION MATERIALS:

- A. The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required.

6. METHODS OF HANDLING WASTE DISPOSAL:

- A. This well will be drilled with a closed loop system.
- B. The closed loop system will be constructed, maintained, and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division – the “Pit Rule” 19.15.17 NMAC.
- C. Drilling fluids will be removed after drilling and completions are completed.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. 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. Burial on site is not approved.

7. ANCILLARY FACILITIES:

- A. There are no ancillary facilities on this lease at the present time.

8. WELLSITE LAYOUT:

- A. Exhibit “D” shows the relative location and dimensions of the well pad, closed loop mud system, location of the drilling equipment, pulling unit orientation and access road approach. NOTE: V-Door will be to the East.
- B. The closed loop system will be constructed, maintained, and closed in compliance with the State of New Mexico, Energy and Natural Resources, Department, Oil Conservation Division – the “Pit Rule” 19.15.17 NMAC.
- C. A 600’ x 600’ area has been staked and flagged.

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9. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. If the proposed well is plugged and abandoned, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible.
- C. Unguarded pits, if any, containing fluids will be fenced until they have dried and have been leveled.
- D. Plans for Interim and Final Surface Reclamation:
 - 1. Well location will be contoured to resemble the original topography as closely as possible. Surface reclamation measures will be taken to avoid new erosion on the well location and the area surrounding the well location. These measures will be overseen by Cabal personnel following a structured plan for the reclamation of each individual site.
 - 2. Major drainage systems will be avoided as determined at the onsite with the BLM. Minor drainages may be rerouted around the well site within the 600' x 600' cleared area to avoid moving the well location.
 - 3. Segregation of topsoil will not be as this is a re-entry and the pad is there.
 - 4. Cabal will use prudent oil field practices when constructing well locations and related facilities. Cabal personnel will determine the size of the well location needed for safe working conditions for personnel during all aspects on the drilling and production process.
 - 5. Backfill requirements for above ground reserve pits will be met by using cut, fill and contouring of available topsoil and like soils for the pit area. Should additional material be needed it will be brought in from a BLM approved source.
 - 6. All topsoil will be spread over the area reclaimed during interim reclamation using a front end loader. For final reclamation enough topsoil will be evenly distributed between the interim reclaimed area and the final reclaimed area. This method of soil stabilization should help maintain the productivity and viability of the topsoil.
 - 7. Soil treatments will be determined at the time of final reclamation by Cabal's designated personnel to meet BLM final reclamation goals.
 - 8. Reseeding of disturbed areas will be accordance with the seed mixtures attached to the approved APD as Conditions of Approval. Planting and soil preparation will be done during the rainy season between June 1st and September 1st.
 - 9. Cabal's personnel will control weeds during the productive period through final abandonment of the well. Cabal may also use the option to hire a third party to be

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in charge of weed control or participate in the Chaves Soil and Water District program to pool monies or weed control.

10. Well pads, roads and related facilities with caliche or other surfacing material will be picked up or turned over at the time of final abandonment. These materials may be used on other projects in the area if possible or placed back in the caliche pit or other designated site. Buried pipelines will be left in place after being bled down and purged. Above surface support equipment will be removed or cut down below plow depth and removed. Pipeline right-of-ways will be reseeded according to BLM Best Management Practices.

10. SURFACE OWNERSHIP:

Surface Estate: Bureau of Land Management

620 E. Greene Street, Carlsbad, NM 88220

(575) 234-5972

Mineral Estate: Bureau of Land Management

620 E. Greene Street, Carlsbad, NM 88220

(575) 234-5972

Statewide Oil and Gas Surety Bond, Cabal Energy Corporation

BLM Bond No.: NM2860

Surety Bond No.: RLB0002906

OPERATOR CERTIFICATION
CABAL ENERGY CORPORAITON

Madera 24 Federal 2H
Section 24, T26S, R34E
Lea County, New Mexico

HOBBS OCD

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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 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 the company I represent is 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 6th day of May, 2010.

