ATS-11-801

OCD Hobbs
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Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-120907

6. If Indian, Allotee or Tribe Name

1a. Type of work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.

UNORTHODOX LOCATION

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. (38977)
GADWALL "35" FEDERAL #1H

2. Name of Operator (217955)
OGX RESOURCES, LLC. (JEFF BIRKELBACH 432-685-1287)

9. API Well No.
30-025-40364

3a. Address
P. O. BOX 2064 MIDLAND, TEXAS 79702

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

10. Field and Pool, or Exploratory (97798)
WILDCAT-BONE SPRING

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 180' FNL & 990' FEL SECTION 35 T24S-R32E LEA CO. Unit B
At proposed prod. zone 330' FSL & 990' FEL SECTION 35 T24S-R32E Unit P

11. Sec., T. R. M. or Blk. and Survey or Area
SECTION 35 T24S-R32E

14. Distance in miles and direction from nearest town or post office*
Apprpximately 25 miles East of Carlsbad, New Mexico

12. County or Parish
LESA CO.

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
180'	640	160

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
NA 6100'	TVD-9750' MD-14,318'	NMB-000244

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3564' GL	WHEN APPROVED	36 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name *(Printed/Typed)*	Date
Joe T. Janica	Joe T. Janica	09/12/11

Title
Permit Eng.

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Don Peterson		DEC 07 2011

Title	Office
FIELD MANAGER	CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEA

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) Carlsbad Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

KZ 12/13/11

Approval Subject to General Requirements & Special Stipulations Attached

DEC 14 2011

APPLICATION TO DRILL

OGX RESOURCES, LLC.
GADWELL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM

In responce to questions asked under Section II of Bulletin NTL-6, the following information on the above well will be provider.

1. LOCATION: 180' FNL & 990' FEL SECTION 35 T24S-R32E LEA CO. NM
   BHL 330' FSL & 990' FEL SECTION 35 T24S-R32E LEA CO. NM
2. ELEVATION ABOVE SEA LEVEL: 3564' GL

3. GEOLOGICAL NAME OF SURFACE FORMATION: Quaternery Aeolian Deposits;

4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using drilling mud as a circulating medium for the removal of solidsfrom the hole.

5. PROPOSED DRILLING DEPTH: TVD- 9750'
   MD-14,318'

6. ESTIMATED TOPS OF GEOLOGICAL FORMATIONS: Top of salt 950' Base of salt 4670'

Rustler Anhydrite	900'	Cherry Canyon	5860'
Basal Anhydrite	4680'	Brushy Canyon	7320'
Lamar Lime	4910'	Bone Spring	8930'
Bell CAnyon	4940'	TVD	9750'

7. POSSIBLE MINERAL BEARING FORMATIONS:

Bell Canyon	Oil/Gas/Form. Water	Brushy Canyon	Oil/Gas/From.Water
Cherry Canyon	Oil/Gas/Form. Water	Bone Spring	Oil/Gas/Form.Water

Possible fresh water 240'

8. CASING PROGRAM:

HOLE SIZE	INTERVAL	CASING OD	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
26"	0-40'	20"	NA	NA	NA	Conductor	New
17½"	0-925' 1105	13 3/8"	48#	8-R	ST&C	H-40	New
11"	0-5000' 4850	8 5/8"	32#	8-R	LT&C	HCK-55	New
7 7/8"	0-9200'	5½"	17#	8-R	LT&C	P-110	New
7 7/8"	9200-14,318'	5½"	17#	BUTTRESS	BT&C	P-110	New

See COA

CASING SAFETY FACTORS: Collapse 1.125 Burst 1.00 Body YIeld 1.5
Joint Strength 8-Round 1.8
Buttress 1.6

APPLICATION TO DRILL

OGX RESOURCES, LLC.
GADWALL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM

9. CASING CEMENTING AND SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Run and set ~~925'~~ of 13 3/8" 48# ST&C H-40 casing. Cement with 500 Sx. of Class "C" cement + 4% Bentonite, + 1% CaCl, +0.25# Celloflake/Sx. Yield 1.73 Tail in with 200 Sx. of Premium Plus Class "C" Cement + 2% CaCl, Yield 1.34 Circulate cement. *
8 5/8"	Intermediate	Run and set ~~5000'~~ of 8 5/8" 32# LT&C HCK-55 casing. Cement with 950 Sx. of Premium Plus Class "C" POZ, + 4% Bentonite, + 5% Salt, + 5% MPA-5, + 0.7% Sodium Metasilicate, + 5# LCM/ Sx., YIeld 2.19, tail in with 200 Sx. of Class "C" cement + 2% CaCl, Yield 1.34, circulate cement. *
5½"	Production	Run and set 14,318' of 5½" casing as follows: 5118' of 5½" 17# BT&C P-110 casing, 9200' of 5½" 17# LT&C P-110 casing. Cement with 600 Sx. of 35/65 Premium PLuc Class "C" POZ cement, + 4% Bentonite, + 5% Salt, + 5% MPA-5, + 0.7% Sodium Metasilicate, + 5# LCM/Sx. Yield 2.02, tail in with 600 Sx. of Class "C" cement. YIeld 1.34, circulate cement to surface. *

* After a caliper is run to determine cement volume a 25% Excess will be added to cement volumes.

10. PRESSURE CONTROL EQUIPMENT:

Exhibit "E" shows a 900 series 3000 PSI working pressure B. O. P. , consisting of an annular bag type preventor, middle blind rams, and bottom pipe rams. The B. O. P. will be nippledup on the 13 3/8" casing and tested to API specifications. The B. O. P. will be operated at least once in each 24 hour period, and the blind rams will be operated when the drill pipe is out of the hole on trips. Full opening stabbing valve and upper kelly cock with proper threads will be available on the rig floor at all times. Exhibit "E-1" shows a hydraulically operated closing unit and a 5000 PSI working pressure choke manifold with dual adjustiable chokes. No abnormal pressures or temperatures are expected while drilling this well. B.O.P. WILL BE A 13 5/8"

APPLICATION TO DRILL

OGX RESOURCES, LLC.
GADWELL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM

II. PROPOSED MUD CIRCULATING SYSTRM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-~~925'~~ 1105	8.6-8.8	36-38	NC	Fresh water Spud Mud, use paper to control seepage.
925-5000' 4850	10.0-10.1	29-30	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
~~5000~~-9200'	8.4-9.1	28-29	NC	Fresh water use paper to control seepage and high viscosityy sweeps to clesn hole.
9200-14,318'	8.4-9.1	34-36	12-15 cc or less	Same as above use Dynazan HB-411 and starch to control fluid loss and hole stability.

A closed mud system will be employed during the drilling of this well all cuttings and fluids will be disposed in a State approved disposal facility.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, cut cores and casing, the viscosity,water loss and other properties may have to be altered to meet these requirements.

