

SURFACE USE PLAN

OGX RESOURCES, LLC.  
REDHEAD "31" FEDERAL # 1H  
UNIT "D" SECTION 31  
T24S-R32E LEA CO. NM

30-025-40390

HOBBS OCD

DEC 21 2011

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1. EXISTING AND PROPOSED ROADS:

- A. Exhibit "B" is a reproduction of a County General Hi-way map showing existing roads. Exhibit "C" is a reproduction of a USGS topographic map showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. All new roads will be constructed to BLM specifications.
- B. Exhibit "A" shows the proposed well site as staked.
- C. Directions to location: From Hobbs, New Mexico take U. S. Hiway 62-180 West toward Carlsbad New Mexico, go 38± miles to CR-29, turn Left (South) go 21.5 miles to State Hiway 128, turn Left (East) go 1.9 miles to CR-786 (Buck Jackson Road), turn Right (South) go .5 miles and bear Left and follow existing road 3.4 miles, turn East go 810' then south 480' to location.
- D. Exhibit "C" shows a topographic map showing existing roads, proposed roads and a proposed powerline route. Tank battery and production facilities will be constructed on location.

2. PLANNED ACCESS ROADS: Approximately 1300' of new road will be constructed.

- A. The access roads will be crowned and sitched to a 14' wide 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 require new access roads will be surface with a minimum of 4-6" of caliche. this material will be obtained from a local source.
- E. Center line for new roads will be flagged, road construction will be done as field conditions require.
- F. Culverts will be placed in the access road as drainage conditions require. Roads will be constructed to use low water crossings for drainage as required by the topographic conditions.

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS: EXHIBIT "A-1"

- A. Water wells - None known in the imediate area.
- 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 productive, the operator will construct production facilities and tank battery on location. A proposed powerline to operate this facility will be constructed along a route 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:

- A. The topography consists of low sand dunes with a slight dip to the South. The deep sandy soil supports shinny oak, native grasses and mesquite.
- B. The surface and the minerals are owned by The U. S. Department of Interior and is administered by The Bureau of Land Management. The surface is used mainly for the grazing of livestock.
- C. There are no dwellings within 3 or more miles from this location.
- D. Possible fresh water may be found at a depth of approximately 360'.

