

Resaca Operating Company
Cooper Jal Unit 108
2001' FSL & 676' FWL*
Sec. 18, T. 24 S., R. 37 E.
Lea County, New Mexico

HOBBS OCD

DEC 06 2011

RECEIVED

30-025-11142

* Shown in NMOCD records at 1980 FSL & 660 FWL. Well has not moved. Change reflects new GPS survey technology. Well was plugged and abandoned in 2000.

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS

From the junction of NM 18 and NM 128 in Jal ...
Go North 6.3 miles on NM 18 to the equivalent of Mile Post 15.2
Then turn left and go West 1.0 mile on paved County Road J-7
Then turn right and go North 1/4 mile on a caliche road
Then turn right and go East 1/10 mile on a caliche road
Then turn left and go North 0.15 mile on a caliche road
Then turn right and go East \approx 100' on a dirt road

Roads will be maintained to a standard at least equal to their present condition.

2. ROAD TO BE BUILT OR UPGRADED

The proposed pad overlaps an existing road and the original pad. No new road will be built. Upgrading of the existing roads will consist of repairing potholes with caliche.

3. EXISTING WELLS

There are 52 oil or gas wells, 16 plugged & abandoned wells, 16 water injection or disposal wells, and 3 water wells within a one mile radius.

4. PROPOSED PRODUCTION FACILITIES

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The only planned production equipment will be a well head. It will be painted a flat shale green color. The well will be connected to the existing injection pipeline that previously served the well. No off pad pipeline is planned. No power line is planned.

5. WATER SUPPLY

Water will be trucked from private land in Jal.

6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) will be notified before construction starts.

A $\approx 200'$ x $\approx 200'$ pad will be bladed and rocked with caliche. The top 6" of soil and brush will be stockpiled north and/or west of the pad. V-door (lay down) will be to the east. A closed loop drilling system will be used. Caliche will be bought and hauled from an existing approved caliche pit. Dirt contractor will be responsible for the caliche.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to a county landfill. There will be no trash burning. Contents of the mud tanks will be hauled to state approved disposal sites. Human waste will be disposed of in chemical toilets and hauled to an approved dump station.

8. ANCILLARY FACILITIES

There will be no air strip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

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9. WELL SITE LAYOUT

See attached pages for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION

Interim reclamation will consist of reclaiming 3 sides of the pad and reducing the pad footprint to the area inside the anchors. Enough space will be left unreclaimed for safe work overs. Disturbed areas will be contoured to a natural shape. Soil and brush will be evenly spread over disturbed areas. Seeded areas will be ripped and/or harrowed. A land owner approved seed mix will be sown. Once the well is plugged, then the remainder of the pad will be similarly reclaimed.

11. SURFACE OWNER

All construction will be on Deep Wells Ranch, Inc. surface. Their address is Star Route 1, Box 244, Jal, NM 88253. Their phone number is (575) 395-3149. Resaca has a surface use agreement with the surface owner. A copy of this surface use plan has been provided to the surface owner.

12. OTHER INFORMATION

The nearest hospital (Nor-Lea General) is a $\approx 3/4$ hour drive away in Hobbs at 2827 North Dal Paso Street. Its phone number is (575) 392-1449.

An on site inspection was conducted by Trishia Bad Bear (BLM) and Charlie Black (Permits West) on May 11, 2011. Lone Mountain Archaeological Services inspected a 600' x 600' block, No archaeology sites were found. Their report (#1341) was issued May 23, 2011.

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13. REPRESENTATION

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 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 19th day of June, 2011.



Brian Wood, Consultant
Permits West, Inc.