APPLICATION TO DRILL

OGX RESOURCES, LLC.
GADWELL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM

12. LOGGING , CORING , AND TESTING PROGRAM: See COA

A. Open hole logs: Dual Laterolog, Neutron/Density, Gamma Ray, Caliper from KOP back to 8 5/8" casing shoe. Gamma Ray, Neutron from 8 5/8" casing shoe back to surface.

B. Mud logger will be rigged up on hole below the 13 3/8" casing and remain on the hole to TD.

C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated bottom hole presure 4650 PSI and estimated bottom hole temperature 165° .

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after The BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 35 days. If production casing is run then an additional 25 days will be required to complete the well and construct surface production facilities.

15. OTHER FACETS OF OPERATION:

After running casing, cased hole Gamma Ray, Neutron, Collar logs will be run over the productive interval. The BONE SPRING formation will be perforated and stimulated in order to establish production, and potentialed as an oil well.

GADWALL "35"Fed No.1H
Mesa Verde (Bone Spring) Field
Lea County, New Mexico
Drilling Procedure
Aug 2011

General Information

Lease:	Gadwall "35" Fed	AFE BCP:	$
Well No.:	1H	AFE ACP:	
Field:	Mesa Verde	AFE Total:	
County:	Lea	AFE NO:	
State:	New Mexico	API No.:	30-000-XXXXX
Section:	35	Permit Date:	XX/XX/08
Township:	24S	Permit TVD:	9,300'
Range:	32E	Proposed MD:	13,715'
Surface Section Ties:	180' FNL & 990' FWL	Drilling Days:	30
BHL (target)	330' FSL & 990' FWL		
Ground Level:	3564'	KB:	3581'
Latitude:	32.180746° N	Longitude	103.639622°W

Well Objectives

The primary objective of this well is to drill the Avalon horizontally without a pilot hole. Open hole logging will be accomplished at kick-off pt.

Directions To Well

Special Drilling Considerations

1. No hunting for game is permitted. No fire arms are to be taken to the location. Keep trash picked up on location and road.
2. Do not run hard-banded or hard-faced drill pipe in casing without consulting OGX.
3. Cement must be circulated on surface and intermediate. If cement does not circulate, run a temperature survey and contact the BLM and Operations Engineer for remedial instructions.
4. BOP equipment will be NU on the 13-3/8" surface casing. All safety and well control equipment should be rigged up and operational prior to drilling out the 13-3/8" casing shoe.

DRILLING PROGRAM

Geologic Name of Surface Formation:

Permian

FORMATION TOPS

Formation	Depth	Frm Pres	Remarks
Rustler	900'	390#	Water
Basal Anhydrite	4680'	2025#	Water
Lamar	4910'	2125#	Water
Bell Canyon	4940'	2140#	Oil / Gas / Formation water /Poss.H_2S
Cherry Canyon	5860'	2535#	Oil / Gas / Formation water
Brushy Canyon	7320'	3170#	Oil / Gas / Formation water
Bone Spring	8930'	4170#	Oil / Gas / Formation water

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at ~~825'~~ 1105 and circulating cement back to surface. Potash/ fresh water sands will be protected by setting 8 5/8" casing at ~~5000'~~ 4850 / circulating cement on the 8 5/8" string. . The hydrocarbon producing intervals will be isolated by setting a 5 ½" production string and circulating cement ~~500' above the 8 5/8" csg. shoe (4500')~~ Surface per operator 10/12/11 CRW

CASING PROGRAM:

HOLE SIZE	DEPTH	OD Csg	WEIGHT	COLLAR	GRADE	NEW/USED
See COA 17 1/2"	0-~~925'~~ 1105	13 3/8"	48	STC	H40	New
11"	0-~~5000'~~ 4850	8 5/8"	32	LTC	HCK55	New
7 7/8"	0-9200'	5 1/2"	17	LTC	P110	New
7 7/8"	9200-14318'	5 1/2"	17	BTC	P110	New

Casing weight and grades are minimum – higher weights & better grades may be substituted

(8 5/8" 32# will be special drift to 7.921)
(5 ½" BTC will be run thru the curve & Lateral)

DEPTH	OD Csg	WEIGHT	factors: Burst	/ Collapse	/ Tension
0-~~925'~~	13 3/8"	48	1.91	1.79	12.9
0-~~5000'~~	8 5/8"	32	1.27	2.03*	3.61
0-14318'	5 ½"	17	1.20	1.47	1.83

** The Intermediate hole will never be evacuated**

(51/2 Burst & Collapse Calculated @ 9750' TVD)

CEMENT PROGRAM:

13 3/8" Surface

Spacer .....50 bbls of fresh water
Slurry .....Lead: Class C + 4% gel + 1% CaCl + 1/4 # Celloflake
Tail: Premium Plus C + 2% $CaCl_2$ + 56.4% Fresh Water

Cement Properties	Lead	Tail
Est Volume (sacks)	500	200
Density (ppg)	13.50	14.80
Yield (ft3/sx)	1.73	1.34
Mix Water, gps		6.36
Thickening Time, hrs:min		~3:30
Free Water, %		0
Fluid Loss, cc's		~850
Top of Cement	surface	

8 5/8" Intermediate

Spacer .....30 bbls of fresh water
Lead ..... 35:65 – Poz: Prem Plus C + 4% Bentonite + 5% salt + 5% MPA-5 + .7% Sodium Metasilicate + 5 lbs LCM + 99.6% fresh water
Tail .....C + 2% $CaCl_2$ + 56.4% fresh water

Cement Properties

	Lead	Tail
Est Volume (sacks)	950	200
Density (ppg)	12.4	14.8
Yield (ft3/sx)	2.19	1.34
Mix Water, gps	10.39	6.36
Thickening Time, hrs:min	4:07	3:32
Free Water, %	2.0	0
Fluid Loss, cc's	~750	~600
Top of Cement	surface	

Above is an estimate, a fluid caliper will be run at Int. TD to determine hole wash-out. A 25% excess will be added to the lead cement.

5 1/2" Production

Spacer .....30 bbls of fresh water
Lead ..... 35:65 – Poz: Prem Plus C + 4% Bentonite + 5% salt + 5% MPA-5 + .7% Sodium Metasilicate + 5 lbs LCM + 99.6% fresh water
Tail .....C + 2% $CaCl_2$ + 56.4% fresh water

Cement Properties

	Lead	Tail
Est Volume (sacks)	600	600
Density (ppg)	12.7	14.8
Yield (ft3/sx)	2.02	1.34
Mix Water, gps	10.39	6.36
Thickening Time, hrs:min	4:07	3:32
Free Water, %	2.0	0
Fluid Loss, cc's	~750	~600
Top of Cement	surface	

The above cement volumes will be revised pending fluid and open hole caliper measurements.