## 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

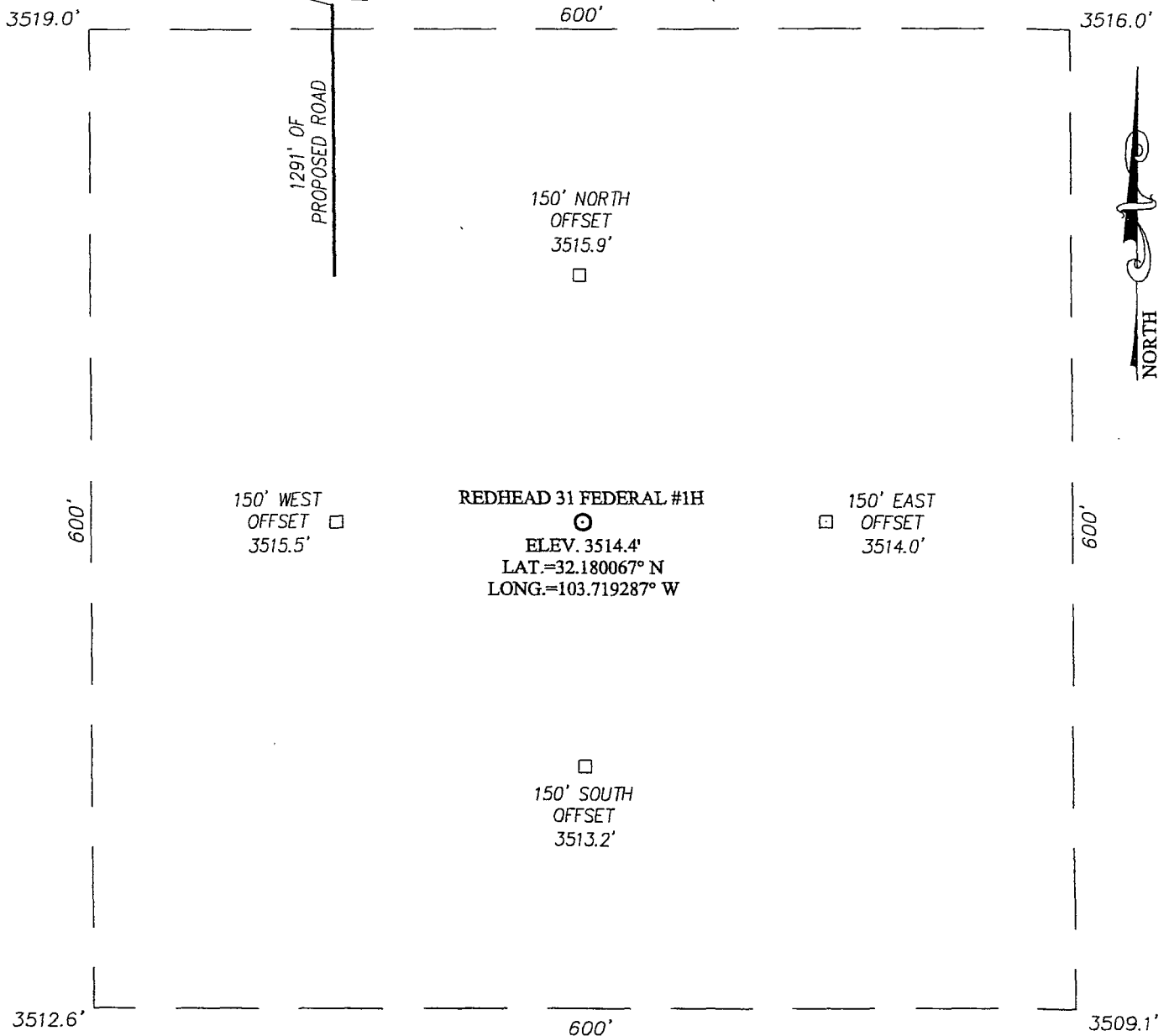
CELL 432-553-0391

NAME Joe T. Janica

TITLE Permit Eng. DATE 09/12/11

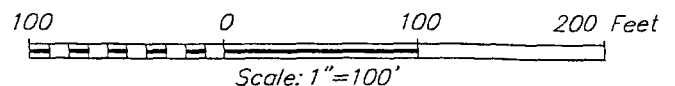
# SECTION 31, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.

LEA COUNTY NEW MEXICO



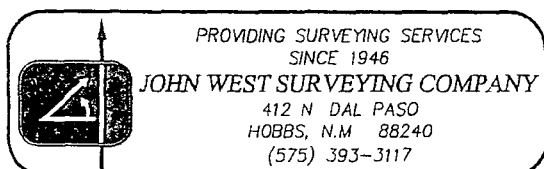
## DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HWY. #128 AND CO. RD. #786 (BUCK JACKSON) GO SOUTHWEST APPROX. 0.45 MILES. GO SOUTH APPROX. 3.4 MILES TO A PROPOSED ROAD SURVEY. FOLLOW STAKES EAST 810 FEET, THEN SOUTH 480 FEET TO THE LOCATION.



