

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

West Draw "5/8" PH Federal Com #1H

1500' FSL & 350' FEL

Sec 5-T20S-R25E

Eddy County, New Mexico

30-01538674

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 restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

1. Existing Roads:

- A. Exhibit #3 is a road map showing the location of the proposed well. Existing roads are highlighted in black.
- B. Directions to location: From Artesia on US 285, south 14 miles to Rock Daisy Rd. Turn left (west) 4.8 miles to lease road. Turn left (south) 1 ½ miles then right (northwest) ½ mile to location.
- C. Existing roads will be maintained in a condition the same as or better than before operations begin.

2. Proposed Access Road:

- A. Approx 3,000 feet of new road construction will be needed. Exhibits #3-#3C are maps showing the location of the proposed well and access road.
- 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 road will be surfaced with 6" of rolled and compacted caliche.
- C. Mewbourne Oil Co. will cooperate with other operators in the maintenance of lease roads.

3. Location of Existing Wells:

There are producing wells within the immediate vicinity of the well site. Exhibit #4 shows the proposed well and existing wells within a one mile radius.

4. Location of Existing and/or Proposed Facilities:

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, production facilities will be located on the south side of well pad. Polypipe gasline (65 psi) and electricity will lay adjacent to proposed road as shown in exhibit 3 to nearest available tie-in point.
- C. All production vessels left on location will be painted to conform to BLM painting stipulations within 180 days of installation.

5. Location and Type of Water Supply

The well will be drilled with a combination of fresh water and water/polymer based mud systems. The water will be obtained from commercial suppliers in the area and/or hauled to the location by

transport trucks over existing and proposed roads as indicated in Exhibit #3.

6. Source of Construction Materials

All material required for construction of the drill pad and access roads will be obtained from private, state, or federal pits. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings not retained for evaluation purposed will be hauled to an off-site permitted facility.
- B. Water produced during operations will be hauled to an off-site permitted SWD in the area.
- C. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- D. Sewage and gray water will be safely contained on-site, and then waste will be disposed at an approved off-site facility.
- E. All trash, junk, and other waste materials will be stored in proper containers to prevent dispersal and will be removed to an appropriate facility within one week of cessation of drilling and completion activities.

8. Ancillary Facilities

There are no ancillary facilities within the immediate vicinity of the proposed well site.

9. Well Site Layout

- A. A diagram of the drill pad is shown in Exhibit #5. Dimensions of the pad and location of major rig components are shown.
- B. The pad dimension of 280' x 320' has been staked and flagged.
- C. An archaeological survey is in the process of being conducted on the proposed location pad.

10. Plans for Restoration of Surface

- A. Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible.
- B. Interim reclamation:
 - i. All areas not needed for production operations will be reclaimed.
 - ii. Caliche will be removed, the land will be recontoured, the top soil from stockpile will be spread over these areas.
 - iii. The disturbed area will be restored by re-seeding during the proper growing season.
 - iv. Any additional caliche required for production facilities will be obtained from the area shown in exhibit #6 as interim reclamation.

- C. Final Reclamation:
- i. Upon cessation of the proposed operations, if the well is abandoned, all equipment and trash will be removed and taken to a proper facility.
 - ii. The location and road surfacing material will be removed and used to patch area lease roads. The entire location will be restored to the original contour as much as reasonable possible. The top soil used for interim reclamation will be spread over the entire location. All restoration work will be completed within 180 days of cessation of activities.

11. Surface Ownership:

The surface is owned by Kevin Wilbanks, P.O. Box 160, Artesia, NM 88221. Phone # (575) 748-8704. A copy of the surface use plans has been sent to this address. A surface access agreement between the surface owner and Mewbourne Oil Co. has been reached.

12. Other Information:

- A. Topography: Refer to the archaeological report for a detailed description of flora, fauna, soil characteristics, dwellings, and historical or cultural sites.
- B. The primary use of the surface at the location is for grazing of livestock.

13. Operator's Representative:

- A. Through APD approval, drilling, completion and production operations:

N.M. Young, District Manager
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88241
575-393-5905

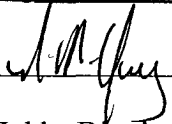
Mewbourne Oil Company

PO Box 5270
Hobbs, NM 88241
(575) 393-5905

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 11 day of November, 2010.

