

SURFACE USE PLAN

APR 22 2013

XTO Energy, Inc.

PERLA NEGRA FED COM 1H

Surface Hole: 330 FSL & 400 FWL, Section 24, T. 19 S., R. 34 E.

RECEIVED

Bottom Hole: 330 FNL & 400 FWL, Section 24, T. 19 S., R. 34 E.

Lea County, New Mexico

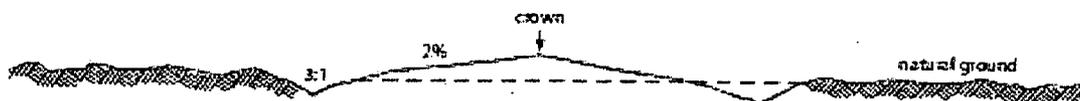
This plan is submitted with form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

- A. DIRECTIONS: From the intersection of Highway 62/180 (Hobbs Highway) and Lea County Road 27A (Marathon Road), go west for 1/4 mile to a lease road. Turn north on lease road for 0.3 miles. The new road will start at this point to the west. All existing roads are either paved or a caliche lease road.
- B. See attached plats and maps provided by Watson Professional Group Inc.
- C. The access routes to the well location is depicted on Surveyors plats.
- D. Existing roads on the access route will be improved and maintained to the standard set forth in Section 2 of this Surface Use Plan of Operations.

2. NEW OR RECONSTRUCTED ACCESS ROADS:

- A. The new road will run from the southeast corner of the well pad and run due east to the existing north/south lease road. The distance of the road will be 193 ft.
- B. The maximum width of the driving surface will be 14 feet. The road will be crowned and ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1 foot deep with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.

**Level Ground Section**

- C. Surface material will be native caliche. The average grade of the entire road will be approximately 3%.
- D. Fence Cuts: No
- E. Cattle guards: No
- F. Turnouts: No
- G. Culverts: No
- H. Cuts and Fills: Not significant
- I. Approximately 6 inches of topsoil (root zone) will be stripped from the proposed access road prior to any further construction activity. The topsoil that was stripped will be spread along the

APR 24 2013

edge of the road and within the ditch. The topsoil will be seeded with the proper seed mix designated by the BLM.

- J. The access road will be constructed and maintained as necessary to prevent soil erosion and accommodate all-weather traffic. The road will be crowned and ditched with water turnouts installed as necessary to provide for proper drainage along the access road route.
- K. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, The Gold Book, Fourth Edition and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction.

3. LOCATION OF EXISTING WELLS:

See attached map (**Exhibit A**) showing all wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. In the event the well is found productive the company will place production facilities on the south portion of the well pad (**See Exhibit B for production facility plat**).
- B. All permanent (on site six months or longer) aboveground structures constructed or installed on location and not subject to safety requirements will be painted to BLM specifications.
- C. Containment berms will be constructed completely around any production facilities designed to hold fluids. The containment berms will be constructed or compacted subsoil, be sufficiently impervious, hold 1 ½ times the capacity of the largest tank and away from cut or fill areas.

5. LOCATION AND TYPE OF WATER SUPPLY:

The well will be drilled using a combination of water mud systems as outlined in the Drilling Program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck using the existing and proposed roads shown in the attached survey plats. If a commercial water well is nearby, a temporary, surface poly line, will be laid along existing roads or other ROW easements and the water pumped to the well. No water well will be drilled on the location.

6. SOURCE OF CONSTRUCTION MATERIALS:

Any construction material that may be required for surfacing of the drill pad and access road will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from Federal lands without prior approval from the appropriate surface management agency. All roads will be constructed of 6" rolled and compacted caliche.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. The well will be drilled utilizing a closed loop mud system. Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site.
- B. Drilling fluids will be contained in steel mud pits.
- C. Water produced from the well during completion will be held temporarily in steel tanks and then taken to an NMOCD approved commercial disposal facility.
- D. Oil produced during operations will be stored in tanks until sold.