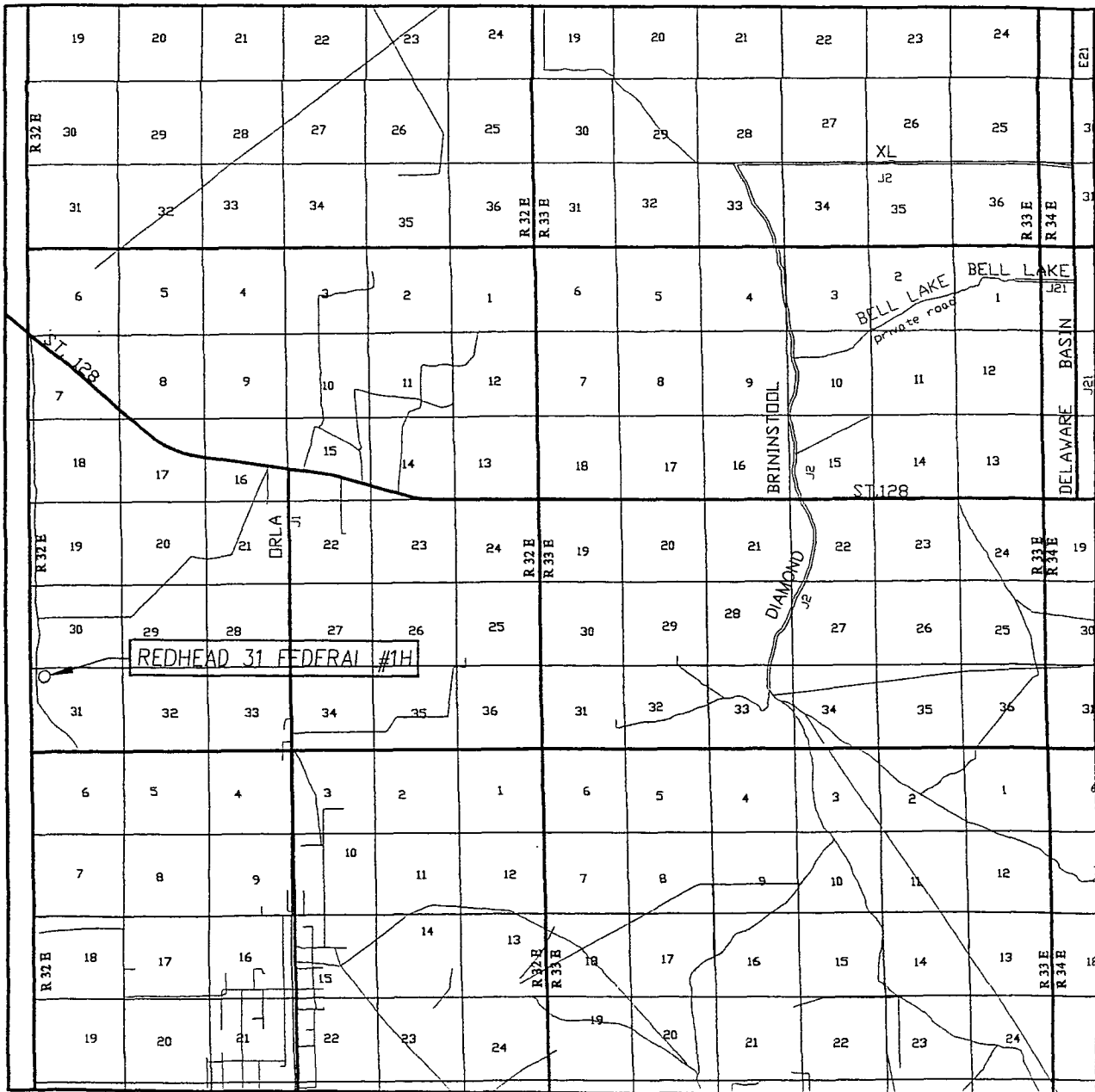
## OGX RESOURCES

REDHEAD 31 FEDERAL #1H WELL  
LOCATED 330 FEET FROM THE NORTH LINE  
AND 990 FEET FROM THE WEST LINE OF SECTION 31,  
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: 11.11.1463 Dr. By: LA Rev 1  
Date: 7/26/11 Rel W.O.: 11111463 Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

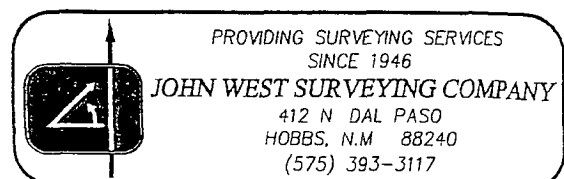
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 330' FNL & 990' FWL

