

SURFACE USE PLAN

30.025-40364

OGX RESOURCES, LLC.

GADWELL "35" FEDERAL #1H

UNIT "A" SECTION 35

T24S-R32E LEA CO. NM

1. EXISTING AND PROPOSED ROADS:

- A. Exhibit "B" is a reproduction of a County General Hi-way map showing roads. Exhibit "C" is a reproduction of a USGS Topographic map showing existing roads and proposed roads and proposed flowline and powerline routes if they are needed. All existing roads will be maintained in a condition equal to or better than current conditions. All new roads will be constructed according to BLM specifications.
- B. Exhibit "A" shows the proposed well location as staked.
- C. Directions to location: From Hobbs, New Mexico take U.S. Hi-way 62-180 West toward Carlsbad, go 38½ miles to CR-29, turn Left (South) go 21.5 miles to State Hi-way 128, turn Left (East) go 5.6 miles to CR-1 (Orla Road) turn right (South) go 3.2 miles, turn Left (East) go 1.1 miles bear Left go .2 miles bear Right go .6 miles, turn Left (North) go .6 miles location is on the Left 800'.
- D. Exhibit "C" is a topographic map showing existing roads, proposed roads, tank battery and production facilities will be constructed on location.

2. PLANNED ACCESS ROADS: Approximately 800' of new road will be constructed.

- A. The access roads will be crowned and ditched to a 14' 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 required all new roads will be surfaced with a minimum of 4-6" of caliche which will be obtained from a local source.
- E. The centerline of new roads will be flagged, road construction will be done as field conditions require.
- F. Culverts will be placed in the access roads as drainage conditions require. Roads will be constructed to use low water crossings where topographic conditions dictate.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS:

- A. Water wells - water well 2 miles West Southwest.
- 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 will 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:

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

CELL 575-390-1598

DURING AND AFTER CONSTRUCTION

OGX RESOURCES, LLC.

P. O. BOX 2064

MIDLAND, TEXAS 79702

JEFF BIRKELBACH 432-685-1287

CELL 432-553-0391

NAME Joe T. Janica

Permit Eng.

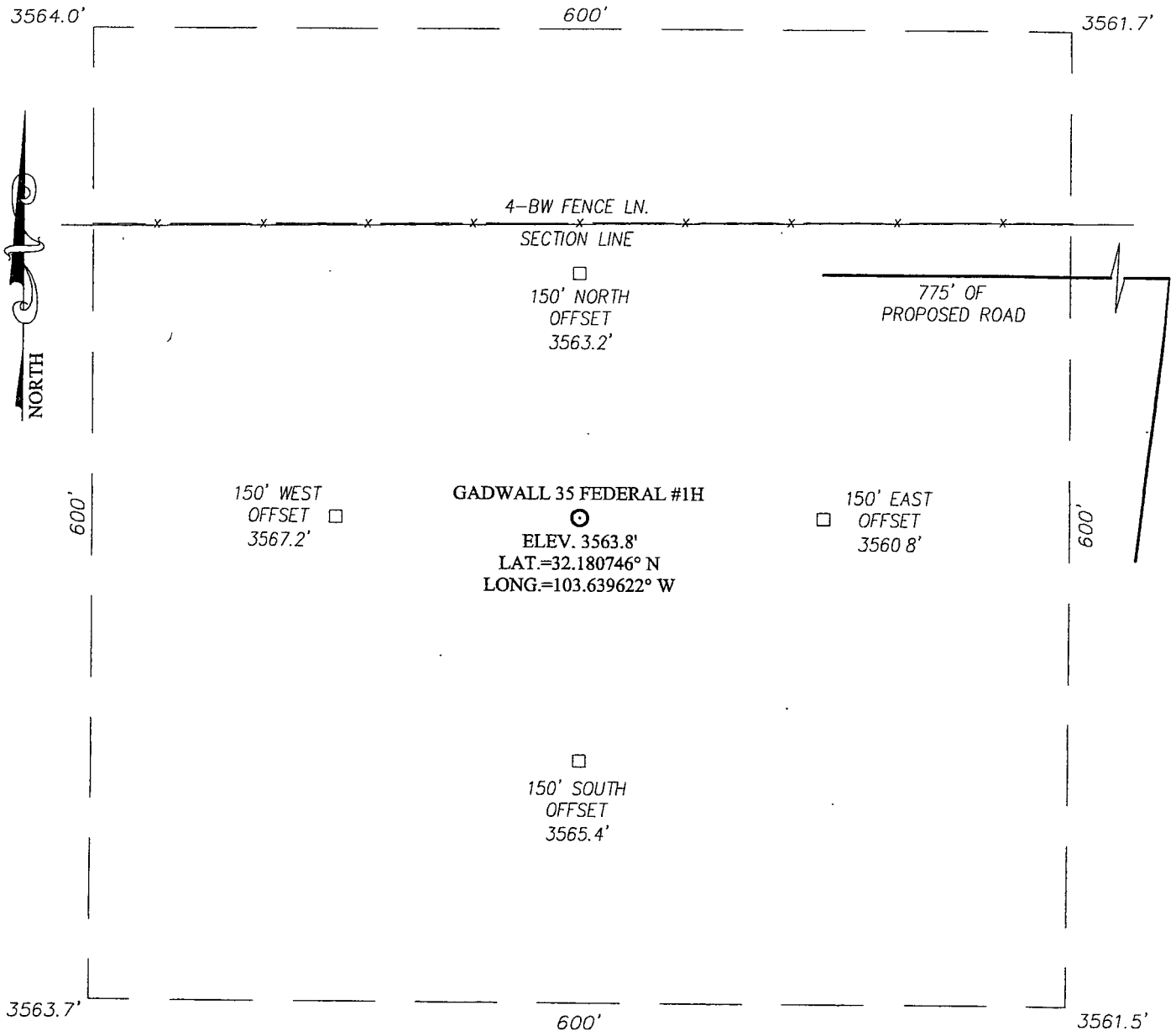
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09/12/11

