

SURFACE USE PLAN

CAZA OPERATING, LLC.
 MUD SLIDE SLIM "15" FEDERAL # 2
 UNIT "C" SECTION 15
 T20S-R34E LEA CO. NM

HOBBS OGD

JUN 13 2012

RECEIVED

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 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. Hi-way 62-180 West Carlsbad New Mexico go 30± miles to Skeen Road (H-27) turn Left and immediately turn Left again onto lease road go Southeast 2.3± miles, to windmill on the North side of road. Turn Right go 500±' turn Right go Southwest .4- miles, turn Left (South) go .4- miles, bear Left go .5 miles to an oil well #10 turn Right and follow road South .1 miles to location on the East side of road.
- D. Exhibit "C" shows a topographic map showing roads to location and the proposed route of flowline South to well # 1 where the tank battery is located.

2. PLANNED ACCESS ROADS: No additional new roads will be required.

- 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 - One approximately 1.5 miles North Northwest of location
- 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 successful the operator will complete it as a producer. The operator will lay flow lines to an existing tank battery located on lease as indicated on Exhibit "C". If a power line is required to operate facilities they will be constructed along existing R-O-W's, or obtained R-O-W's. These are 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. Topography consists of low lying sand dunes with shallow blowouts. No noticeable drainage patterns. Soil consists of tan to red silty sands. Vegetation consists of mesquite, catclaw, snakeweed, shinners oak, and various native grasses.
- B. The surface and the minerals are owned by The U. S. Department of Interior and is administered by The Bureau of Land Management.
- C. An archaeological survey has been done and a report is on file in the Carlsbad Field Office of The BLM.
- D. There are no dwellings located within 2 miles of the location.

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.

OPERATORS REPRESENTATIVES

BEFORE CONSTRUCTION

TIERRA EXPLORATION, INC.

P. O. BOX 2188

HOBBS, NEW MEXICO 88241

OFFICE PHONE 575-391-8503

JOE T. JANICA CELL PH. 575-390-1598

DURING AND AFTER CONSTRUCTION

CAZA OPERATING, LLC.

200 NORTH LORRAINE

SUITE 1550

MIDLAND, TEXAS 79701

RICHARD WRIGHT

OFFICE PH. 432-682-7424

CELL PH 432-556-7595

NAME

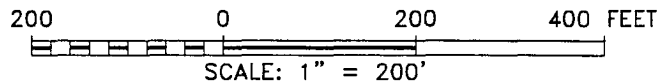
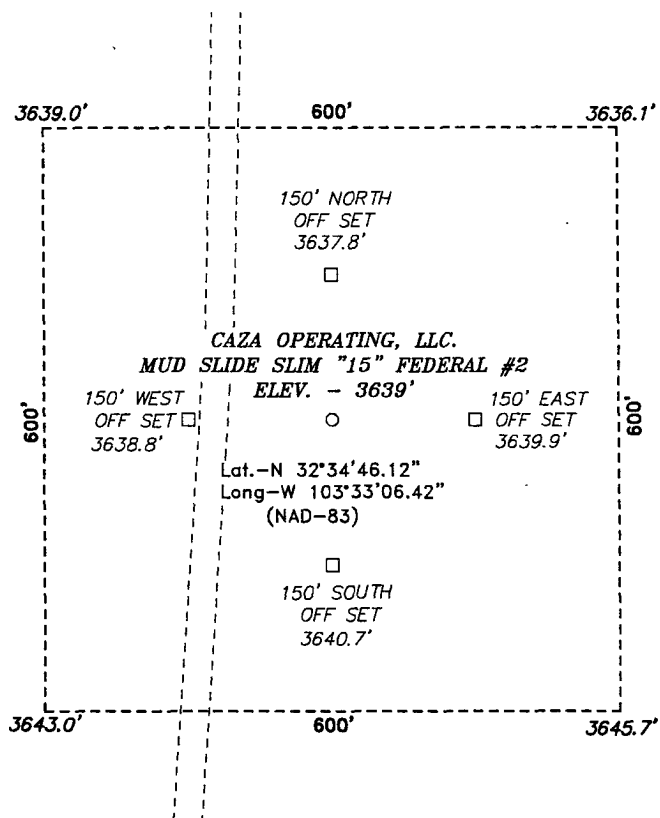
TITLE

Permit Eng.