- E. Portable, self-contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Immediately after drilling all debris and other waste materials on and around the well location, not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location.

8. ANCILLARY FACILITIES:

No campsite, airstrip, or other facilities will be built as a result of the operation of this well. No staging areas are needed.

9. WELL SITE LAYOUT:

- A. **Exhibit C** shows the dimensions of the proposed well pad.
- B. The proposed well pad size will be 320' x 270' (**See Exhibit C**). There will be no reserve pit due to the well being drilled utilizing a closed loop mud system. The closed loop system will meet the NMOCD requirements 19.15.17 .
- C. The Watson Surveyor's plat, Form C-102 and Exhibit C, shows the direction of the pad at a V-Door East.
- D. A 600' x 600' area has been staked and flagged.
- E. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e., access road, well pad, and topsoil storage areas)

10. PLANS FOR SURFACE RECLAMATION:

- A. After concluding the drilling and/or completion operations, if the well is found non-commercial, all the equipment will be removed, the surface material, caliche, will be removed from the well pad and road and transported to the original caliche pit or used for other roads. The original stock piled top soil will be returned to the pad and contoured, as close as possible, to the original topography. The access road will have the caliche removed and the road ripped, barricaded and seeded as directed by the BLM.
- B. If the well is a producer, the portions of the pad not essential to production facilities or space required for workover operations, will be reclaimed and seeded as per BLM requirements for interim reclamation. (**SEE EXHIBIT B FOR INTERIM RECLAMATION PLAT FOR THIS WELL**)
- C. Reclamation Performance Standards
The following reclamation performance standards will be met:

Final Reclamation – Includes disturbed areas where the original landform and a natural vegetative community will be restored and it is anticipated the site will not be redisturbed for future development.

- The original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors.
- A self-sustaining, vigorous, diverse, native (or otherwise approved) plant community will be established on the site, with a density

sufficient to control erosion and invasion by non-native plants and to re-establish wildlife habitat or forage production. At a minimum, the established plant community will consist of species included in the seed mix and/or desirable species occurring in the surrounding natural vegetation.

- Erosion features are equal to or less than surrounding area and erosion control is sufficient so that water naturally infiltrates into the soil and gulying, headcutting, slumping, and deep or excessive rills (greater than 3 inches) are not observed.
- The site will be free of State- or county-listed noxious weeds, oil field debris and equipment, and contaminated soil. Invasive and non-native weeds are controlled.

Seeding:

- Seedbed Preparation. Initial seedbed preparation will consist of recontouring to the appropriate interim or final reclamation standard. All compacted areas to be seeded will be ripped to a minimum depth of 18 inches with a minimum furrow spacing of 2 feet, followed by recontouring the surface and then evenly spreading the stockpiled topsoil. Prior to seeding, the seedbed will be scarified to a depth of no less than 4 – 6 inches. If the site is to be broadcast seeded, the surface will be left rough enough to trap seed and snow, control erosion, and increase water infiltration.
- If broadcast seeding is to be used and is delayed, final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding, dozer tracking, or other imprinting in order to break the soil crust and create seed germination micro-sites.
- Seed Application. Seeding will be conducted no more than two weeks following completion of final seedbed preparation. A certified weed-free seed mix designed by the BLM to meet reclamation standards will be used.
- If the site is harrowed or dragged, seed will be covered by no more than 0.25 inch of soil.

11. SURFACE OWNERSHIP:

- A. The surface is owned by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.

12. OTHER INFORMATION:

- A. The area surrounding the well site is in a gentle sloped, sandy dunal featured, rolling hills type area. The vegetation consists of Shinnery Oak, Mesquite, Yucca, Sand Sage with three-awns and some dropseed species.
- B. There is no permanent or live water in the immediate area.
- C. There are dwellings within 2 miles of this location.
- D. A Class III Cultural Resources Examination has been completed by SMAS Services and the results will be forwarded to the BLM office.

13. BOND COVERAGE:

Bond Coverage is Nationwide; Bond Number UTB000138.