Kick-Off plug in Pilot Hole for Horizontal

No Plug Required

MUD PROPERTIES SUMMARY:

Depth (feet)	Weight (ppg)	Viscosity (sec/1000cc)	Fluid Loss (cc/30min)	PV (cps)	YP (lb/100ft²)	Mud Type
0–~~925'~~ 1405 **Set 13-3/8" Casing**	8.6 – 8.8	36 – 38	N/C	6 – 10	6 – 20	**Spud Mud**
~~925'~~ – 5,000' 4950 **Set 8-5/8" Casing**	10.0 – 10.1	29 – 30	N/C	0 – 1	0 – 1	**Brine**
5,000' – 9,200'	8.4 – 9.1	28 – 29	N/C	0 – 1	0 – 1	**Fresh Water**
9,200' – 14318' MD **Set 5-1/2"**	8.4 – 9.10	34 – 36	12 – 15	4 – 8	4 – 8	**Dynazan / Starch HB 411**

Auxiliary Well Control & Monitoring Equipment:

A Kelly cock will be in the drill string at all times.

A full opening drill pipe stabbing valve having the appropriate connections will be on the floor at all times.

H_2S detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 ½" csg is cemented.

LOGGING, CORING, AND TESTING

No logs at surface.

Mud loggers on below 13 3/8" casing shoe – no electric logs at intermediate depth

The Vertical @ KO pt. (Production) hole will be logged: Gyro (Thru DP) & GR / Dual Laterolog / Neutron-Density / Caliper

No DST's or pressure testing is anticipated.

The horizontal lateral will be mud logged and GR via MWD.

Potential Hazards:

No abnormal pressures or temperatures are expected. There is no known presence of H_2S in this area. If H_2S Is encountered the operator will comply with the provisions of Onshore Oil & Gas Order No.6. No loss circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP is 4650 psi. & BHT is 165° F.

Anticipated Starting Date & Duration:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be ASAP subsequent to APD approval. Move in and drilling operations will take 35 days with an additional 25 days to complete the well and construct production facilities.

OGX Resources

PHOENIX TECHNOLOGY SERVICES

Project: Eddy County, New Mexico
Site: Gadwall 35 Federal
Well: Gadwall 35 Fed 1H
Wellbore: Wellbore #1
Plan: Plan #1 080311
Rig: Silver Oak 11

WELL DETAILS: Gadwall 35 Fed 1H

Ground Level 3564 00

Northing	Easting	Latitude	Longitude
430167 80	714626 30	32° 10' 50 69 N	103° 38' 22 64 W

SECTION DETAILS

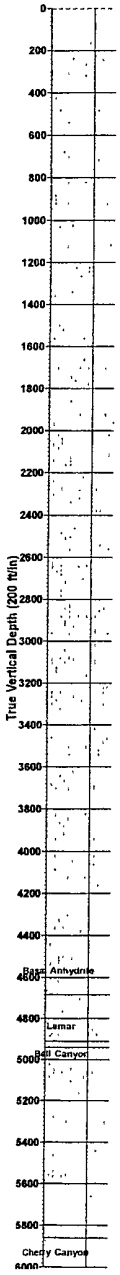
MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	
0 00	0 00	0 00	0 00	0 00	0 00	0.00	0 00	0 00	
9272 53	0 00	0 00	9272 53	0 00	0 00	0 00	0 00	0 00	
10022 54	90 00	179 71	9750 00	-477 46	2 38	12 00	179 71	477 47	
14318 34	90 00	179.71	9750 00	-4773 21	23 80	0 00	0 00	4773 27	BHL Gadwall 35 Fed 1H

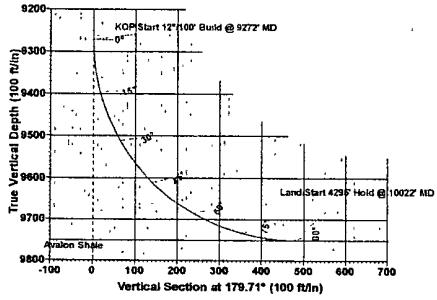
FORMATION TOP DETAILS

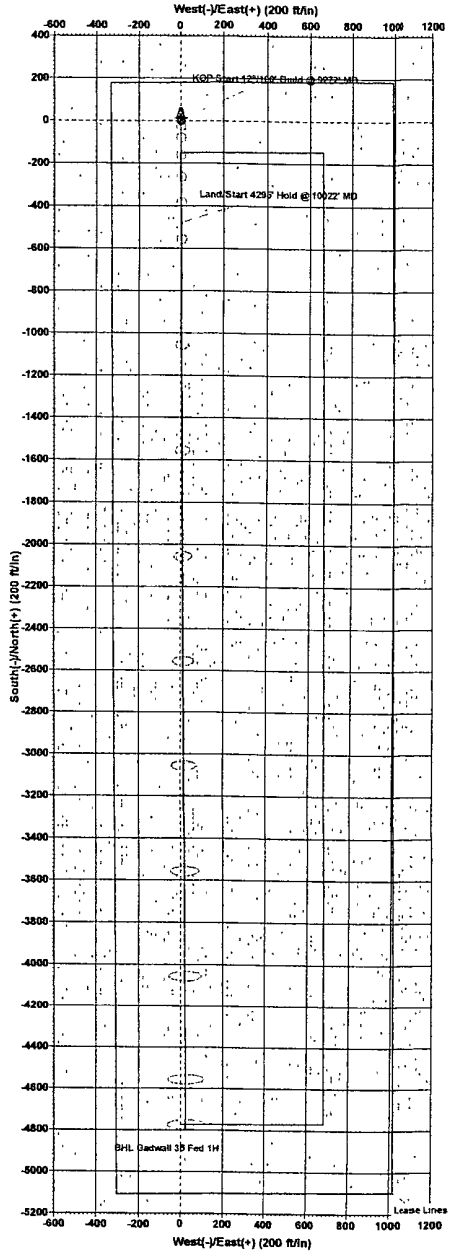
TVDPath	MDPath	Formation
4680 00	4680 00	Basal Anhydrite
4910 00	4910 00	Lamar
4940 00	4940 00	Bell Canyon
5860 00	5860 00	Cherry Canyon
6080 00	6080 00	Manzanita
7320.00	7320 00	Brushy Canyon
8930 00	8930 00	Bone Spring
9750 00	10022 54	Avalon Shale