DATE

12/05/11

SECTION 15, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF HWY 62-180 AND SKEEN,
GO SOUTH ON SKEEN TO FIRST LEASE ROAD, ON
LEASE ROAD GO 3.6 MILES TO PROPOSED LOCATION.

CAZA OPERATING, LLC.

REF: MUD SLIDE SLIM "15" FEDERAL #2 / WELL PAD TOPO

THE MUD SLIDE SLIM "15" FEDERAL #2 LOCATED 330' FROM
THE NORTH LINE AND 1500' FROM THE WEST LINE OF
SECTION 15, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

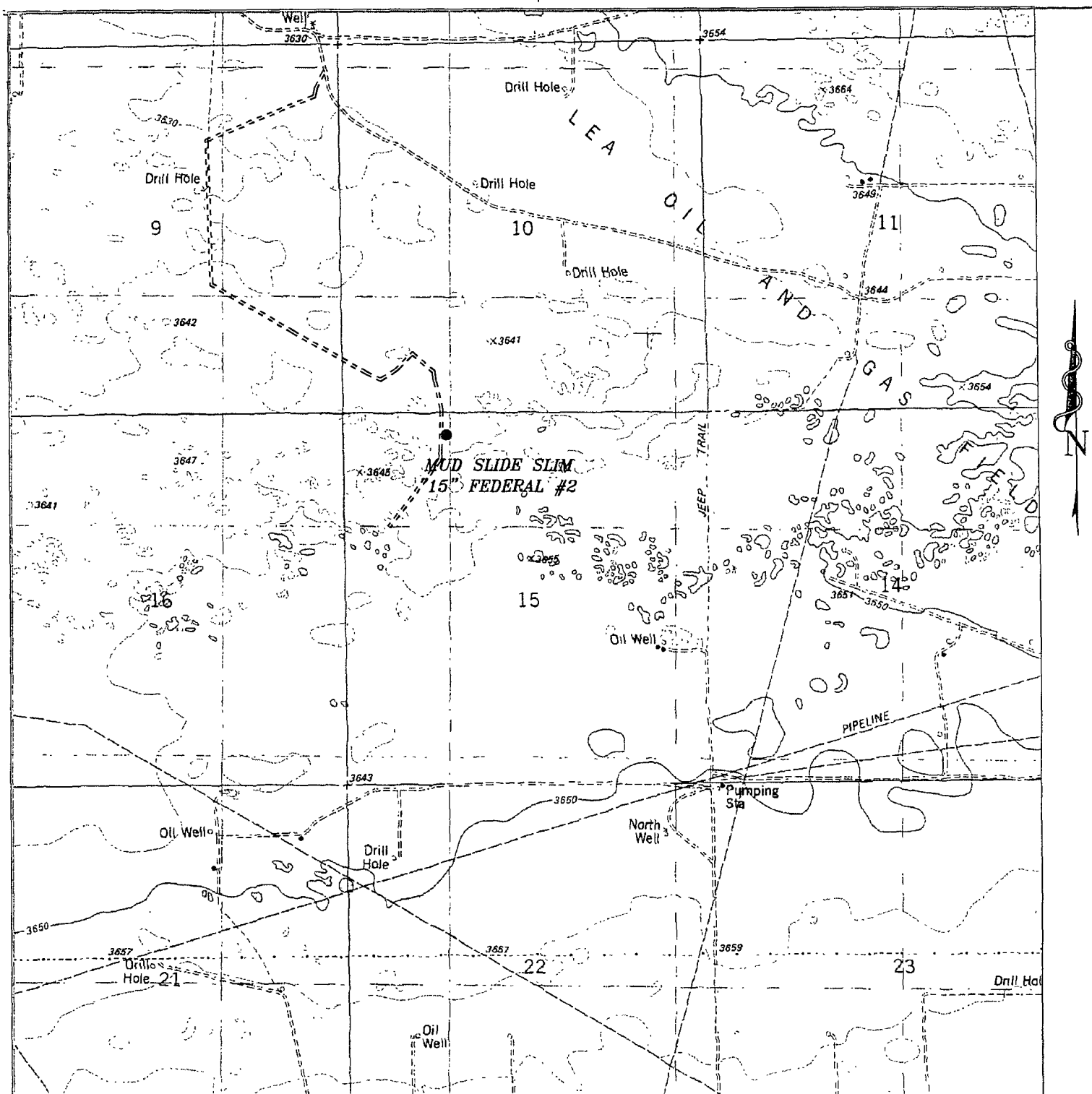
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 20491 Drawn By: J. SMALL