Name: NM Young

Signature: 

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

SECTION 5, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

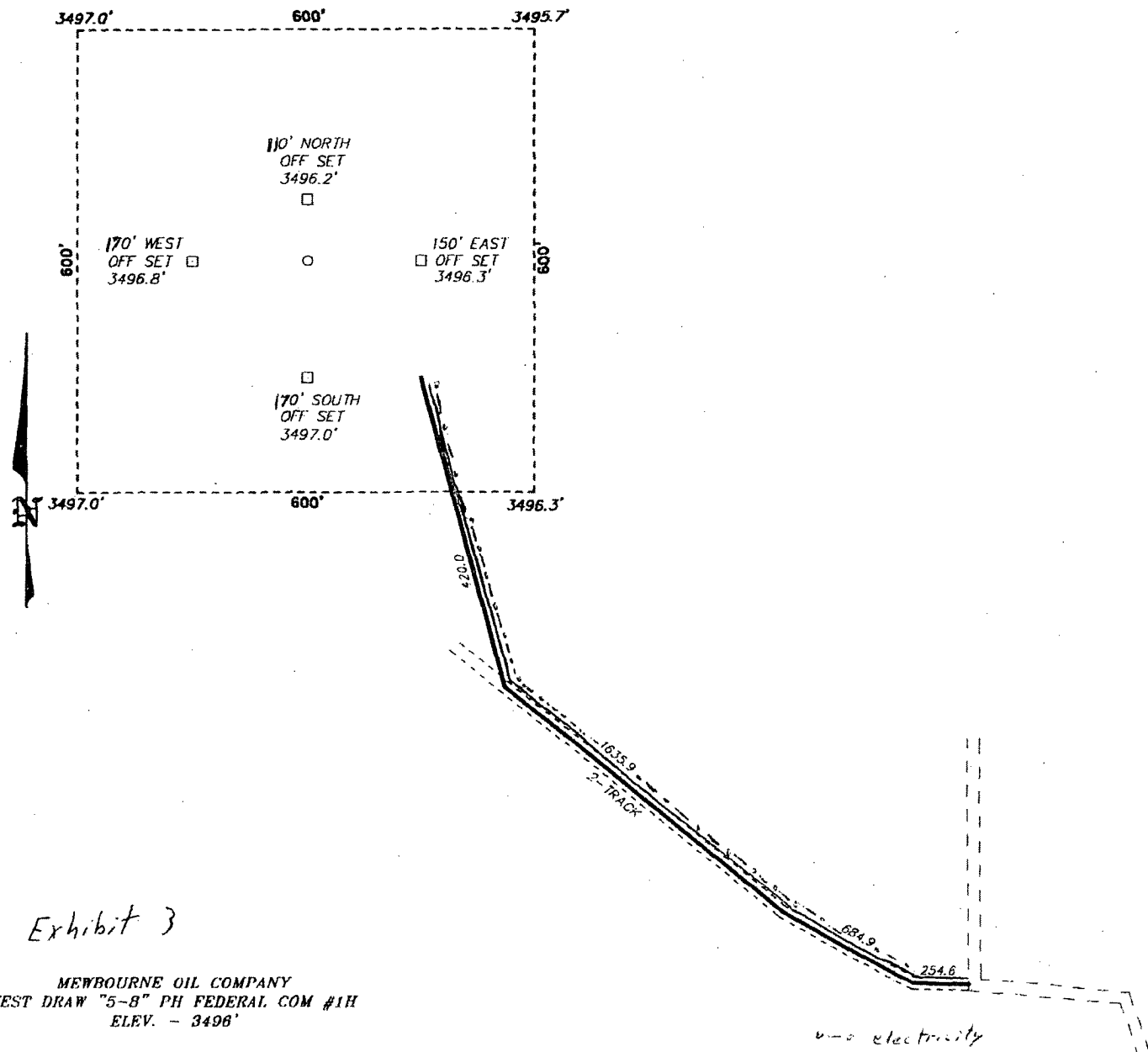
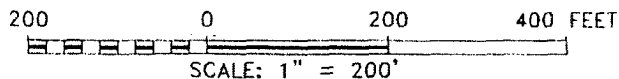


Exhibit 3

MEWBOURNE OIL COMPANY
 WEST DRAW "5-8" PH FEDERAL COM #1H
 ELEV. - 3498'

Lat - N 32°35'57.60"
 Long - W 104°29'56.88"
 NMSPCE - N 581788.412
 E 448939.926
 (NAD-27)

--- electricity
 --- gas



Directions to Location:

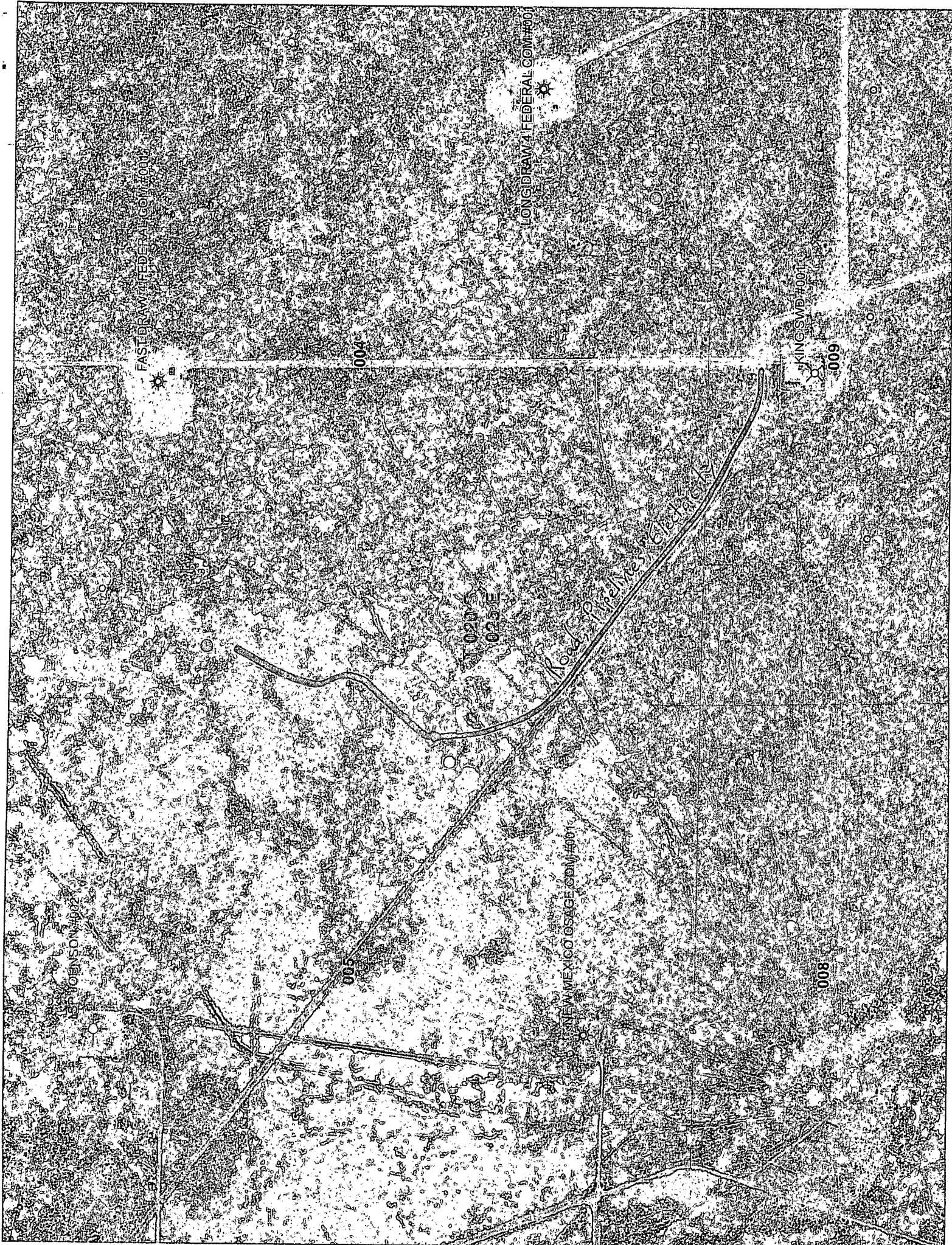
FROM THE JUNCTION OF HWY 285 AND WHITE PINE,
 GO WEST ON WHITE PINE FOR 3.8 MILES TO PICKET,
 ON PICKET GO NORTH 0.5 MILES TO CONTINUING
 NORTH ANOTHER 0.8 MILES TURNING EAST THENCE
 NORTH AGAIN FOR 0.4 MILES, TURN EAST 0.1 MILES
 THENCE NORTH 0.5 MILES TO PROPOSED LEASE
 ROAD.