OPERATORS REPRESENTATIVE:

The XTO Energy, Inc. representatives responsible for ensuring compliance of the surface use plan are listed below:

Surface:

Barry W. Hunt – Permit Agent
1403 Spring Farm Place
Carlsbad, NM 88220
(575) 885-1417 (Home)
(575) 361-4078 (Cell)

Drilling & Production:

Chip Amrock – XTO Energy, Inc.
200 N. Loraine, Suite 800
Midland, Tx. 79701
(432) 638-8372 (Office)

ON-SITE PERFORMED ON 7/12/12 RESULTED IN PROPOSED LOCATION BEING LEFT WHERE STAKED. IT WAS AGREED TO TURN THE LOCATION TO A V-DOOR EAST. INTERIM RECLAMATION WOULD BE THE WEST PORTION OF THE PAD. TOP SOIL TO BE TO THE WEST.

PRESENT AT ON-SITE:

**BARRY HUNT – PERMIT AGENT FOR XTO ENERGY, INC.
TRISH BADBEAR – BLM**

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently 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 XTO Energy, Inc. 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 25th day of July 2012.

Signed: Barry W. Hunt

Printed Name: Barry Hunt

Position: Agent for XTO Energy, Inc.

Address: 1403 Springs Farm Place, Carlsbad, NM 88220

Telephone: (575) 361-4078

E-mail: specialtpermitting@gmail.com

Field Representative: Jeff Raines, XTO Energy, Inc.

Address: 200 N. Loraine, Midland, Tx. 79701

Telephone:(432) 557-3159



December 8, 2010

To Whom It May Concern:

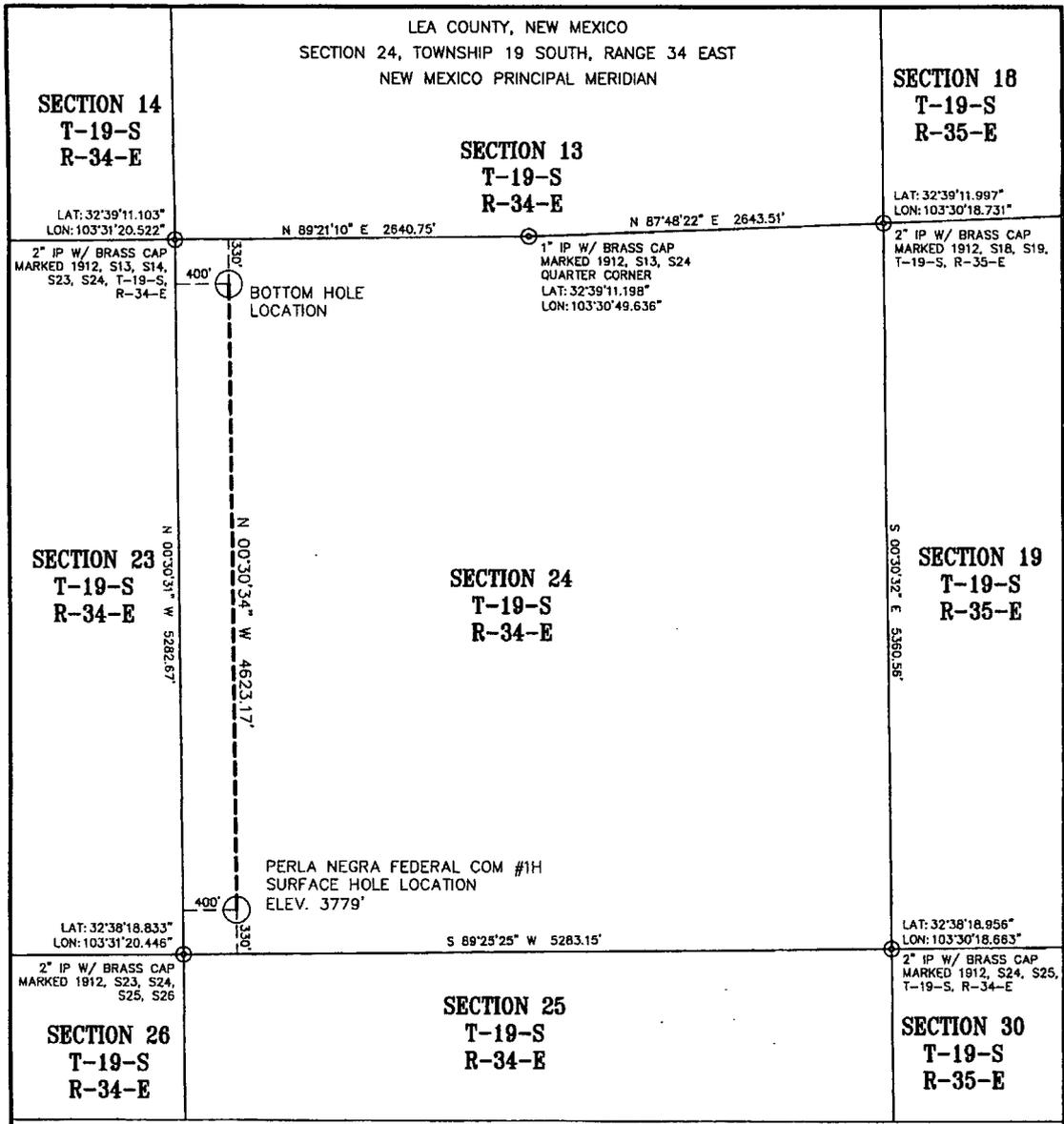
Mr. Barry Hunt is employed by XTO Energy Inc. to sign as their agent for APD's and Right of Ways in the state of New Mexico and Texas.