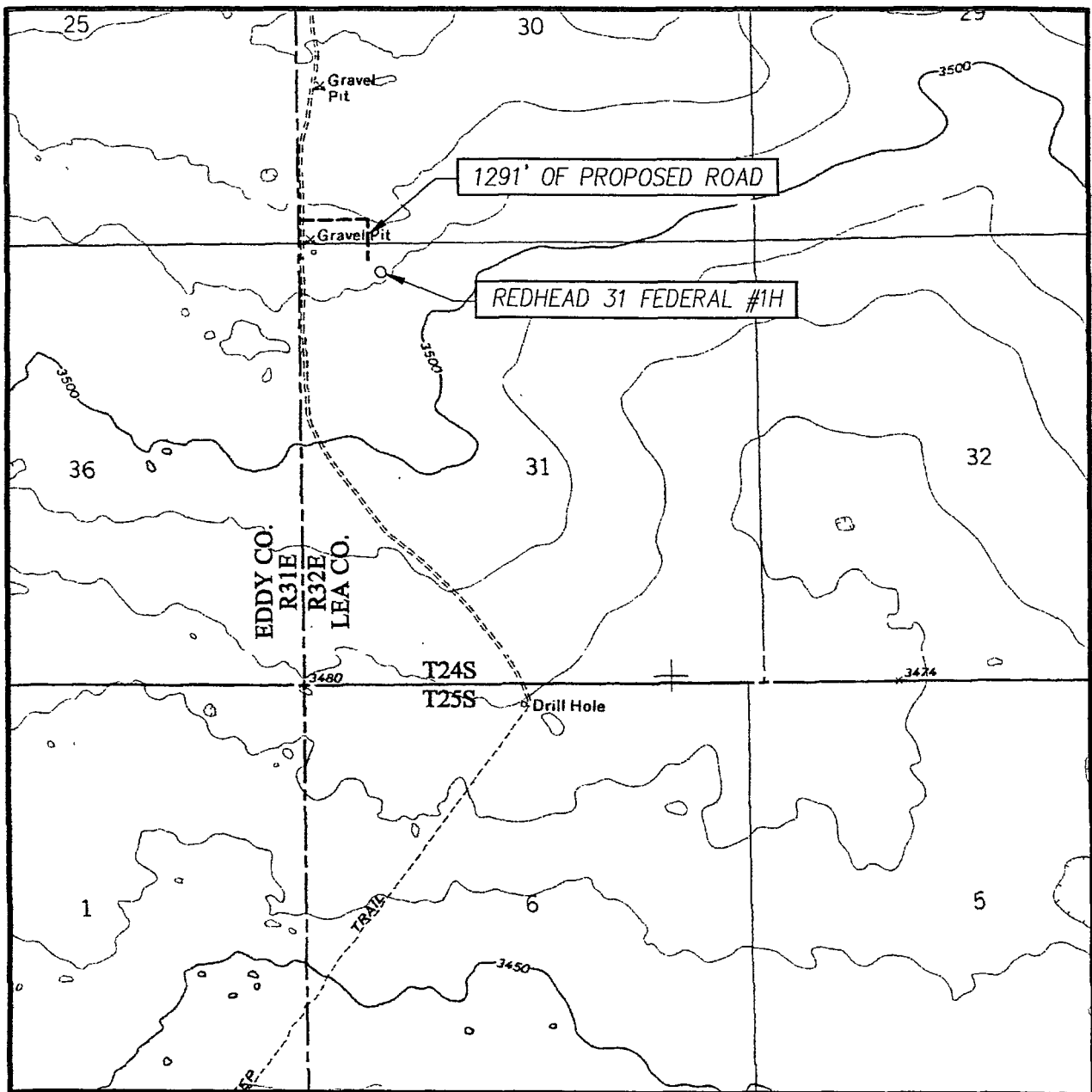
ELEVATION 3514'