37 Verano Loop, Santa Fe, NM 87508

(505) 466-8120

FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representatives will be:

Marc Neatherlin

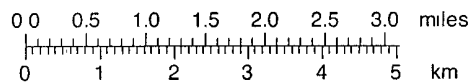
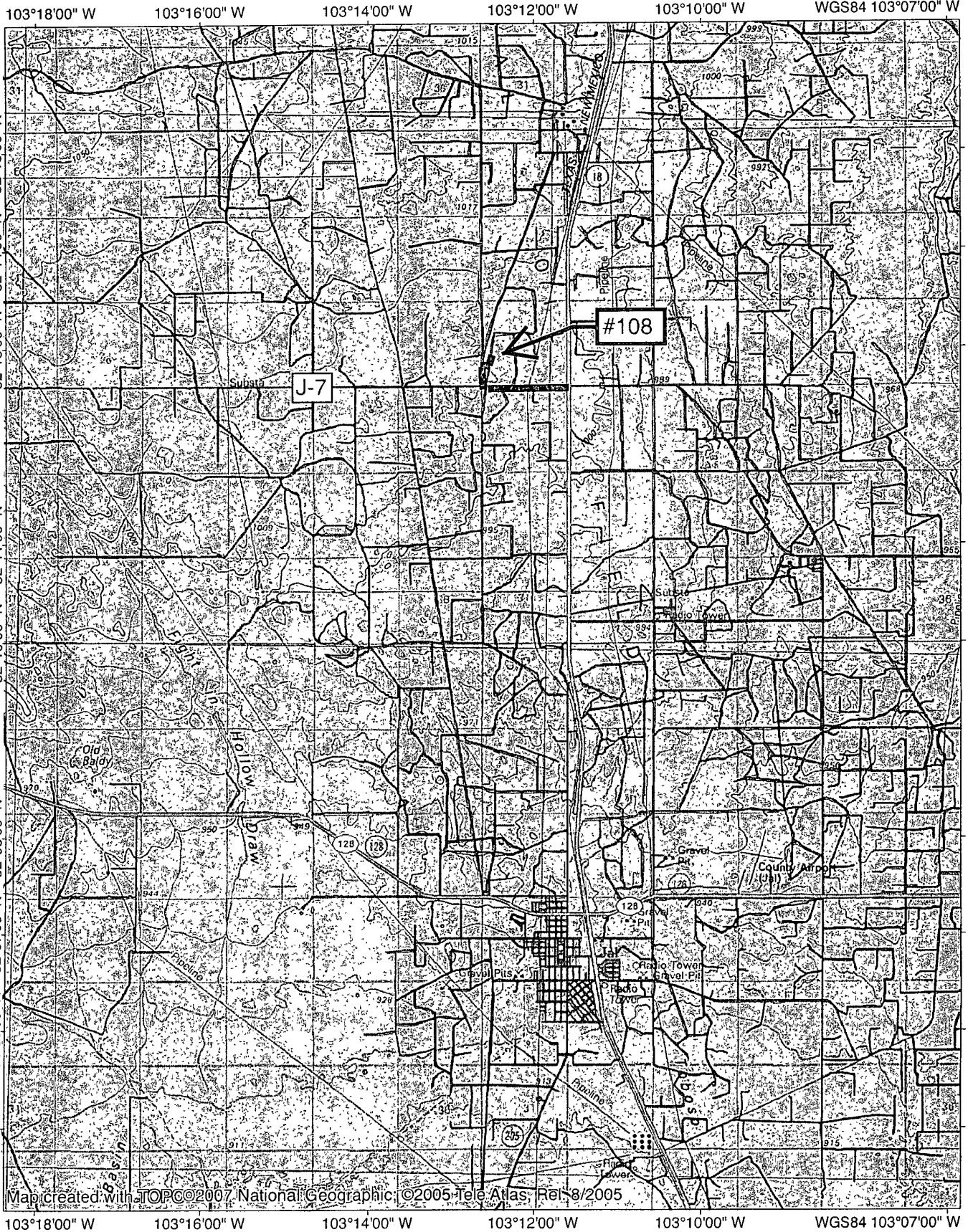
or