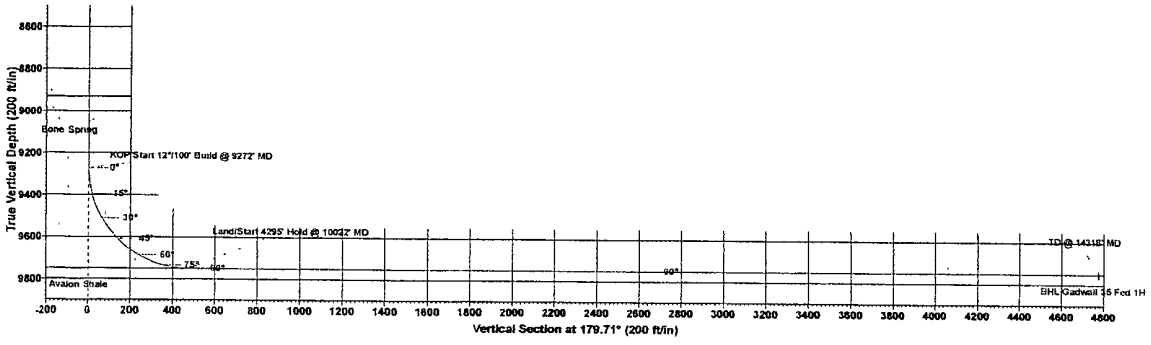
ANNOTATIONS

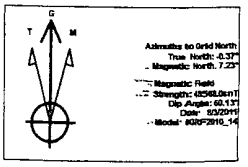
TVD	MD	Annotation
9272 53	9272.53	KOP Start 12°/100' Build @ 9272' MD
9750 00	10022 54	Land/Start 4295' Hold @ 10022' MD
9750 00	14318 34	TD @ 14318' MD











OGX Resources

Project: Eddy County, New Mexico
Site: Gadwall 35 Federal
Well: Gadwall 35 Fed 1H
Wellbore: Wellbore #1
Plan: Plan #1 080311 (Gadwall 35 Fed 1H/Wellbore #1)

PHOENIX TECHNOLOGY SERVICES

N

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9272.53	0.00	0.00	9272.53	0.00	0.00	0.00	0.00	0.00	
10022.54	90.00	179.71	9750.00	-477.46	2.38	12.00	179.71	477.47	
14318.34	90.00	179.71	9750.00	-4773.21	23.80	0.00	0.00	4773.27	BHL Gadwall 35 Fed 1H