DATE

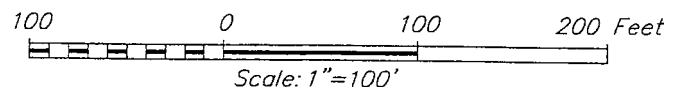
SECTION 35, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HWY. #128 AND CO. RD. C-1 (ORLA) GO SOUTH ON CO. RD. C-1 APPROX. 3.2 MILES. TURN LEFT AND GO EAST APPROX. 1.1 MILES. VEER LEFT AND GO NORTHEAST APPROX. 0.2 MILES. VEER RIGHT AND GO EAST APPROX. 0.6 MILES. GO NORTH APPROX. 0.6 MILES TO A PROPOSED ROAD SURVEY. FOLLOW ROAD STAKES WEST APPROX 750 FEET TO THIS LOCATION.



OGX RESOURCES

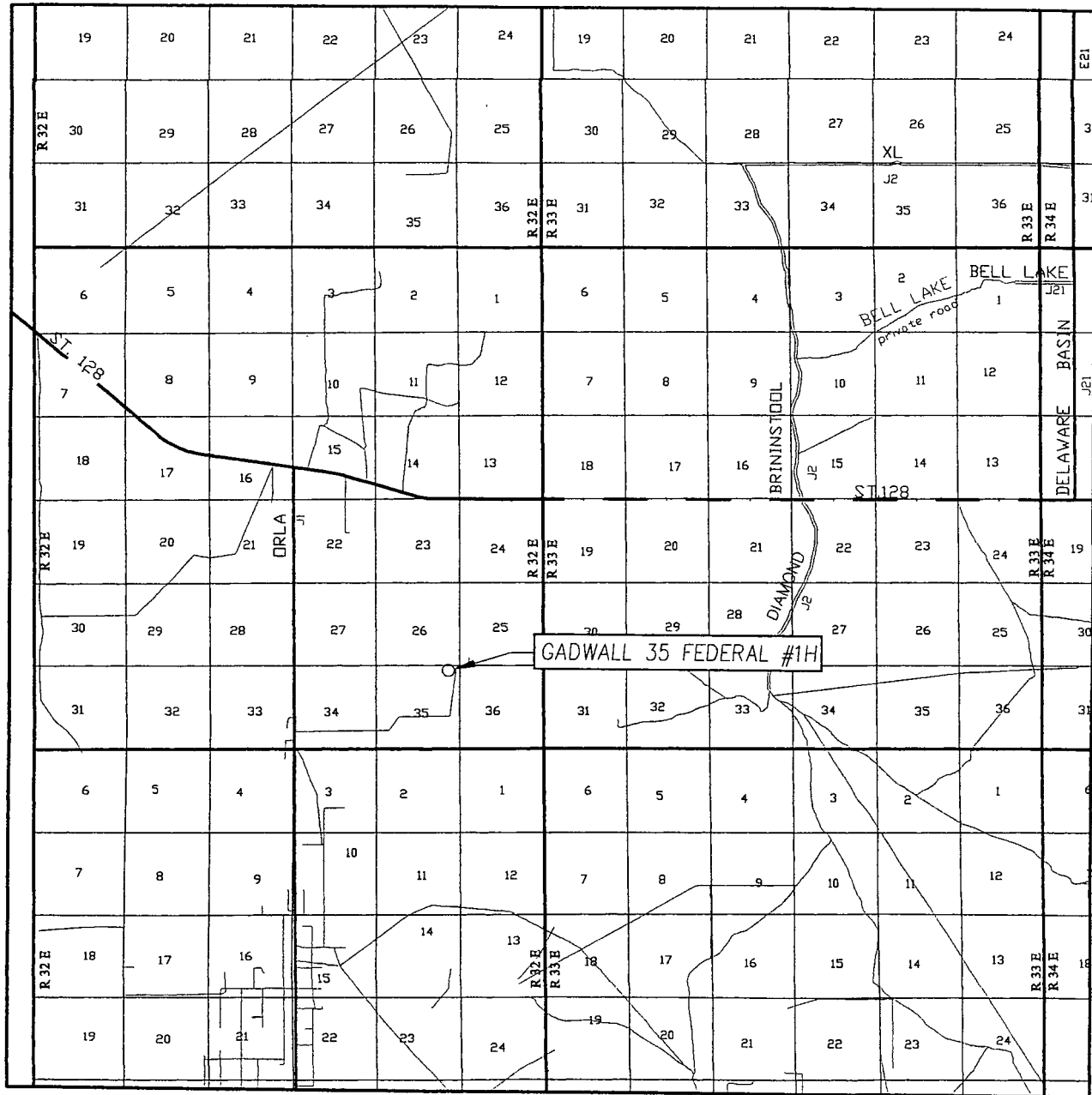
GADWALL 35 FEDERAL #1H WELL
LOCATED 180 FEET FROM THE NORTH LINE
AND 990 FEET FROM THE EAST LINE OF SECTION 35,
TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date: 7/19/11	Sheet 1 of 1 Sheets
W.O. Number: 1111.1465	Dr. By. LA
Date: 7/26/11	Rev 1:
Rel. W.O..	11111465
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 31 TWP. 24-S RGE. 32-E

SURVEY N.M.P.M.

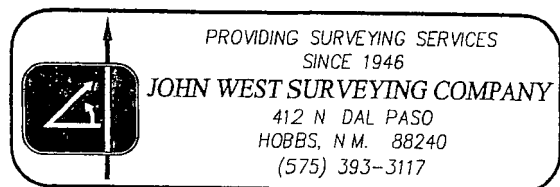
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 180' FNL & 990' FEL