Printed Name: Randell K. Ford

Signature: 

Position/Title: President

Address: 415 W. Wall Street, Suite 1700, Midland, TX 79701

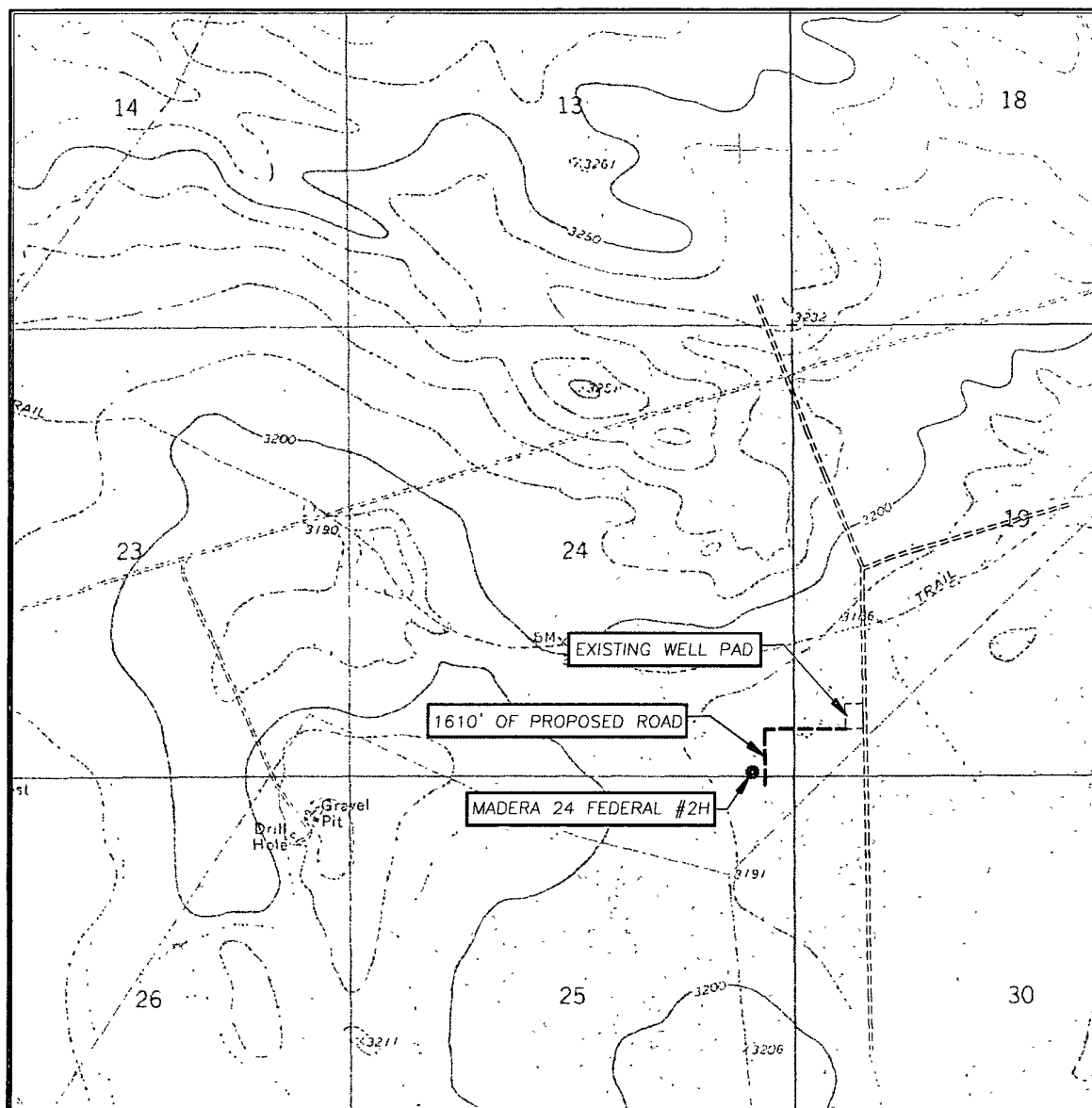
Telephone: (432) 682-0440

Email: donna@rkford.com

Field Representative: Ray Jones

Telephone: (432) 553-9170

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
ANDREWS PLACE, N.M. - 10'

SEC. 24 TWP 26-S RGE 34-E

SURVEY N.M.P.M

COUNTY LEA STATE NEW MEXICO

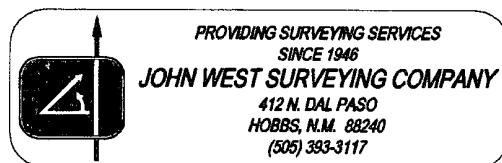
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ELEVATION 3190'