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

W.O. Number: 23413 Drawn By: J. SMALL

Date: 10-01-2010 Disk: JMS 23413

MEWBOURNE OIL COMPANY	
REF: WEST DRAW "5-8" PH FEDERAL COM #1H / WELL PAD TOPO	
THE WEST DRAW "5-8" PH FEDERAL COM #1H LOCATED 1500'	
FROM THE SOUTH LINE AND 350' FROM THE EAST LINE OF	
SECTION 5, TOWNSHIP 20 SOUTH, RANGE 25 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 09-22-2010	Sheet 1 of 1 Sheets



JOHNSON #002

FAST DRAW FEDERAL COM #001

LONG DRAW #001

KINGSWD #001

NEW MEXICO OSAGE COM #001

004

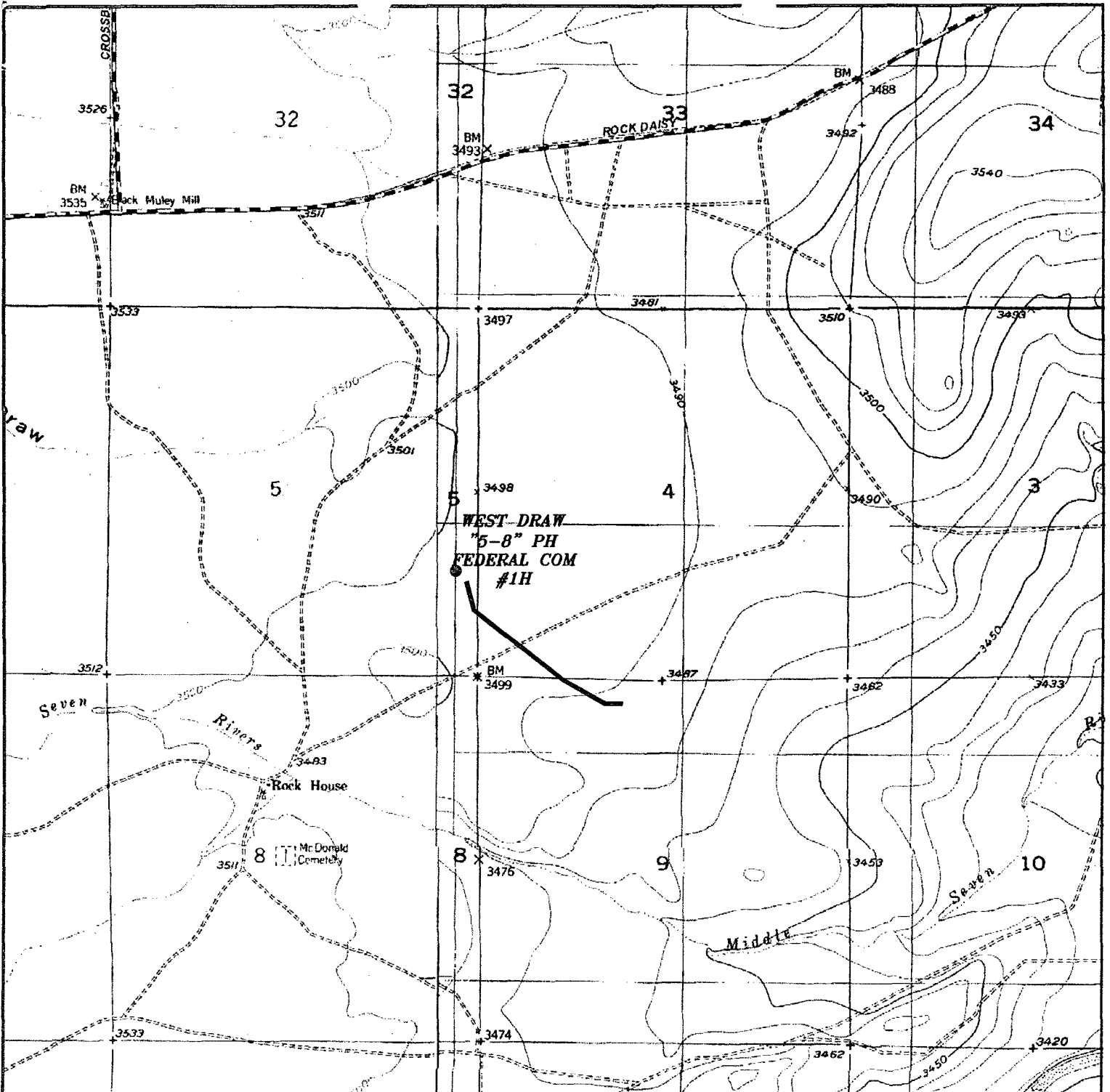
005

005E

008

009

Road Preliminary



WEST DRAW "5-8" PH FEDERAL COM #1H *Exhibit 3A*
 Located 1500' FSL and 350' FEL
 Section 5, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