OPERATOR OGX RESOURCES

LEASE REDHEAD 31 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

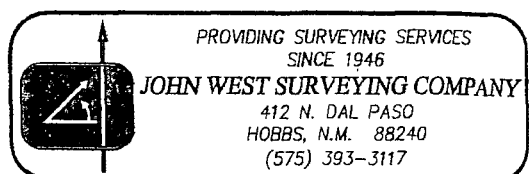
DESCRIPTION 330' FNL & 990' FWL

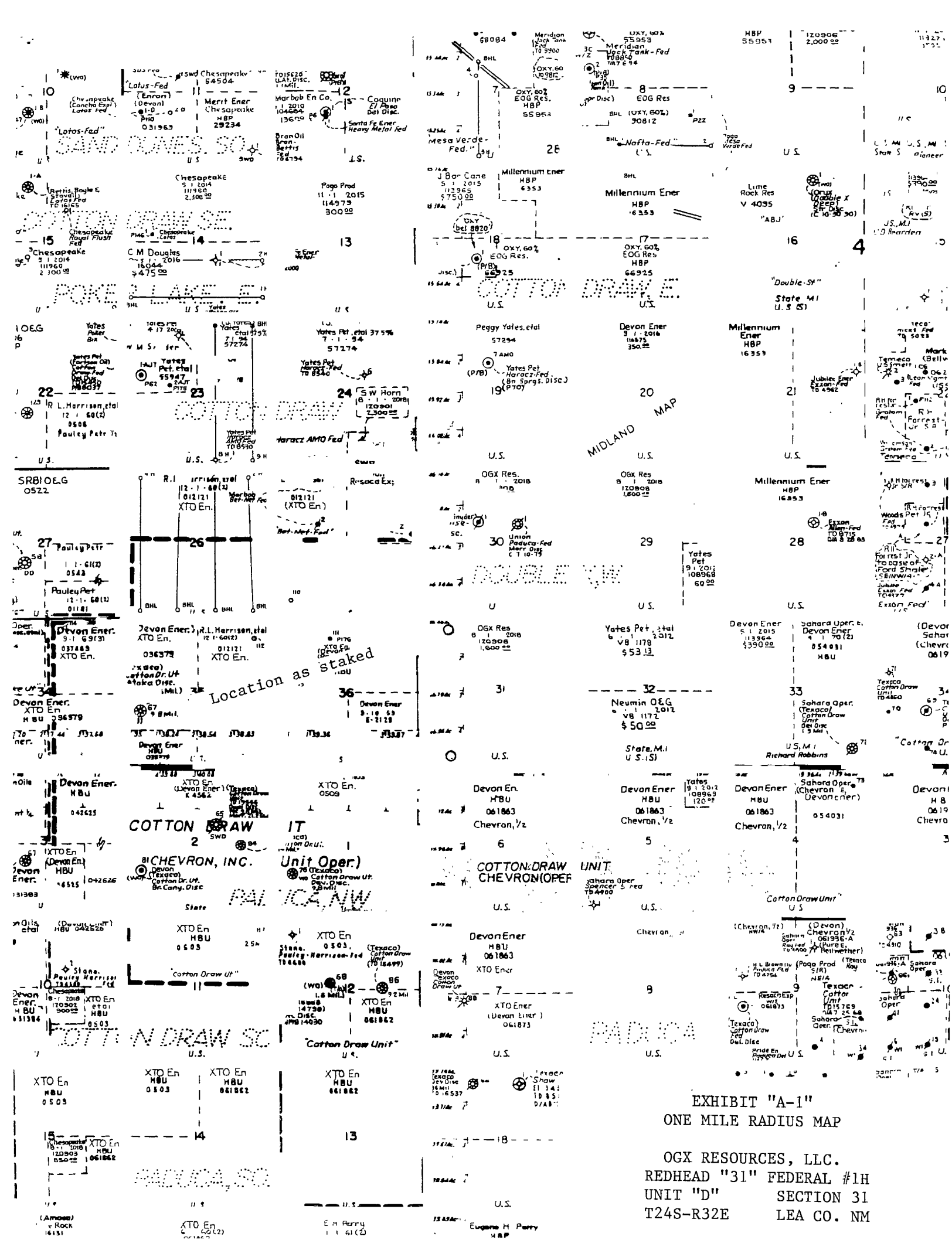
ELEVATION 3514'

OPERATOR OGX RESOURCES

LEASE REDHEAD 31 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
PADUCA BREAKS NW, N.M.