If you have any questions, please contact me at my office at 432-682-8873.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don Eubank', written over a horizontal line.

Don Eubank
XTO Energy Inc.
Drilling Manager

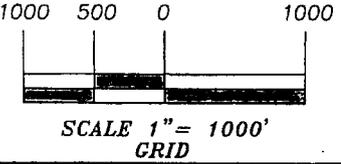


APPROXIMATELY 20.4 MILES SOUTHEAST OF MALJAMAR, NEW MEXICO

SURFACE LOCATION:
NAD 83, NEW MEXICO EAST ZONE COORD'S
OF THE PERLA NEGRA FEDERAL COM #1H: N(Y)= 597327.7', E(X)= 791376.5'.
NAD 27, NEW MEXICO EAST ZONE COORD'S
OF THE PERLA NEGRA FEDERAL COM #1H: N(Y)= 597264.2', E(X)= 750196.1'.
WGS84, LATITUDE & LONGITUDE OF THE PERLA NEGRA FEDERAL COM #1H:
LAT= N 32°38'22.108", LONG= W 103°31'15.773".

BOTTOM HOLE LOCATION:
NAD 83, NEW MEXICO EAST ZONE COORD'S
OF THE PERLA NEGRA FEDERAL COM #1H: N(Y)= 601950.7', E(X)= 791335.4'.
NAD 27, NEW MEXICO EAST ZONE COORD'S
OF THE PERLA NEGRA FEDERAL COM #1H: N(Y)= 601887.1', E(X)= 750155.2'.
WGS84, LATITUDE & LONGITUDE OF THE PERLA NEGRA FEDERAL COM #1H:
LAT= N 32°39'07.853", LONG= W 103°31'15.840".

NOTE: BOTTOM HOLE LOCATION SHOWN HEREON WAS PROVIDED BY XTO ENERGY, INC. SURFACE HOLE LOCATION IS BASED ON A STAKED LOCATION.



- LEGEND:
- WELL
 - ⊙ IRON PIPE FOUND (IP)



I hereby certify that the foregoing description and plat attached hereto is a representation of a survey completed on the ground under my supervision and is true and correct to the best of my knowledge and belief.

