

Diamondback Resources LLC
 El Papa Grande 29 1H
 SHL: 200' FSL & 1300' FWL
 BHL: 330' FNL & 660' FWL
 Sec. 29, T. 20 S., R. 34 E., Lea County, NM

SURFACE PLAN PAGE 1

Surface Use Plan

1. ROAD DIRECTIONS & DESCRIPTIONS (See MAPS 1 - 4)

From Carlsbad...

Go East 32 miles on US 62/180 to NM 176 junction

Then turn right and go Southeast 9.1 miles on paved NM 176

Then turn left and go North 1 mile on a caliche road to existing Goose State 1H

From the NW corner of the Goose State 1H pad...

Then go Northwest 285' cross-country to the El Papa Grande pad

Roads will be maintained to a standard at least equal to or better than their present condition.

2. ROAD TO BE BUILT OR UPGRADED (MAPS 3 & 4)

Approximately 285' of new road will be built. The new road will be crowned, have a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 20'. Maximum grade = 1%. Maximum cut or fill = 1'. No culvert, cattle guard, or turn out is needed. Existing road upgrading will consist of fixing potholes with caliche.

3. EXISTING WELLS (See MAP 5)

Existing oil, gas, and P & A wells are within a mile. There are no water, injection, or disposal wells within a mile radius.

4. PROPOSED PRODUCTION FACILITIES (See MAP 6)

A tank battery will be installed on the south side of the pad.

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SURFACE PLAN PAGE 2

5. WATER SUPPLY

Water will be trucked from Berry's water station on private land in 2-21s-33e.

6. CONSTRUCTION MATERIALS & METHODS

NM One Call (1-800-321-ALERT) will be notified before construction starts. The topsoil and brush will be stockpiled north of the pad. V door will be to the east. A closed loop drilling system will be used. Caliche will be bought and hauled from an existing approved caliche pit. Dirt contractor will be responsible for caliche.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to a county landfill. There will be no trash burning. Contents of the mud tanks (cuttings, chemicals, salt) will be hauled to state approved disposal sites. Human waste will be disposed of in chemical toilets and hauled to an approved dump station.

8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, or mud logger.

9. WELL SITE LAYOUT

See rig layout for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

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SURFACE PLAN PAGE 3

10. RECLAMATION

Interim reclamation will consist of removing caliche from the west, north, and east sides of the pad. Those areas (1.93 acres) will be contoured to a natural shape and no steeper than 3:1. Soil and brush will be evenly spread over disturbed areas. Seeded areas will be ripped or harrowed. A BLM approved seed mix will be sown in a BLM approved manner. Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. This will leave half the pad in use. After the well is plugged, then the remaining 1.94 acres of the pad will be similarly reclaimed. Noxious weeds will be controlled.

11. SURFACE OWNER

All pad construction and 26' of new road will be on BLM. The remaining (259') of new road will be on State land. Diamondback is filing a road easement application with the NM State Land Office.

12. OTHER INFORMATION

On site inspection was held with Trishia Bad Bear (BLM) on October 23, 2013.

Lone Mountain filed archaeology report NMCRIS 128633 on September 10, 2013.

**Diamondback Resources LLC
El Papa Grande 29 1H
Closed Loop System**

**Operating and Maintenance Procedures
and
Closure Plan**

Operating Procedures

Diamondback Resources LLC will use a closed loop system to collect and process drilling fluids and solids generated during drilling operations. This system (see Figure 1) will be monitored, serviced, and maintained 24 hours daily by rig personnel. All liquids and solids will be contained in steel vessels.

Drilling fluids will be recycled and reused on location or temporarily stored for use on subsequent wells. Surplus fluids will be transported to a state approved disposal site.

Solids will be separated from the drilling fluids and transferred to transport containers. The containers will be trucked to a state approved disposal site for solids disposal.

No hazardous materials will be discharged into the closed loop system.

Closure Plan

Upon the conclusion of drilling operations, the closed loop system will be removed from the well site. Upon completion of testing and facility operations, the location pad size will be reduced to the minimum allowed for safe and efficient operation. Stockpiled surface materials will be used to restore the location to as original condition as feasible (see Surface Plan).

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SURFACE PLAN PAGE 4

REPRESENTATION

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 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 the company 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 false statements. Executed this 9th day of January, 2014.



Brian Wood, Consultant

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February 25, 2014

Carlsbad Bureau of Land Management
620 East Greene Street
Carlsbad, New Mexico 88220

Attention: Stephen J. Caffey

Re: El Papa Grande Fed 29 1H
Lease NM 128367
Section 29, T-20-S, R-34-E, NMPM
Lea County, NM

Dear Mr. Caffey:

We are the record title holder and owner of operating rights under the above referenced federal lease. We note that under items listed in your January 30, 2014 letter as other deficiencies, you question that the operator does not appear to have operating rights on this lease. The proposed operator, Diamondback Resources, LLC, does not have any operating rights but the form of joint operating agreement we use in New Mexico does not have any requirement for the operator to be a working interest owner.

We understand that this is not customary under the majority of wells drilled, but Roy Williamson, President of Diamondback Resources, LLC, has several entities who do own operating rights under the subject lease as evidenced by the transfers of operating rights filed with the BLM on November 26, 2013.

Hopefully this explanation will satisfy and eliminate any concerns that you expressed in item 1 under "Other" deficiencies of the January 30, 2014 letter. Should you have some question or wish to discuss this matter, please feel free to contact me at 432-682-8602 or by contacting our landman, Randy V. Watts, at 575-317-8787.

Your attention to the foregoing, as well as the processing of our APD, is greatly appreciated.

Respectfully,


Charles D. Ray