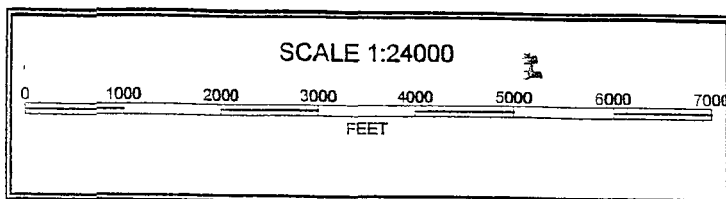
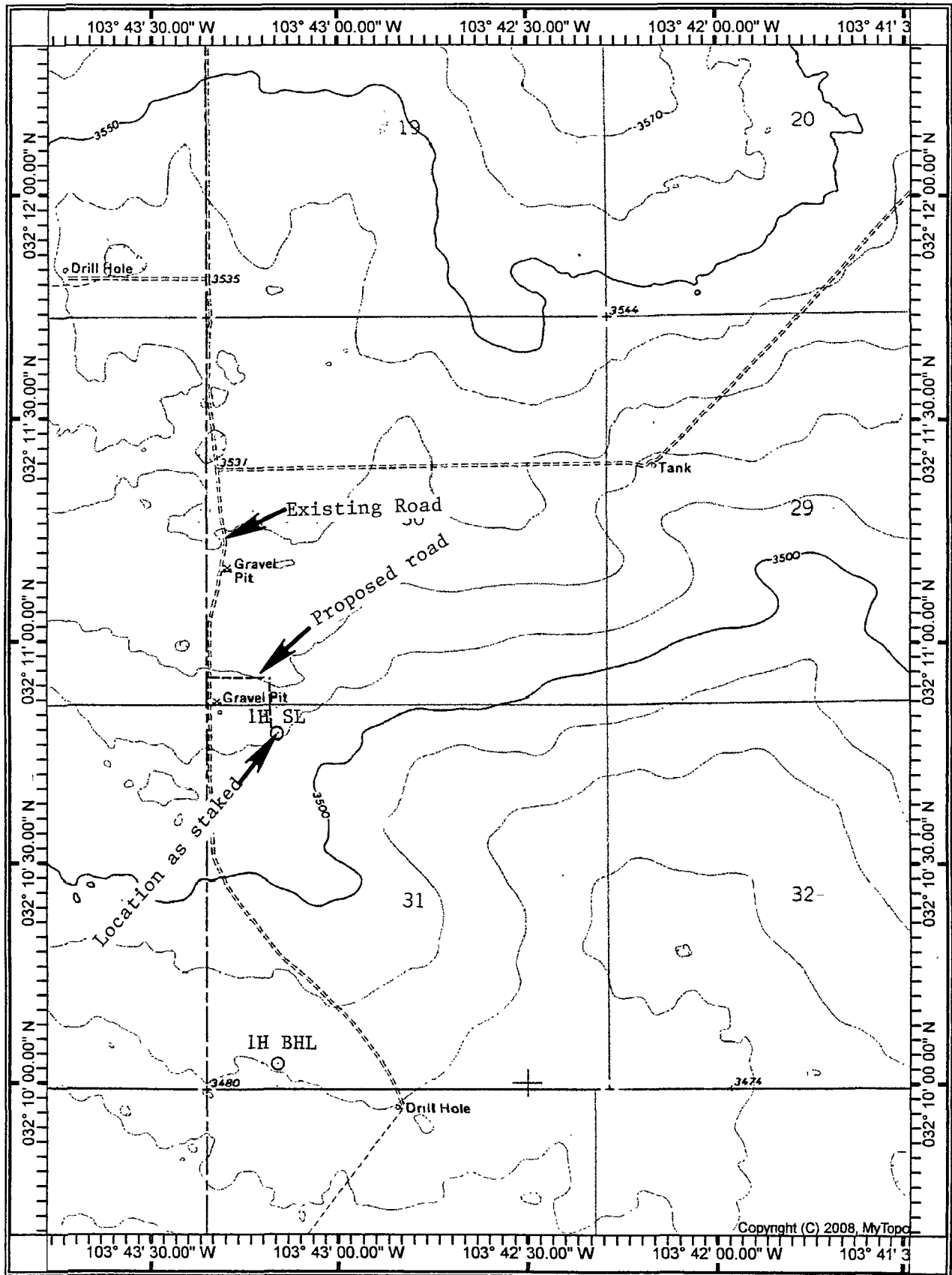
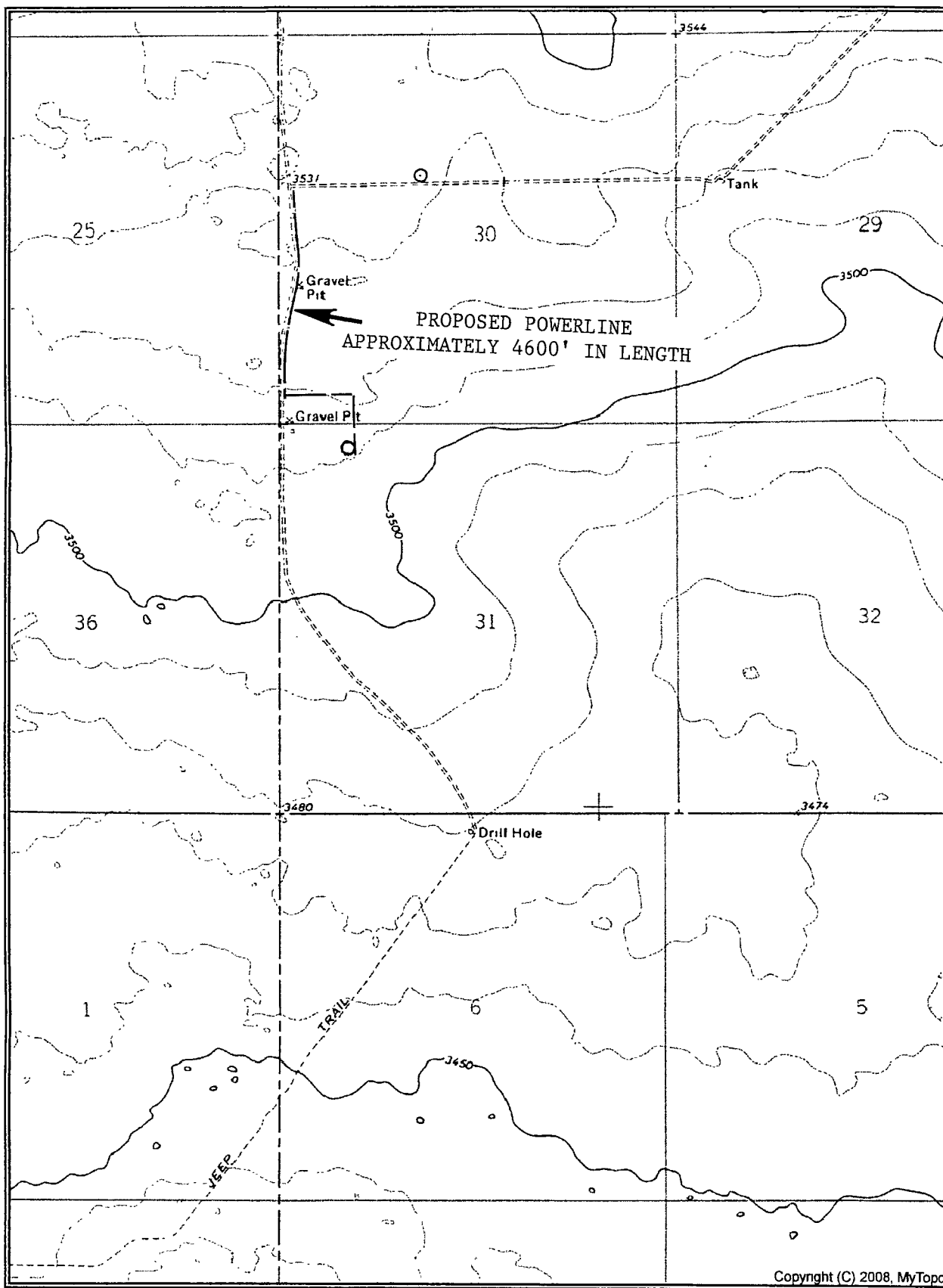
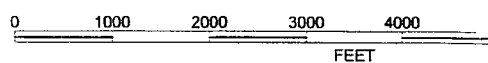


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO

OGX RESOURCES, LLC.  
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SCALE 1:24000



ROUTE OF PROPOSED POWERLINE

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