Date: 10-14-2008 Disk: JMS 20491

Survey Date: 10-14-2008

Sheet 1 of 1 Sheets



MUD SLIDE SLIM "15" FEDERAL #2
 Located 330' FNL and 1500' FWL
 Section 15, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

**basin
surveys**

focused on excellence
in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

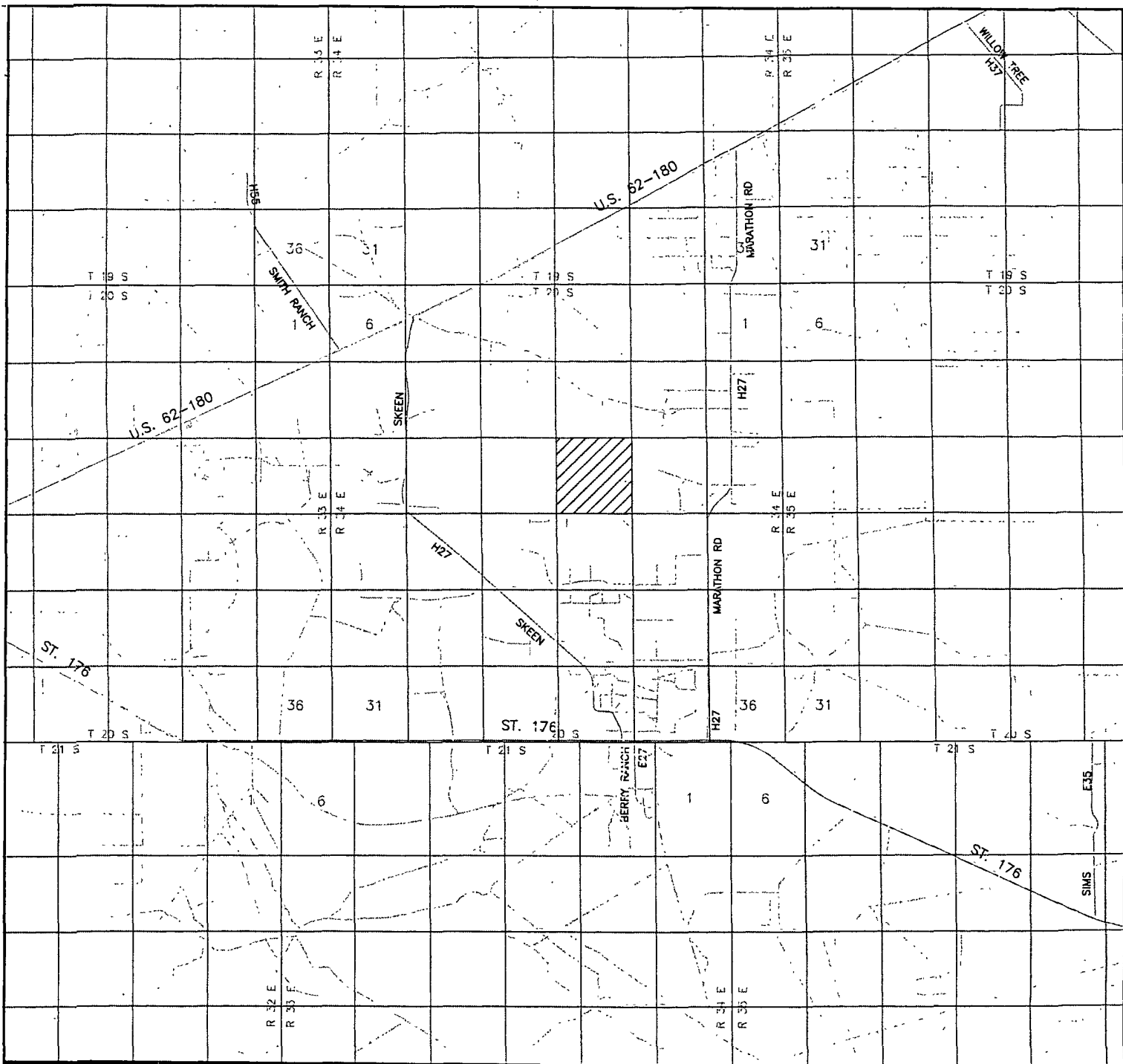
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Survey Date: 10-14-2008

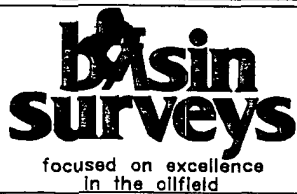
Scale: 1" = 2000'

Date: 10-14-2008

**CAZA
OPERATING,
LLC.**



MUD SLIDE SLIM "15" FEDERAL #2
 Located 330' FNL and 1500' FWL
 Section 15, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 20491

Survey Date: 10-14-2008

Scale: 1" = 2 MILES

Date: 10-14-2008

CAZA
 OPERATING,
 LLC.