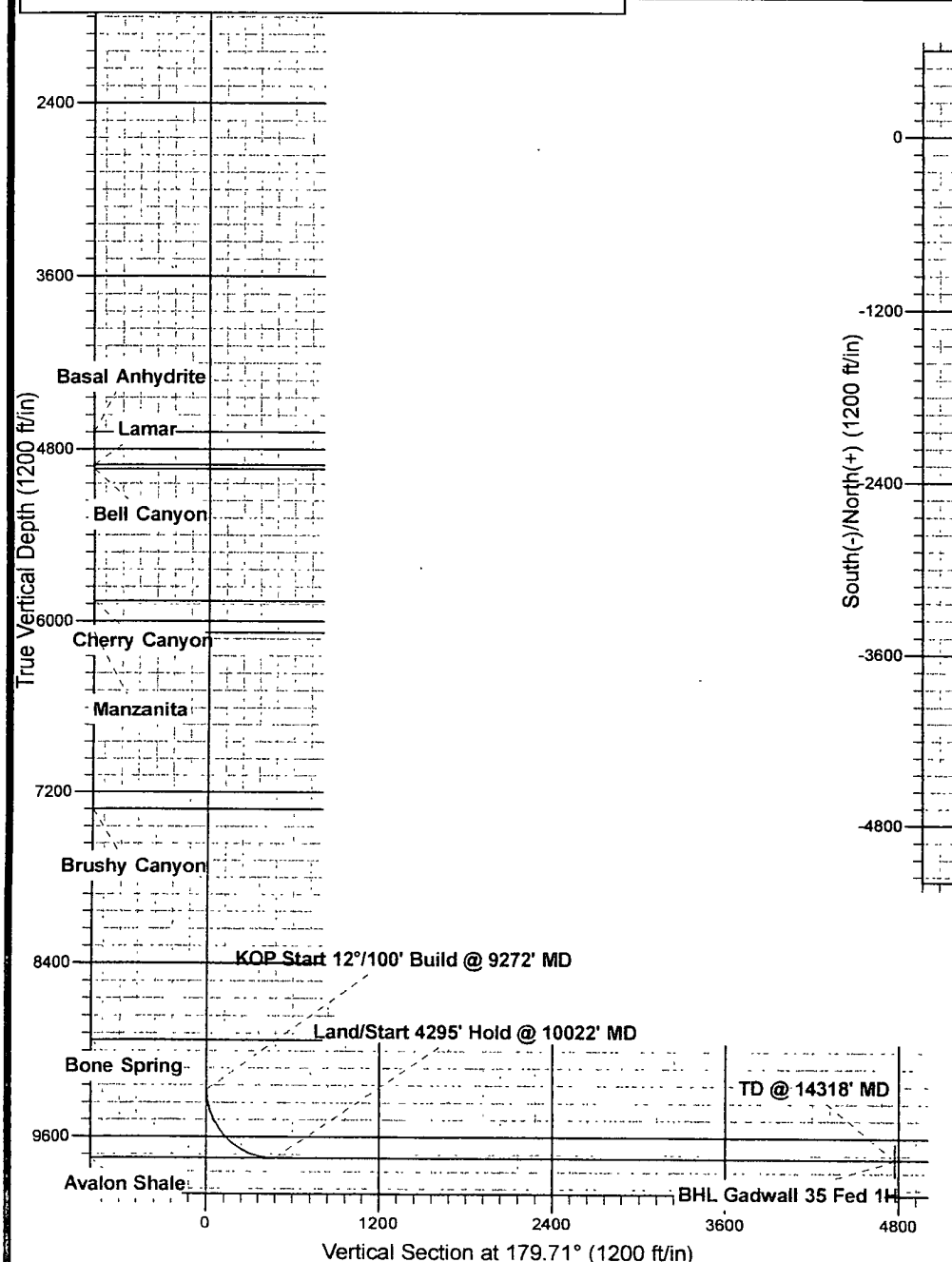
WELL DETAILS: Gadwall 35 Fed 1H

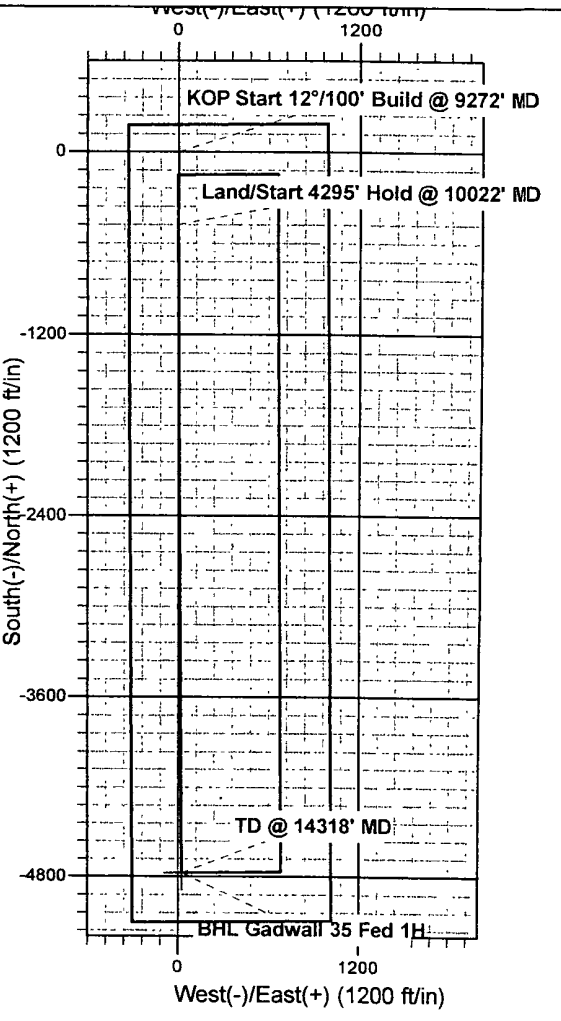
Ground Level: 3564.00

Northing	Easting	Latitude	Longitude
430167.80	714626.30	32° 10' 50.69 N	103° 38' 22.64 W

WELLBORE TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Shape
BHL Gadwall 35 Fed 1H	9750.00	-4773.21	23.80	Point





OGX Resources

Eddy County, New Mexico
Gadwall 35 Federal
Gadwall 35 Fed 1H
Wellbore #1

Plan: Plan #1 080311

OGX Resources

03 August, 2011

PHOENIX
TECHNOLOGY SERVICES

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Project Eddy County, New Mexico

Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site Gadwall 35 Federal

Site Position:		**Northing:**	430,167.80 ft	**Latitude:**	32° 10' 50.69 N
From:	Map	**Easting:**	714,626.30 ft	**Longitude:**	103° 38' 22.64 W
Position Uncertainty:	0.00 ft	**Slot Radius:**	"	**Grid Convergence:**	0.37 °

Well Gadwall 35 Fed 1H

Well Position	**+N/-S**	0.00 ft	**Northing:**	430,167.80 ft	**Latitude:**	32° 10' 50.69 N
	+E/-W	0.00 ft	**Easting:**	714,626.30 ft	**Longitude:**	103° 38' 22.64 W
Position Uncertainty		0.00 ft	**Wellhead Elevation:**	ft	**Ground Level:**	3,564.00 ft

Wellbore Wellbore #1

Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2010_14	8/3/2011	7.60	60.13	48,568

Design Plan #1 080311

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**
	0.00	0.00	0.00	179.71

Survey Tool Program **Date** 8/3/2011

From (ft)	**To (ft)**	**Survey (Wellbore)**	**Tool Name**	**Description**
0.00	14,318.34	Plan #1 080311 (Wellbore #1)	MWD	MWD - Standard

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
0.00	0.00	0.00	-3,582.00	0.00	0.00	0.00	0.00	0 00	430,167.80	714,626.30
100.00	0.00	0.00	-3,482.00	100.00	0.00	0.00	0.00	0.00	430,167 80	714,626.30
200.00	0.00	0.00	-3,382.00	200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
300.00	0.00	0.00	-3,282.00	300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
400.00	0.00	0.00	-3,182.00	400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
500.00	0.00	0.00	-3,082.00	500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
600.00	0.00	0.00	-2,982.00	600.00	0.00	0.00	0.00	0.00	430,167 80	714,626.30
700.00	0.00	0.00	-2,882.00	700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
800.00	0.00	0.00	-2,782.00	800.00	0.00	0.00	0.00	0.00	430,167 80	714,626.30
900.00	0.00	0.00	-2,682.00	900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,000.00	0.00	0.00	-2,582.00	1,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,100.00	0.00	0.00	-2,482.00	1,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,200.00	0.00	0.00	-2,382.00	1,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
1,300.00	0.00	0.00	-2,282.00	1,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,400.00	0.00	0.00	-2,182.00	1,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,500.00	0.00	0.00	-2,082.00	1,500 00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,600.00	0.00	0.00	-1,982.00	1,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,700.00	0.00	0.00	-1,882.00	1,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,800.00	0.00	0.00	-1,782.00	1,800 00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
1,900.00	0.00	0.00	-1,682.00	1,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,000.00	0.00	0.00	-1,582.00	2,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,100.00	0.00	0.00	-1,482.00	2,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,200.00	0.00	0.00	-1,382.00	2,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,300 00	0.00	0.00	-1,282.00	2,300.00	0 00	0.00	0.00	0.00	430,167.80	714,626.30
2,400.00	0.00	0.00	-1,182.00	2,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,500.00	0.00	0.00	-1,082.00	2,500.00	0.00	0.00	0.00	0.00	430,167 80	714,626 30
2,600.00	0.00	0.00	-982.00	2,600.00	0.00	0.00	0.00	0.00	430,167 80	714,626.30

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582 00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
2,700.00	0.00	0.00	-882.00	2,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,800.00	0.00	0.00	-782.00	2,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
2,900.00	0.00	0.00	-682.00	2,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,000.00	0.00	0.00	-582.00	3,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,100.00	0.00	0.00	-482.00	3,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,200.00	0.00	0.00	-382.00	3,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,300.00	0.00	0.00	-282.00	3,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,400.00	0.00	0.00	-182.00	3,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,500.00	0.00	0.00	-82.00	3,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,600.00	0.00	0.00	18.00	3,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,700.00	0.00	0.00	118.00	3,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,800.00	0.00	0.00	218.00	3,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
3,900.00	0.00	0.00	318.00	3,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,000.00	0.00	0.00	418.00	4,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,100.00	0.00	0.00	518.00	4,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,200.00	0.00	0.00	618.00	4,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,300.00	0.00	0.00	718.00	4,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,400.00	0.00	0.00	818.00	4,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,500.00	0.00	0.00	918.00	4,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,600.00	0.00	0.00	1,018.00	4,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,680.00	0.00	0.00	1,098.00	4,680.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Basal Anhydrite										
4,700.00	0.00	0.00	1,118.00	4,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,800.00	0.00	0.00	1,218.00	4,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,900.00	0.00	0.00	1,318.00	4,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
4,910.00	0.00	0.00	1,328.00	4,910.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Lamar										