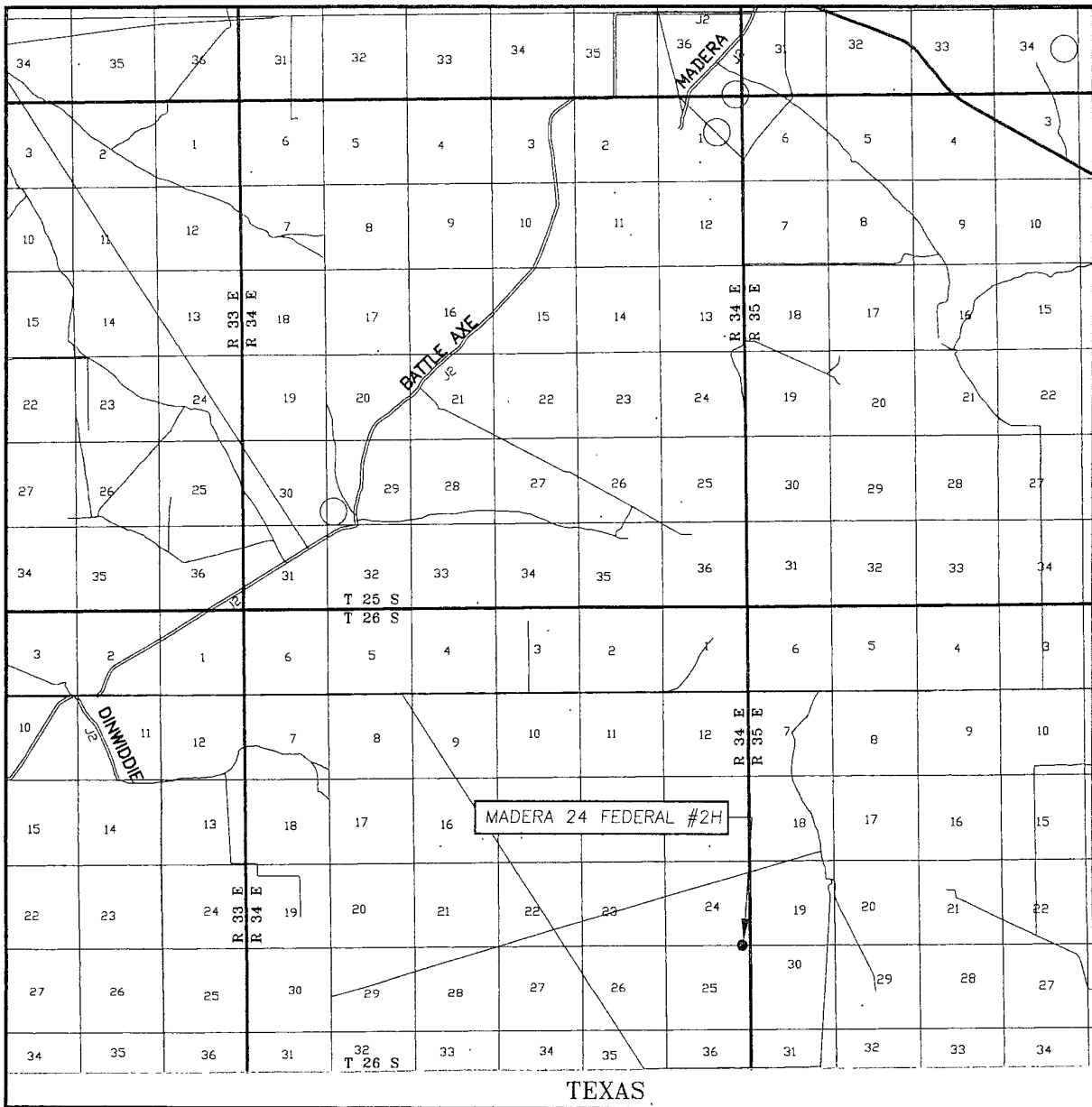
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LEASE MADERA 24 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
ANDREWS PLACE, N.M.



VICINITY MAP



TEXAS

SCALE: 1" = 2 MILES

SEC. 24 TWP. 26-S RGE. 34-E

SURVEY N.M.P M

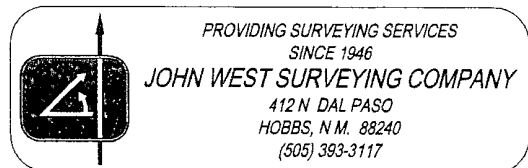
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 10' FSL & 500' FEL