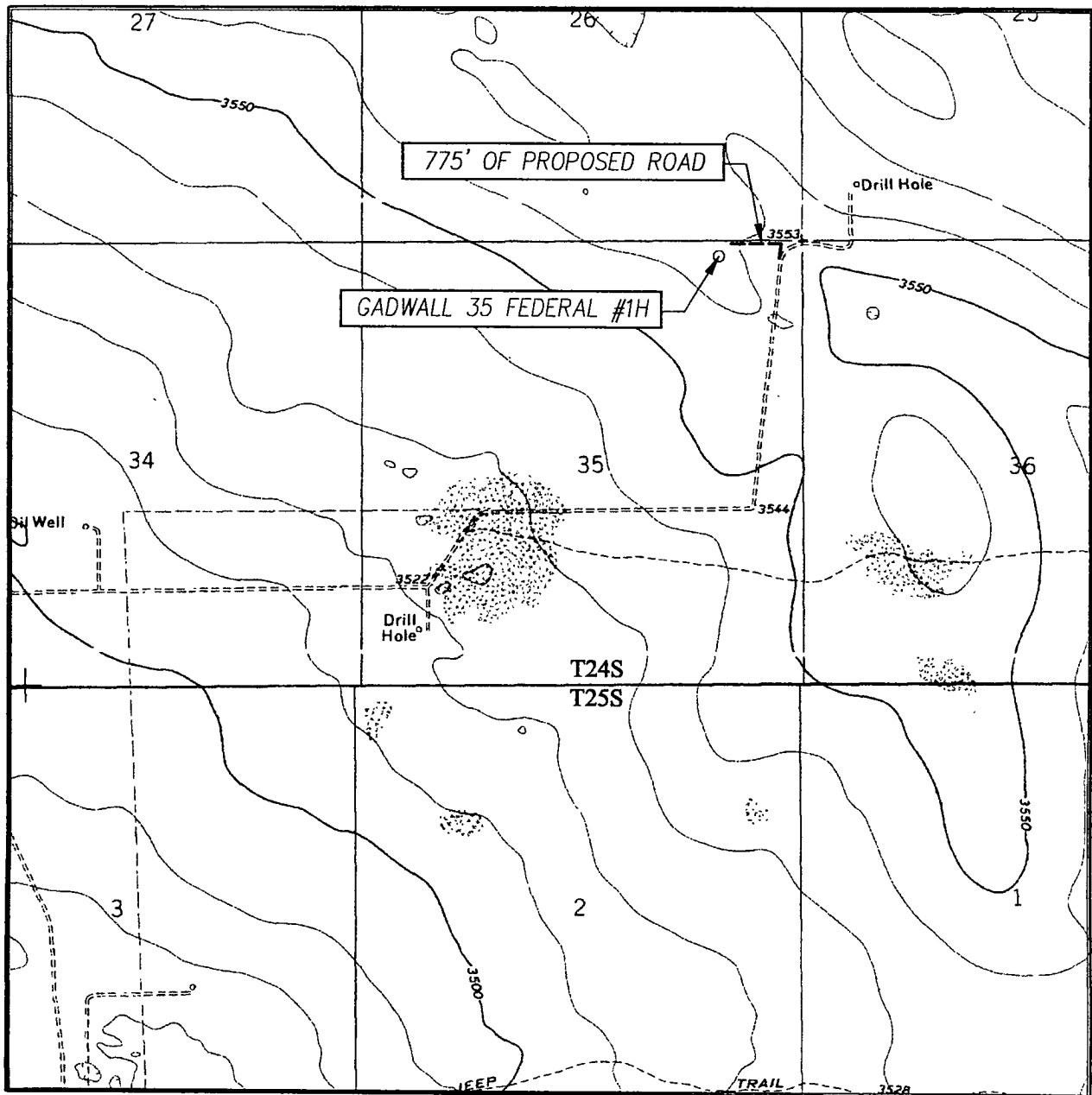
ELEVATION 3564'

OPERATOR OGX RESOURCES

LEASE GADWALL 35 FEDERAL



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 31 TWP. 24-S RGE. 32-E

SURVEY _____ N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 180' FNL & 990' FEL

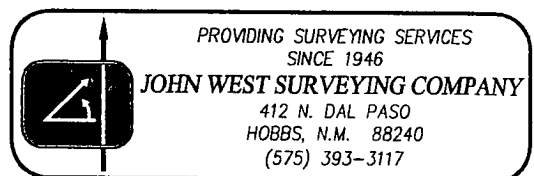
ELEVATION 3564'

OPERATOR OGX RESOURCES

LEASE GADWALL 35 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

PADUCA BREAKS NW, N.M.