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582 00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
4,940.00	0.00	0.00	1,358.00	4,940.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Bell Canyon										
5,000.00	0.00	0.00	1,418.00	5,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,100.00	0.00	0.00	1,518.00	5,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,200.00	0.00	0.00	1,618.00	5,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
5,300.00	0.00	0.00	1,718.00	5,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,400.00	0.00	0.00	1,818.00	5,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
5,500.00	0.00	0.00	1,918.00	5,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,600.00	0.00	0.00	2,018.00	5,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,700.00	0.00	0.00	2,118.00	5,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,800.00	0.00	0.00	2,218.00	5,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
5,860.00	0.00	0.00	2,278.00	5,860.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Cherry Canyon										
5,900.00	0.00	0.00	2,318.00	5,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,000.00	0.00	0.00	2,418.00	6,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,080.00	0.00	0.00	2,498.00	6,080.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Manzanita										
6,100.00	0.00	0.00	2,518.00	6,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
6,200.00	0.00	0.00	2,618.00	6,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,300.00	0.00	0.00	2,718.00	6,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,400.00	0.00	0.00	2,818.00	6,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,500.00	0.00	0.00	2,918.00	6,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
6,600.00	0.00	0.00	3,018.00	6,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,700.00	0.00	0.00	3,118.00	6,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626 30
6,800.00	0.00	0.00	3,218.00	6,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
6,900.00	0.00	0.00	3,318.00	6,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,000.00	0.00	0.00	3,418.00	7,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
7,100.00	0.00	0.00	3,518.00	7,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,200.00	0.00	0.00	3,618.00	7,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,300.00	0.00	0.00	3,718.00	7,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,320.00	0.00	0.00	3,738.00	7,320.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Brushy Canyon										
7,400.00	0.00	0.00	3,818.00	7,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,500.00	0.00	0.00	3,918.00	7,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,600.00	0.00	0.00	4,018.00	7,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,700.00	0.00	0.00	4,118.00	7,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,800.00	0.00	0.00	4,218.00	7,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
7,900.00	0.00	0.00	4,318.00	7,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,000.00	0.00	0.00	4,418.00	8,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,100.00	0.00	0.00	4,518.00	8,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,200.00	0.00	0.00	4,618.00	8,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,300.00	0.00	0.00	4,718.00	8,300.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,400.00	0.00	0.00	4,818.00	8,400.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,500.00	0.00	0.00	4,918.00	8,500.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,600.00	0.00	0.00	5,018.00	8,600.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,700.00	0.00	0.00	5,118.00	8,700.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,800.00	0.00	0.00	5,218.00	8,800.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,900.00	0.00	0.00	5,318.00	8,900.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
8,930.00	0.00	0.00	5,348.00	8,930.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
Bone Spring										
9,000.00	0.00	0.00	5,418.00	9,000.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
9,100.00	0.00	0.00	5,518.00	9,100.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30
9,200.00	0.00	0.00	5,618.00	9,200.00	0.00	0.00	0.00	0.00	430,167.80	714,626.30

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
11,600.00	90.00	179.71	6,168.00	9,750.00	-2,054.90	10.25	2,054.93	0.00	428,112.90	714,636.55
11,700.00	90.00	179.71	6,168.00	9,750.00	-2,154.90	10.74	2,154.93	0.00	428,012.90	714,637.04
11,800.00	90.00	179.71	6,168.00	9,750.00	-2,254.90	11.24	2,254.93	0.00	427,912.90	714,637.54
11,900.00	90.00	179.71	6,168.00	9,750.00	-2,354.90	11.74	2,354.93	0.00	427,812.90	714,638.04
12,000.00	90.00	179.71	6,168.00	9,750.00	-2,454.90	12.24	2,454.93	0.00	427,712.91	714,638.54
12,100.00	90.00	179.71	6,168.00	9,750.00	-2,554.90	12.74	2,554.93	0.00	427,612.91	714,639.04
12,200.00	90.00	179.71	6,168.00	9,750.00	-2,654.90	13.24	2,654.93	0.00	427,512.91	714,639.54
12,300.00	90.00	179.71	6,168.00	9,750.00	-2,754.90	13.74	2,754.93	0.00	427,412.91	714,640.04
12,400.00	90.00	179.71	6,168.00	9,750.00	-2,854.89	14.23	2,854.93	0.00	427,312.91	714,640.53
12,500.00	90.00	179.71	6,168.00	9,750.00	-2,954.89	14.73	2,954.93	0.00	427,212.91	714,641.03
12,600.00	90.00	179.71	6,168.00	9,750.00	-3,054.89	15.23	3,054.93	0.00	427,112.91	714,641.53
12,700.00	90.00	179.71	6,168.00	9,750.00	-3,154.89	15.73	3,154.93	0.00	427,012.92	714,642.03
12,800.00	90.00	179.71	6,168.00	9,750.00	-3,254.89	16.23	3,254.93	0.00	426,912.92	714,642.53
12,900.00	90.00	179.71	6,168.00	9,750.00	-3,354.89	16.73	3,354.93	0.00	426,812.92	714,643.03
13,000.00	90.00	179.71	6,168.00	9,750.00	-3,454.89	17.23	3,454.93	0.00	426,712.92	714,643.53
13,100.00	90.00	179.71	6,168.00	9,750.00	-3,554.89	17.73	3,554.93	0.00	426,612.92	714,644.03
13,200.00	90.00	179.71	6,168.00	9,750.00	-3,654.88	18.22	3,654.93	0.00	426,512.92	714,644.52
13,300.00	90.00	179.71	6,168.00	9,750.00	-3,754.88	18.72	3,754.93	0.00	426,412.92	714,645.02
13,400.00	90.00	179.71	6,168.00	9,750.00	-3,854.88	19.22	3,854.93	0.00	426,312.93	714,645.52
13,500.00	90.00	179.71	6,168.00	9,750.00	-3,954.88	19.72	3,954.93	0.00	426,212.93	714,646.02
13,600.00	90.00	179.71	6,168.00	9,750.00	-4,054.88	20.22	4,054.93	0.00	426,112.93	714,646.52
13,700.00	90.00	179.71	6,168.00	9,750.00	-4,154.88	20.72	4,154.93	0.00	426,012.93	714,647.02
13,800.00	90.00	179.71	6,168.00	9,750.00	-4,254.88	21.22	4,254.93	0.00	425,912.93	714,647.52
13,900.00	90.00	179.71	6,168.00	9,750.00	-4,354.88	21.71	4,354.93	0.00	425,812.93	714,648.01
14,000.00	90.00	179.71	6,168.00	9,750.00	-4,454.87	22.21	4,454.93	0.00	425,712.93	714,648.51
14,100.00	90.00	179.71	6,168.00	9,750.00	-4,554.87	22.71	4,554.93	0.00	425,612.94	714,649.01
14,200.00	90.00	179.71	6,168.00	9,750.00	-4,654.87	23.21	4,654.93	0.00	425,512.94	714,649.51

Phoenix Technology Services

OGX Resources

PHOENIX TECHNOLOGY SERVICES

Company:	OGX Resources	**Local Co-ordinate Reference:**	Well Gadwall 35 Fed 1H
Project:	Eddy County, New Mexico	**TVD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Site:	Gadwall 35 Federal	**MD Reference:**	Well @ 3582.00ft (Original Well Elev + 18' KB)
Well:	Gadwall 35 Fed 1H	**North Reference:**	Grid
Wellbore:	Wellbore #1	**Survey Calculation Method:**	Minimum Curvature
Design:	Plan #1 080311	**Database:**	GCR3