Randy McAnally

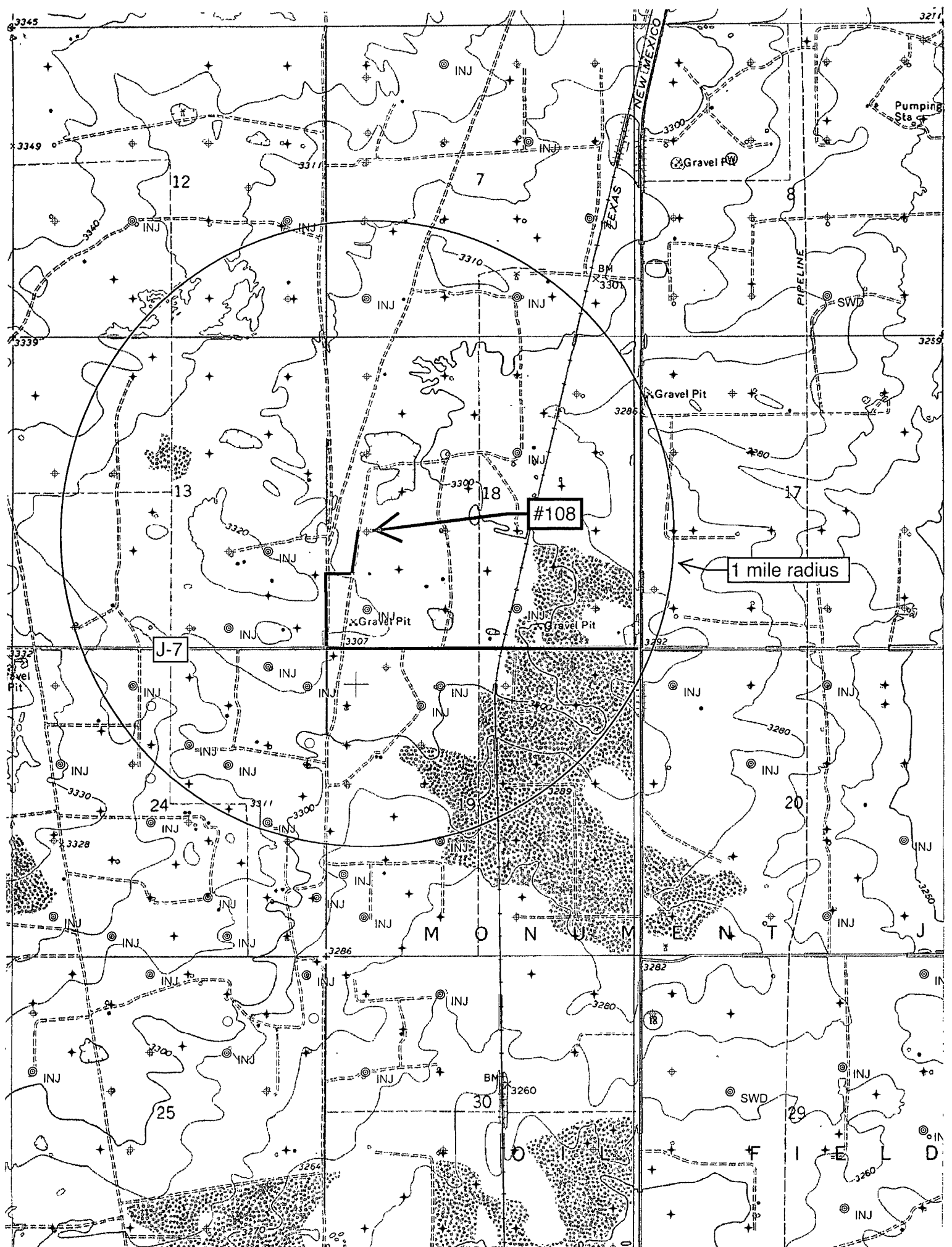
mobile: (432) 557-9430

mobile: (432) 634-4717

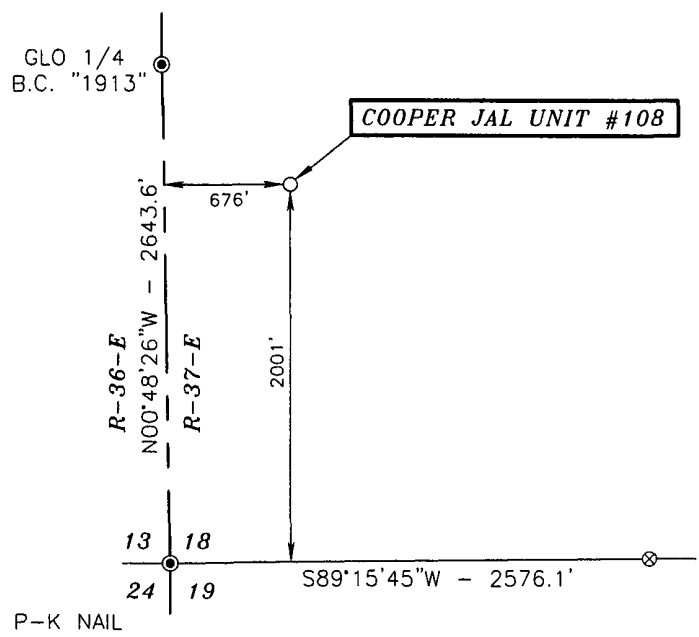
Resaca Operating Company
2509 Maurice Road
Odessa, TX 79763-4800
(432) 580-8500



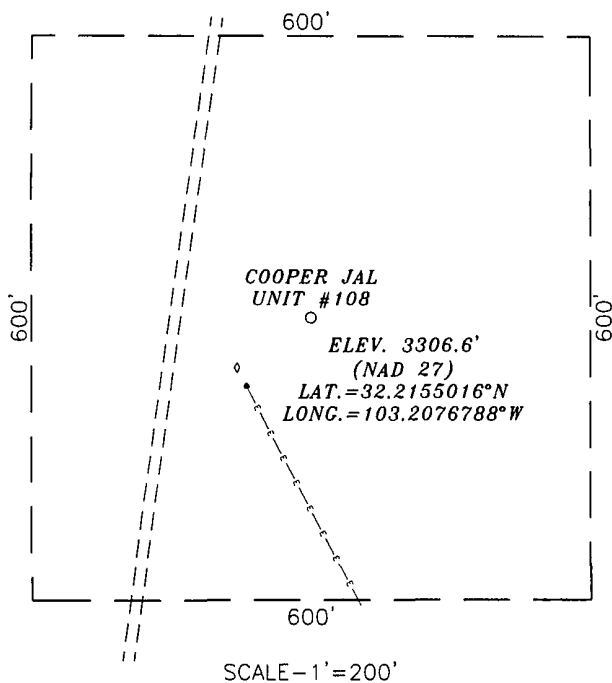
TN MN
7.5°
03/01/11



SECTION 18, TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY
NEW MEXICO



NORTH
Basis of Bearings - GPS Geodetic Measurements
NM East Zone (83) North American Datum of 1983



DRIVING DIRECTIONS:
BEGINNING IN JAL AT THE INTERSECTION
OF STATE HWY. #128 AND STATE HWY.
#18, GO NORTH ON STATE HWY. #18 FOR
6.3 MILES, TURN LEFT ON COUNTY ROAD
#7 AND GO WEST FOR 1.0 MILES, TURN
RIGHT AND GO NORTH ON CALICHE ROAD
FOR 0.4 MILES TO LOCATION.

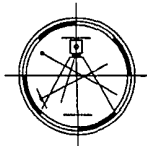


SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR
NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW
MEXICO STATE BOARD OF REGISTRATION FOR
PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 4/25/2011
Terry J. Asel, N.M. R.P.S. No. 15079

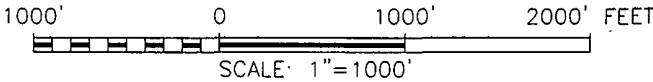
Asel Surveying



P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146

LEGEND

- - DENOTES FOUND MONUMENT AS NOTED
- ⊗ - DENOTES CALCULATED CORNER



RESACA OPERATING CO.

COOPER JAL UNIT #108 LOCATED AT
2001' FSL & 676' FWL IN SECTION 18,
TOWNSHIP 24 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 04/11/11	Sheet 1 of 1 Sheets
W.O. Number: 110411WL-b	Drawn By: KA Rev:
Date: 04/19/11	110411WL-b Scale: 1"=1000'