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 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

W.O. Number: JMS 23413

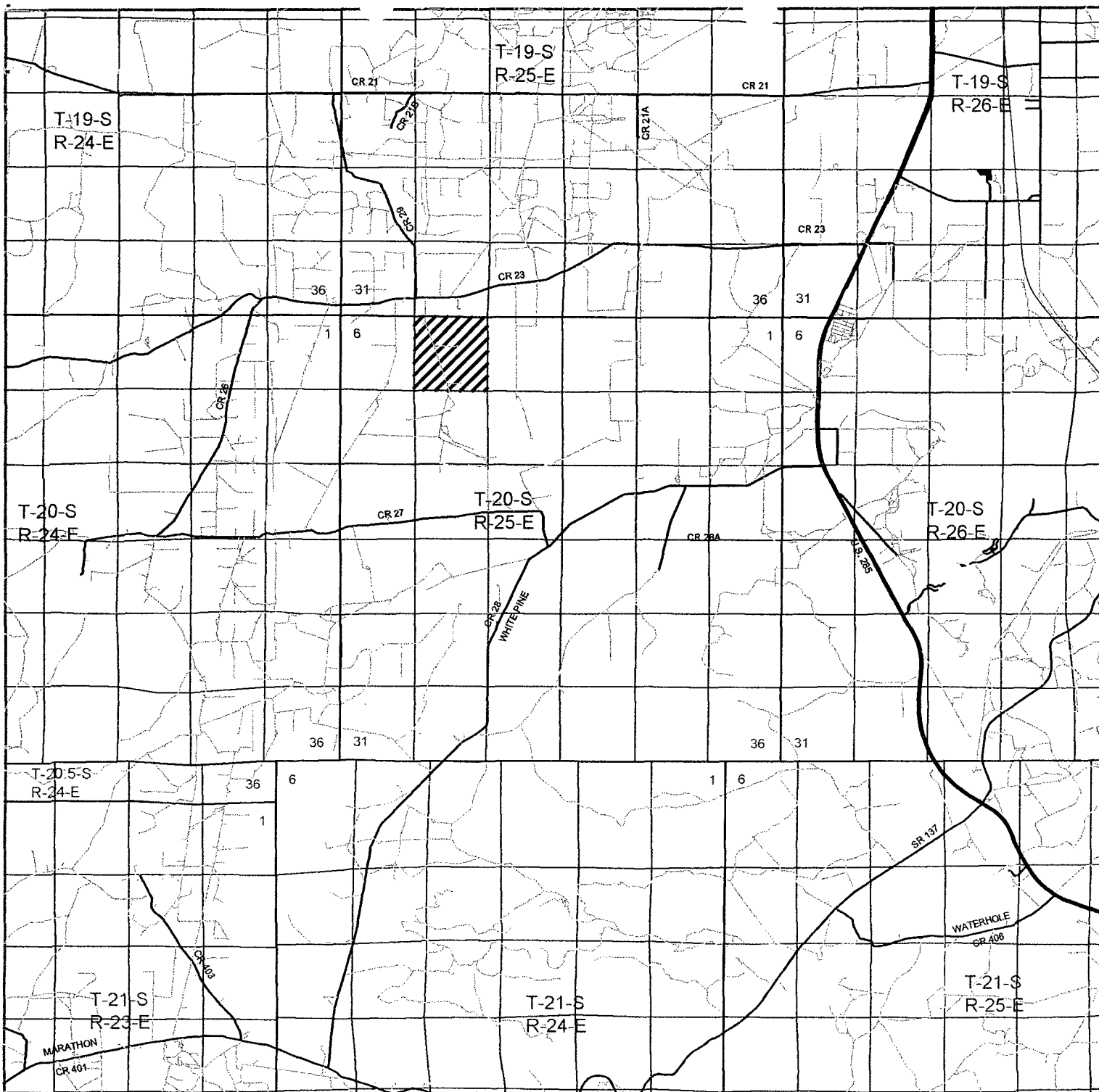
Survey Date: 09-22-2010

Scale: 1" = 2000'

Date: 10-01-2010



**MEWBOURNE
 OIL COMPANY**



WEST DRAW "5-8" PH FEDERAL COM #1H *Exhibit 3 B*
 Located 1500' FSL and 350' FEL
 Section 5, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