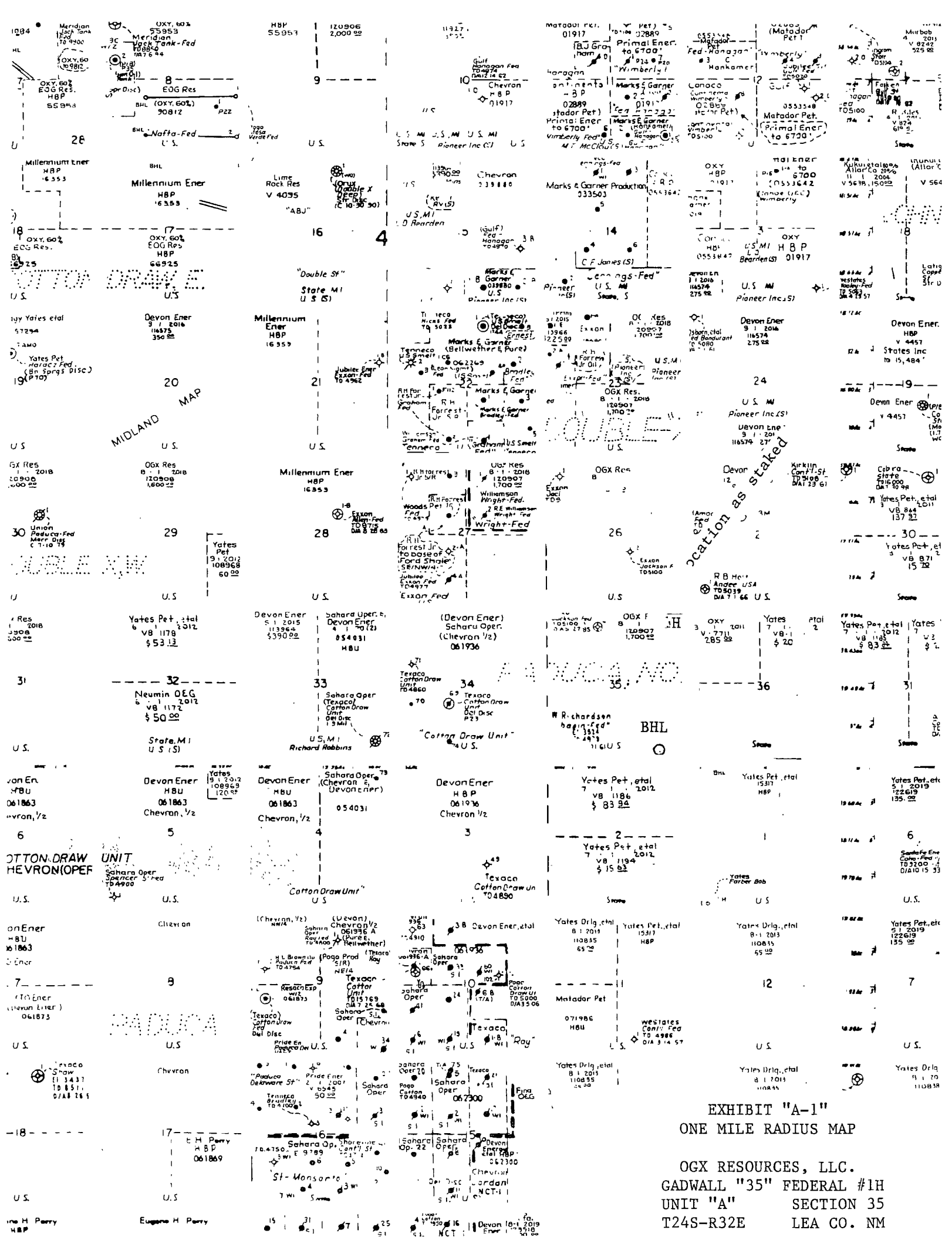


EXHIBIT "A-1"
ONE MILE RADIUS MAP

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

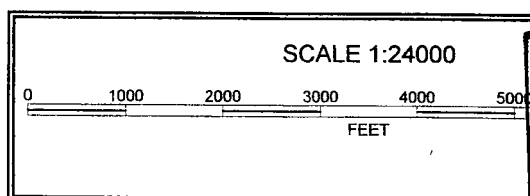