Planned Survey

MD (ft)	Inc (°)	Azi (azimuth) (°)	TVDSS (ft)	TVD (ft)	N/S (ft)	E/W (ft)	V. Sec (ft)	DLeg (°/100ft)	Northing (ft)	Easting (ft)
14,300.00	90.00	179.71	6,168.00	9,750.00	-4,754.87	23.71	4,754.93	0.00	425,412.94	714,650.01
14,318.34	90.00	179.71	6,168.00	9,750.00	-4,773.21	23.80	4,773.27	0.00	425,394.60	714,650.10
TD @ 14318' MD										

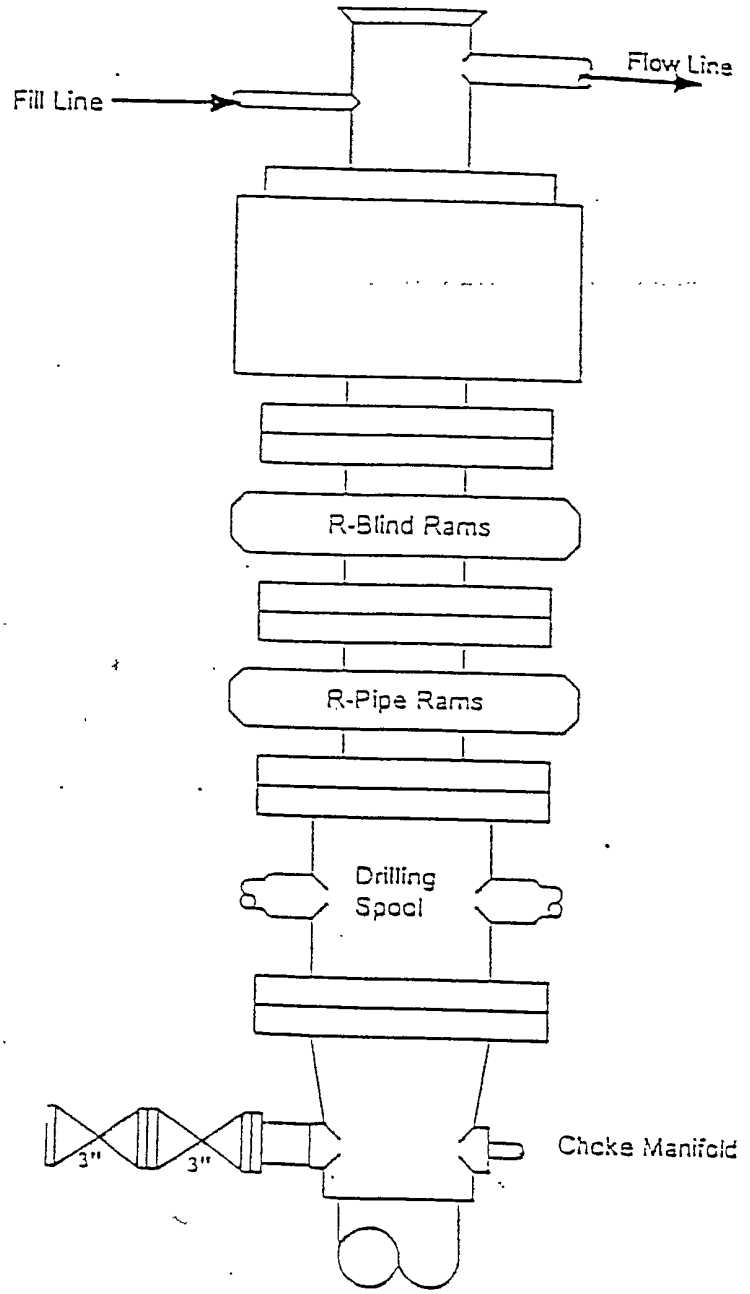
Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
10,022.54	9,750.00	Avalon Shale		0.00	
8,930.00	8,930.00	Bone Spring		0.00	
5,860.00	5,860.00	Cherry Canyon		0.00	
4,940.00	4,940.00	Bell Canyon		0.00	
4,680.00	4,680.00	Basal Anhydrite		0.00	
6,080.00	6,080.00	Manzanita		0.00	
4,910.00	4,910.00	Lamar		0.00	
7,320.00	7,320.00	Brushy Canyon		0.00	

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
9,272.53	9,272.53	0.00	0.00	KOP Start 12°/100' Build @ 9272' MD
10,022.54	9,750.00	-477.46	2.38	Land/Start 4295' Hold @ 10022' MD
14,318.34	9,750.00	-4,773.21	23.80	TD @ 14318' MD

Checked By: _____ Approved By: _____ Date: _____



Type 900 Series
3000 psi WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

OGX RESOURCES, LLC.
GADWALL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM

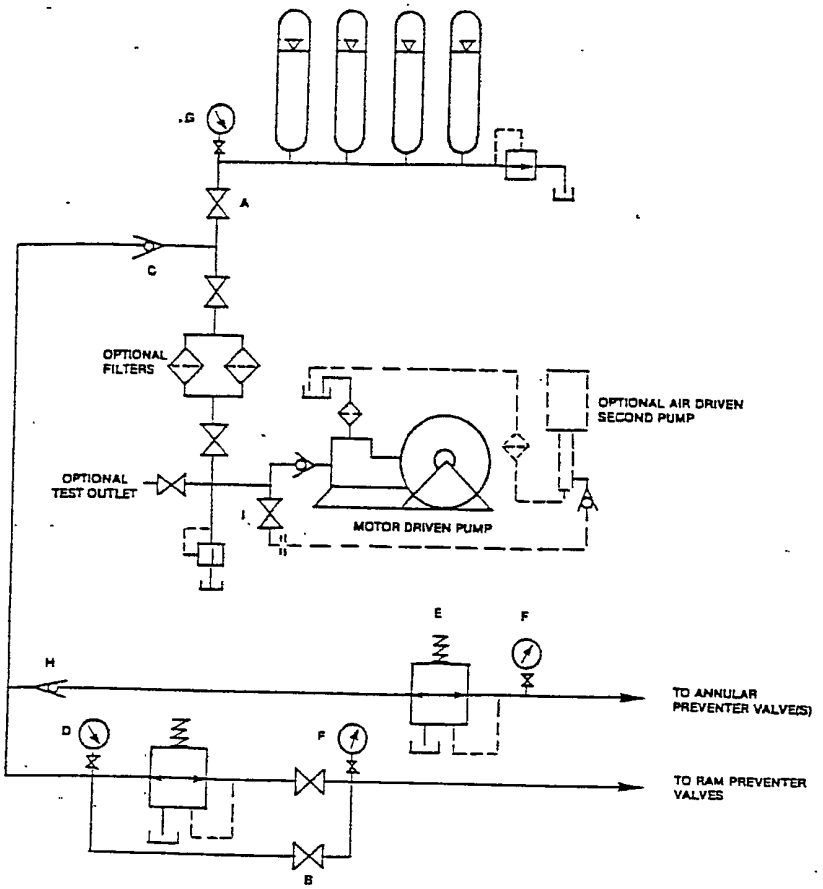


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

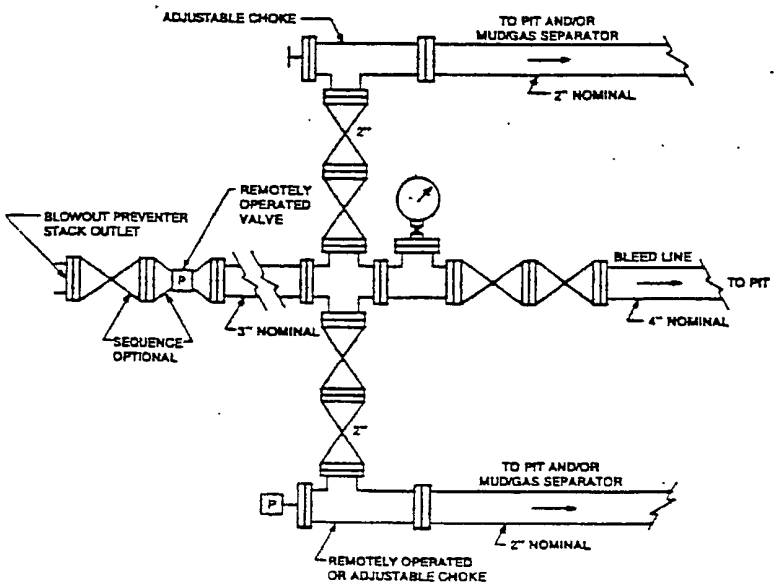
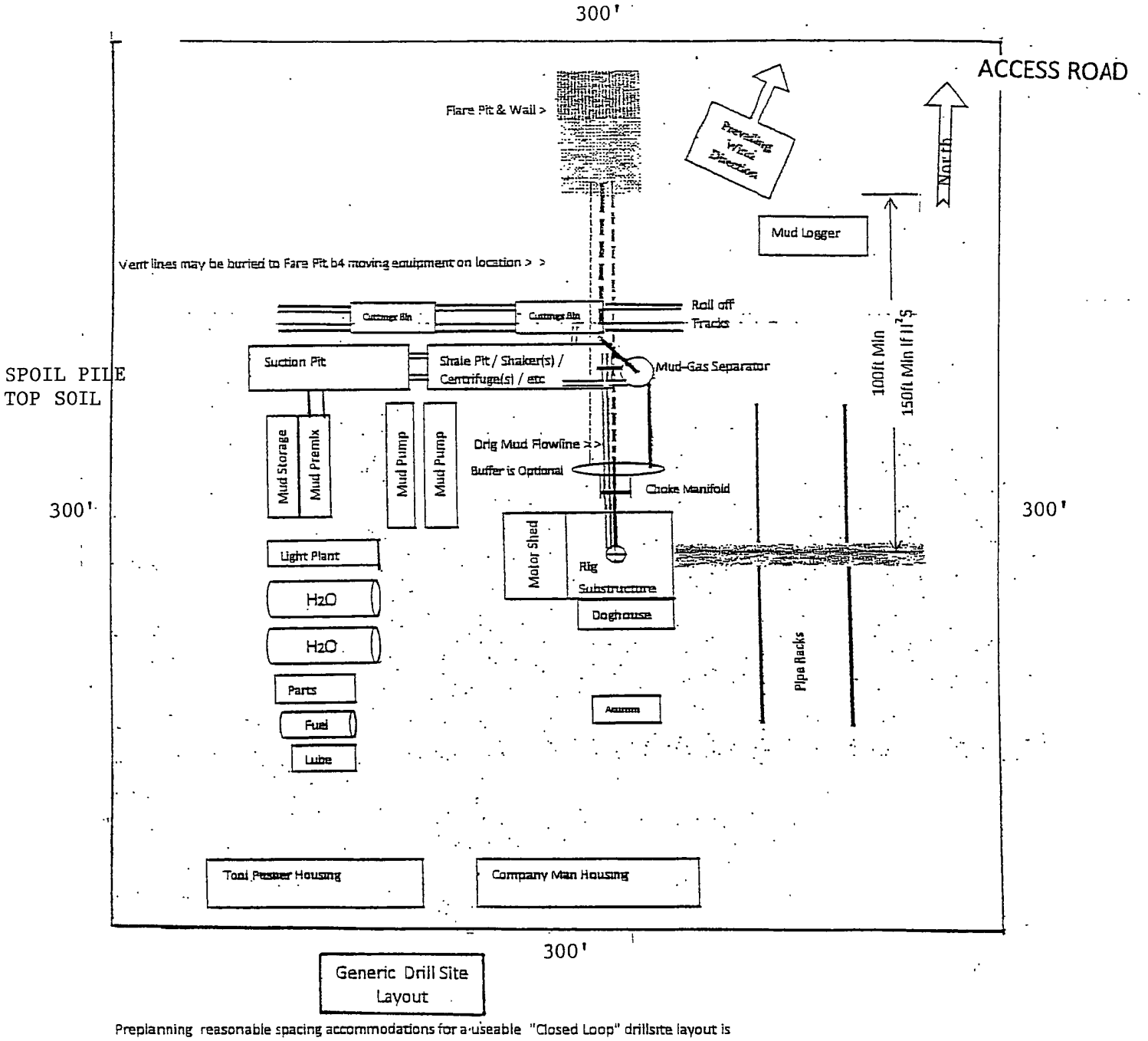


FIGURE K-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

OGX RESOURCES, LLC.
GADWALL "35" FEDERAL #1H
UNIT "A" SECTION 35
T24S-R32E LEA CO. NM



Generic Drill Site Layout

Preplanning reasonable spacing accommodations for a useable "Closed Loop" drillsite layout is challenging. Particular site specific conflicts need to be resolved. This generic APD plat was prepared to demonstrate several necessary elements. The plat should include: a north arrow, prevailing wind direction, spacing access for truck removal of cutting bins, flare pit location, and piping provision to vent all combustible gas to the flare pit. Include the choke manifold and mud-gas separat and their connection routing.

EXHIBIT "D"
RIG LAY OUT PLAT

OGX RESOURCES, LLC.
GADWALL "35" FEDERAL # 1H
UNIT "A" SECTION 35
T24S-R#2E LEA CO. NM