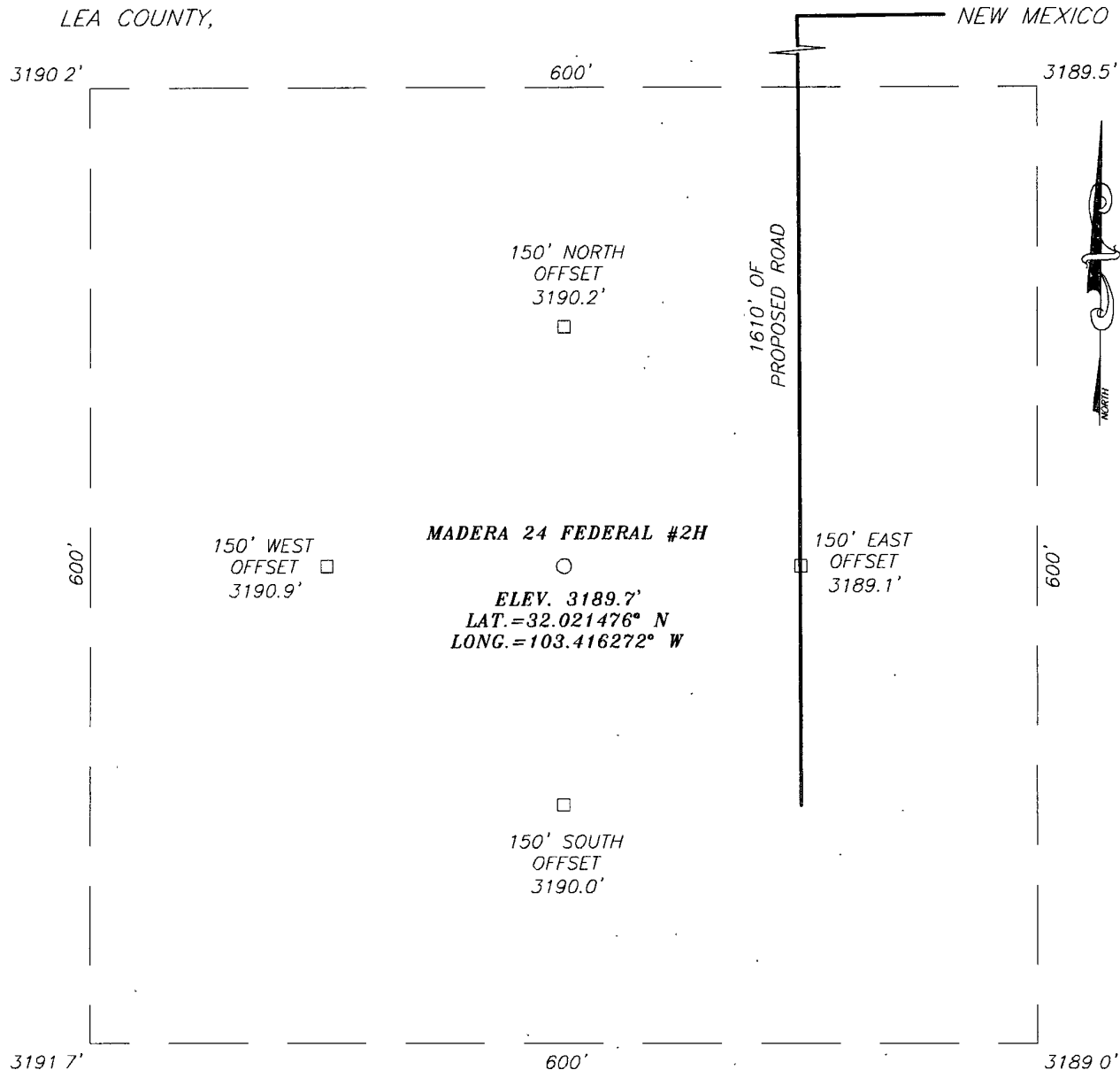
ELEVATION 3190'

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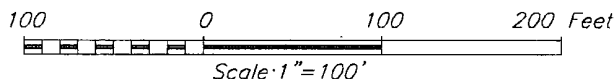


SECTION 24, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY,



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF HWY. #128 AND 3RD STREET (JAL), GO SOUTH ON THIRD ST. APPROX. 1.6 MILES. VEER RIGHT AND GO SOUTHWEST ON HWY. #205 APPROX. 5.5 MILES. TURN RIGHT @ BECKAM RANCH ROAD, GO WEST APPROX. 5.2 MILES. TURN RIGHT AND GO NORTH THRU CATTLE GUARD APPROX. 0.4 MILES. VEER LEFT AND GO NORTHWEST APPROX. 1.5 MILES. VEER LEFT AND GO WEST APPROX. 1.3 MILES. VEER LEFT AND GO SOUTHWEST APPROX. 1.0 MILE. TURN LEFT AND GO SOUTH APPROX. 0.4 MILES TO A PROPOSED ROAD. SURVEY FOLLOW ROAD SURVEY 960 FEET, THEN SOUTH 650 FEET TO THIS LOCATION.



CABAL ENERGY CORPORATION

MADERA 24 FEDERAL #2H WELL
LOCATED 10 FEET FROM THE SOUTH LINE
AND 500 FEET FROM THE EAST LINE OF SECTION 24,
TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 4/15/11	Sheet 1 of 1 Sheets
W.O. Number. 11.11 0853	Dr By: LA
Date. 4/26/11	Scale: 1"=100'