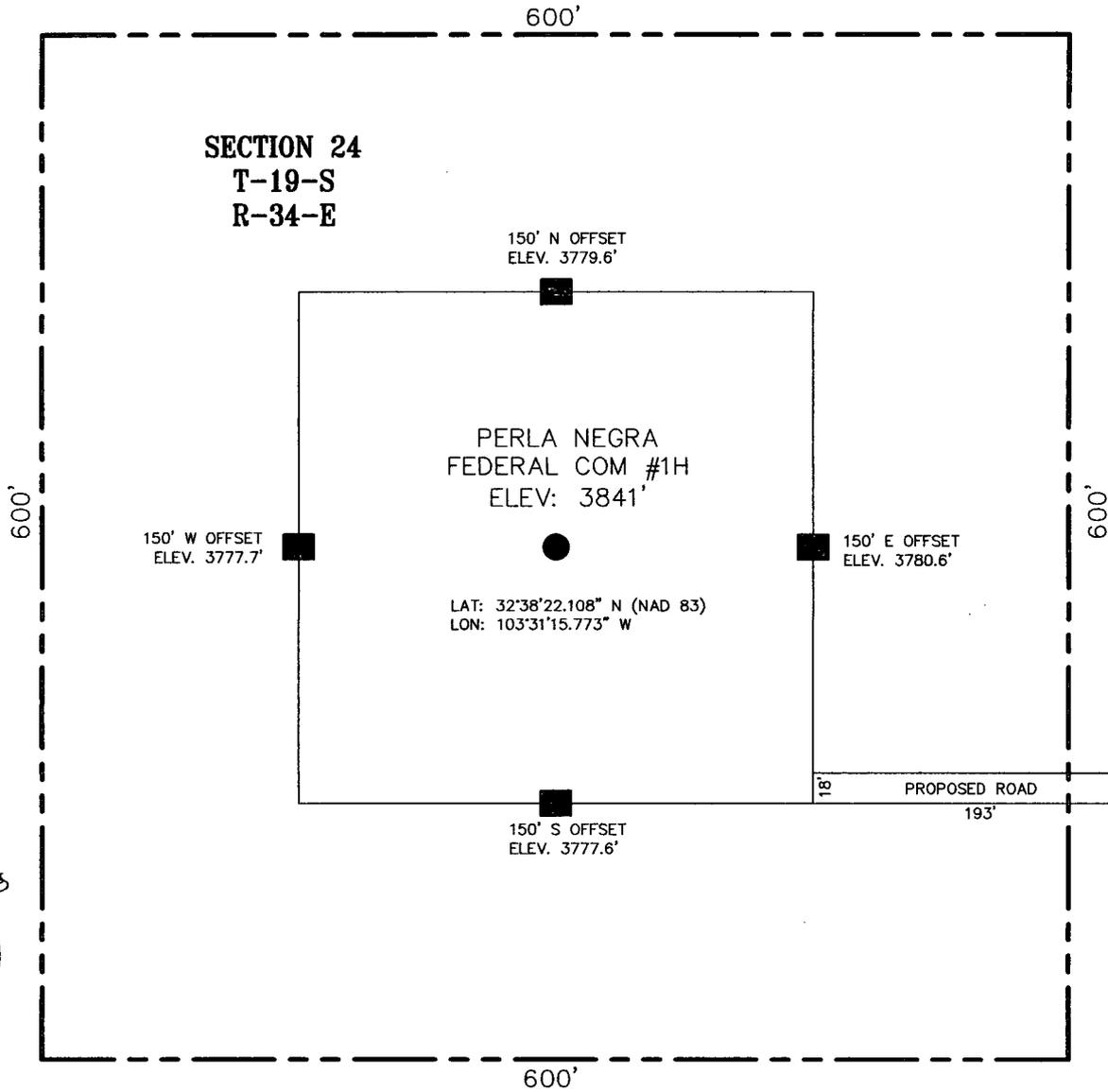
7/23/12
DATE
[Signature]
W.D. WATSON, Jr. NEW MEXICO P.L.S. No. 3959