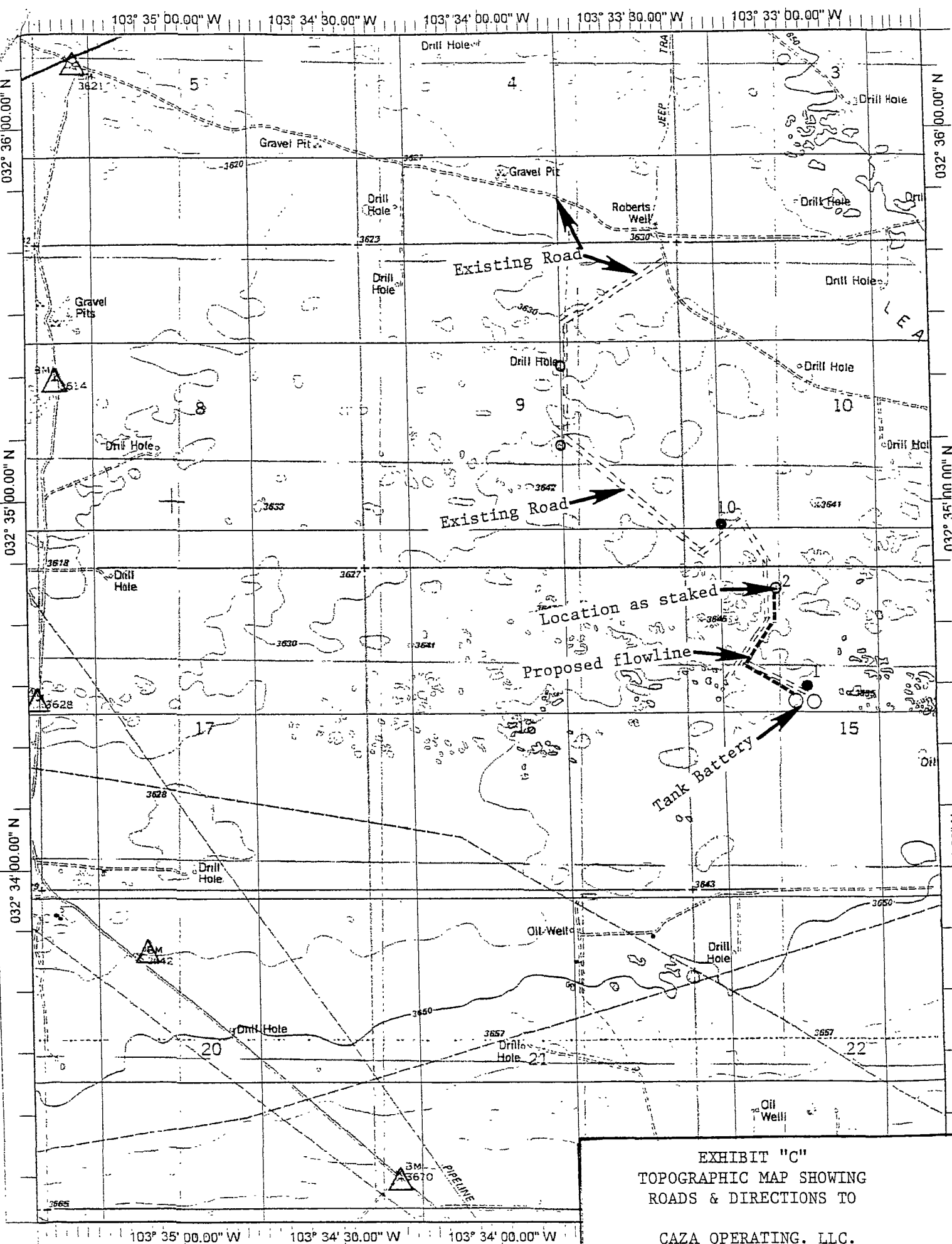


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

CAZA OPERATING, LLC.
MUD SLIDE SLIM "15" FEDERAL # 2
UNIT "C" SECTION 15
T20S-R34E -- IFA CO. NM