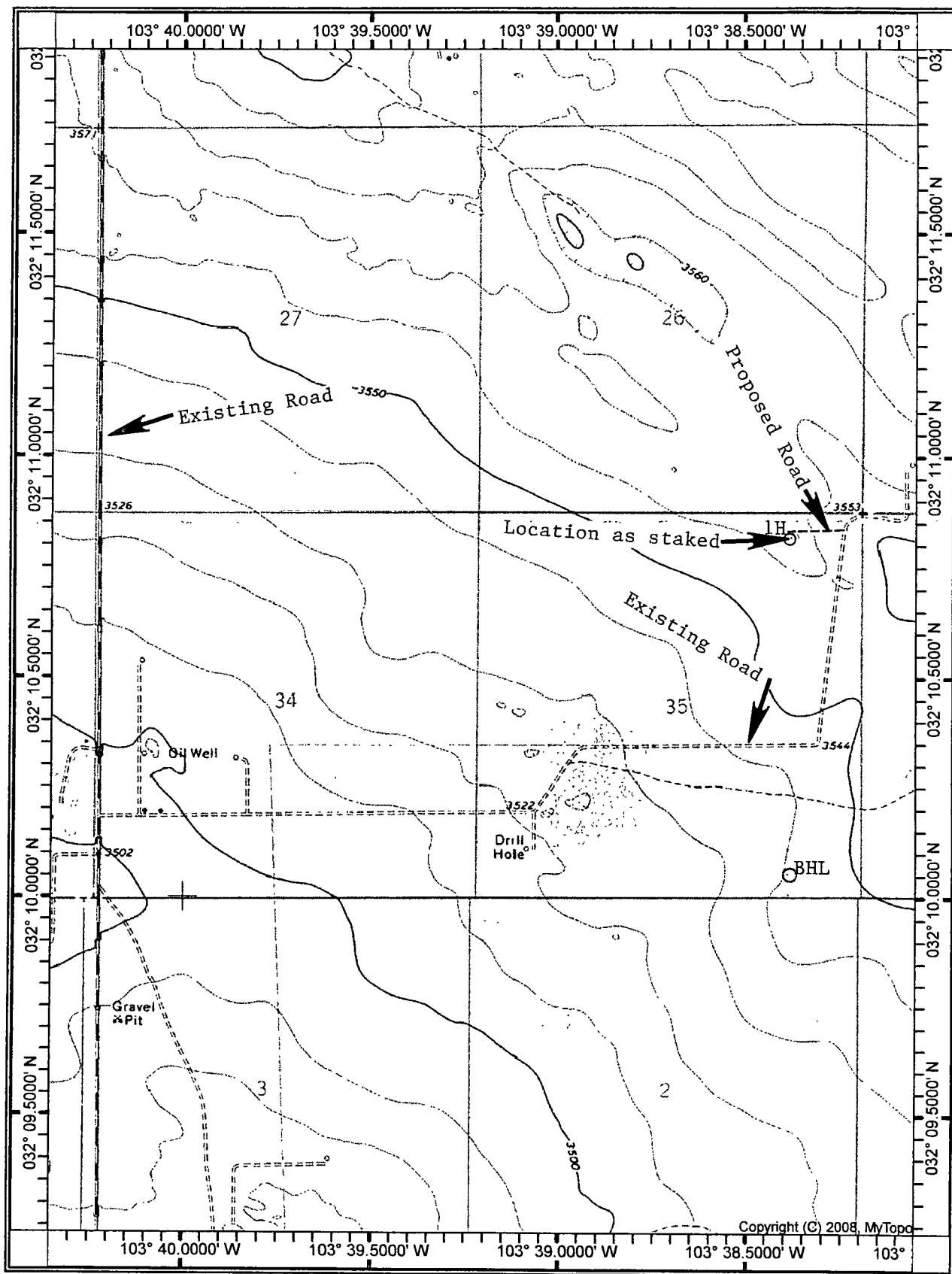


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

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