John F. Watson & Company
LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS
200 N. Loring, Suite 220
Midland, Texas 79701
jwatson@windcartwater.com
off. (432) 520-2400
fax. (432) 520-2404
mob. (432) 528-0074
Your Partner for Responsible Development

Watson Professional Group Inc
P.O. DRAWER 11185
MIDLAND, TEXAS 79702
(432) 520-9200
FAX (432) 520-9212
w@watsongroup-usa.com
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

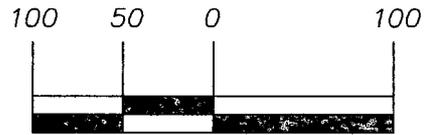
XTO ENERGY, INC.
PERLA NEGRA FEDERAL COM #1H
400' FWL & 330' FSL
SECTION 24
T-19-S,
R-34-E,
LEA COUNTY,
NEW MEXICO
DATE: 07/23/12
JOB No: 12-0121
FIELD COORD: 100/13
DRAWS ON: IP
DSD ON: 4/10/12
FILED IN: PERLA NEGRA CO., T-19-S, R-34-E LEA CO.
PAGE 1 OF 1

LEA COUNTY, NEW MEXICO
SECTION 24, TOWNSHIP 19 SOUTH, RANGE 34 EAST
NEW MEXICO PRINCIPAL MERIDIAN



C/L EXISTING CALICHE ROAD

DIRECTIONS TO LOCATION
BEGINNING AT THE INTERSECTION OF US HIGHWAY 62 (CARLSBAD
HIGHWAY) AND CALICHE ROAD.
THENCE NORTH ALONG SAID ROAD A DISTANCE OF 1.3 MILES TO A
POINT, PERLA NEGRA FEDERAL COM #1H IS 170 FEET WEST.



SCALE 1" = 100'
GRID

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200 N. Lorraine, Suite 220
Midland, Texas 79701
jwatson@windearthwater.com

off. (432) 520-2400
fax. (432) 520-2404
mob. (432) 528-0074

Your Partner for Responsible Development



P.O. DRAWER 11186
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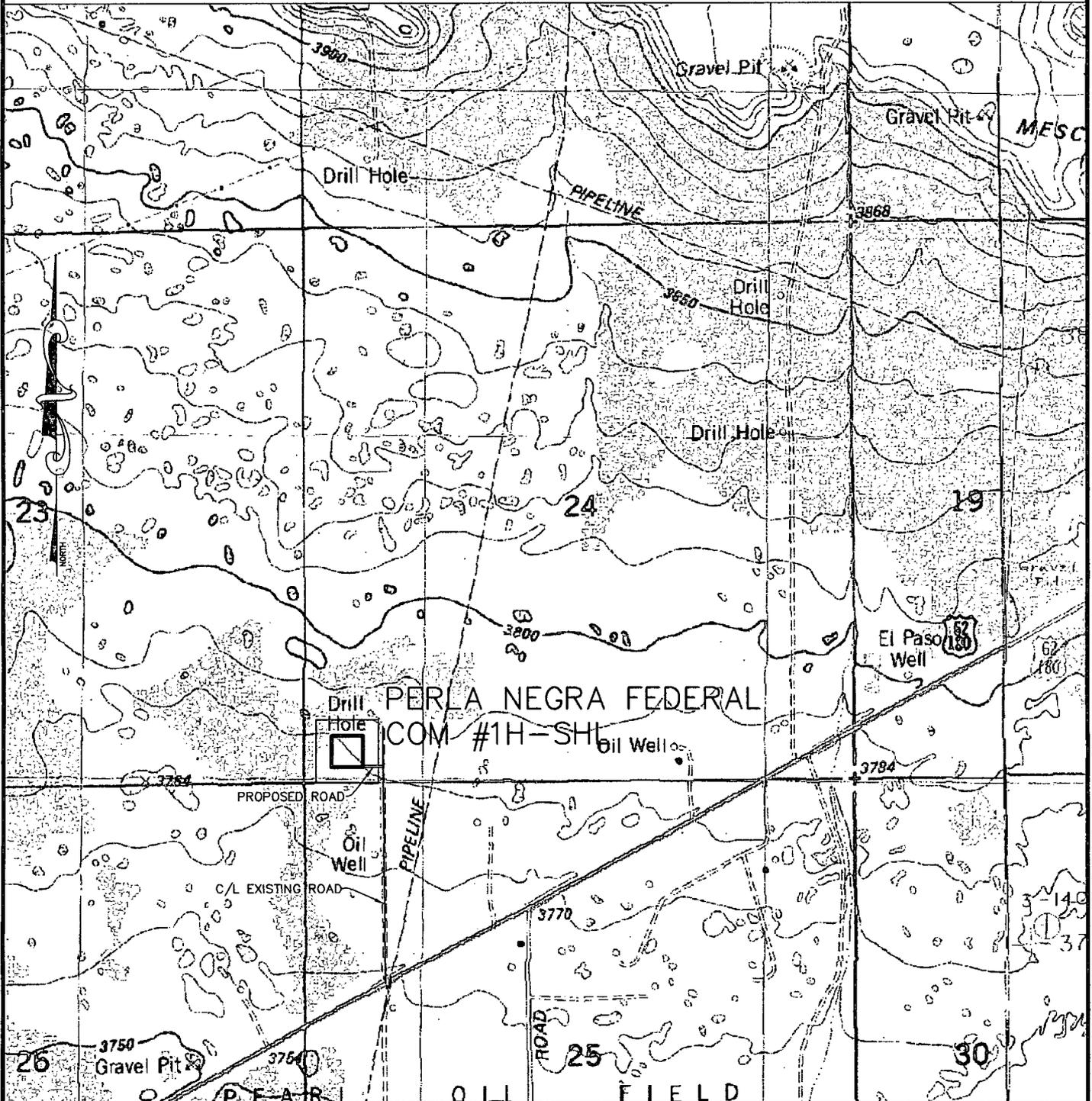
CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

XTO ENERGY, INC.
PERLA NEGRA
FEDERAL COM #1H
400' FWL & 330' FNL
SECTION 24
T-19-S, R-34-E,
LEA COUNTY,
NEW MEXICO

DATE: 07/02/2012
JOB No.: 12-0121
FIELD BOOK: 108/13
DRAWN BY: MLW
CHK BY: JFW/MP
FILE: S:\2012\LEA CO.\
T-19-S, R-34-E LEA CO.

LOCATION VERIFICATION MAP

LEA COUNTY, NEW MEXICO
SECTION 24, TOWNSHIP 19 SOUTH, RANGE 34 EAST
NEW MEXICO PRINCIPAL MERIDIAN



USGS QUAD MAP:
MALJAMAR

NOT TO SCALE

John F. Watson & Company

LAND & DEVELOPMENT SERVICES
PROFESSIONAL LAND SURVEYORS

200 N. Loraine, Suite 220
Midland, Texas 79701
jwatson@windearthwater.com

off. (432) 520-2400
fax. (432) 520-2404
mob. (432) 528-0074

Your Partner for Responsible Development

**Watson
Professional
Group Inc**



P.O. DRAWER 11186
MIDLAND, TEXAS
79702
(432) 520-9200
FAX (432)
520-9212
wdwatson@wpg-usa.com

CONSULTING ENGINEERS, LAND SURVEYORS & PLANNERS

XTO ENERGY, INC.
PERLA NEGRA
FEDERAL COM #1H
400' FWL & 330' FSL
SECTION 24
T-19-S,
R-34-E,
LEA COUNTY,
NEW MEXICO

DATE: 07/02/12
JOB No.: 12-0121
FIELD BOOK: 108/13
DRAINED BY: BLW
CHKD BY: JFW/KP
FILE S:\2012\LEA CO.\T-19-S, R-34-E LEA CO.

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Exhibit A

2" = 1 mile