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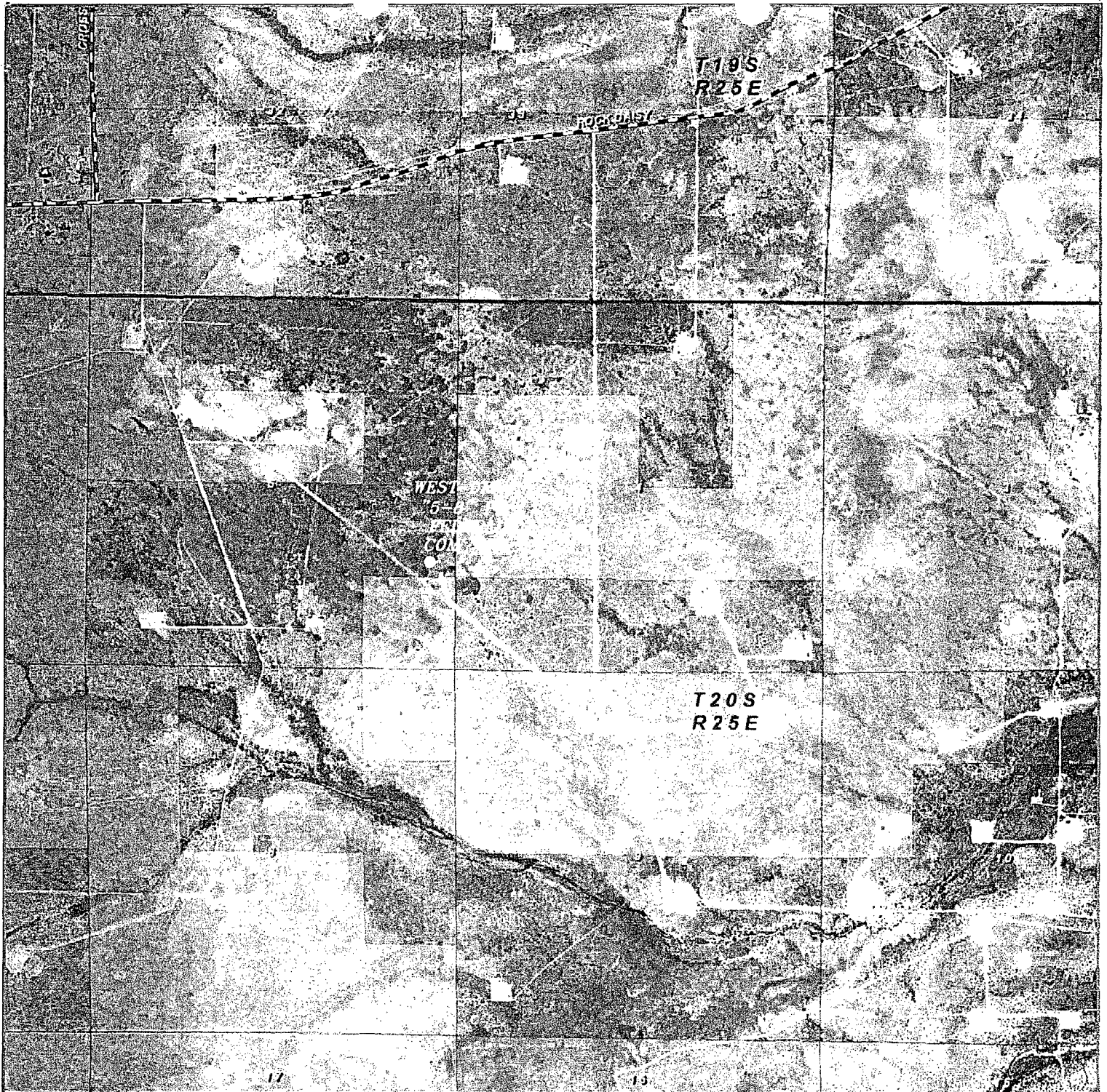
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Survey Date: 09-22-2010

Scale: 1" = 2 Miles

Date: 10-01-2010

MEWBOURNE
OIL COMPANY



WEST DRAW "5-8" PH FEDERAL COM #1H *Exhibit 3C*
 Located 1500' FSL and 350' FEL
 Section 5, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

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W.C. Number JMS 23413

Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

MEWBOURNE
OIL COMPANY

33

19S 25E
32

20S 25E

Eddy
New Mexico

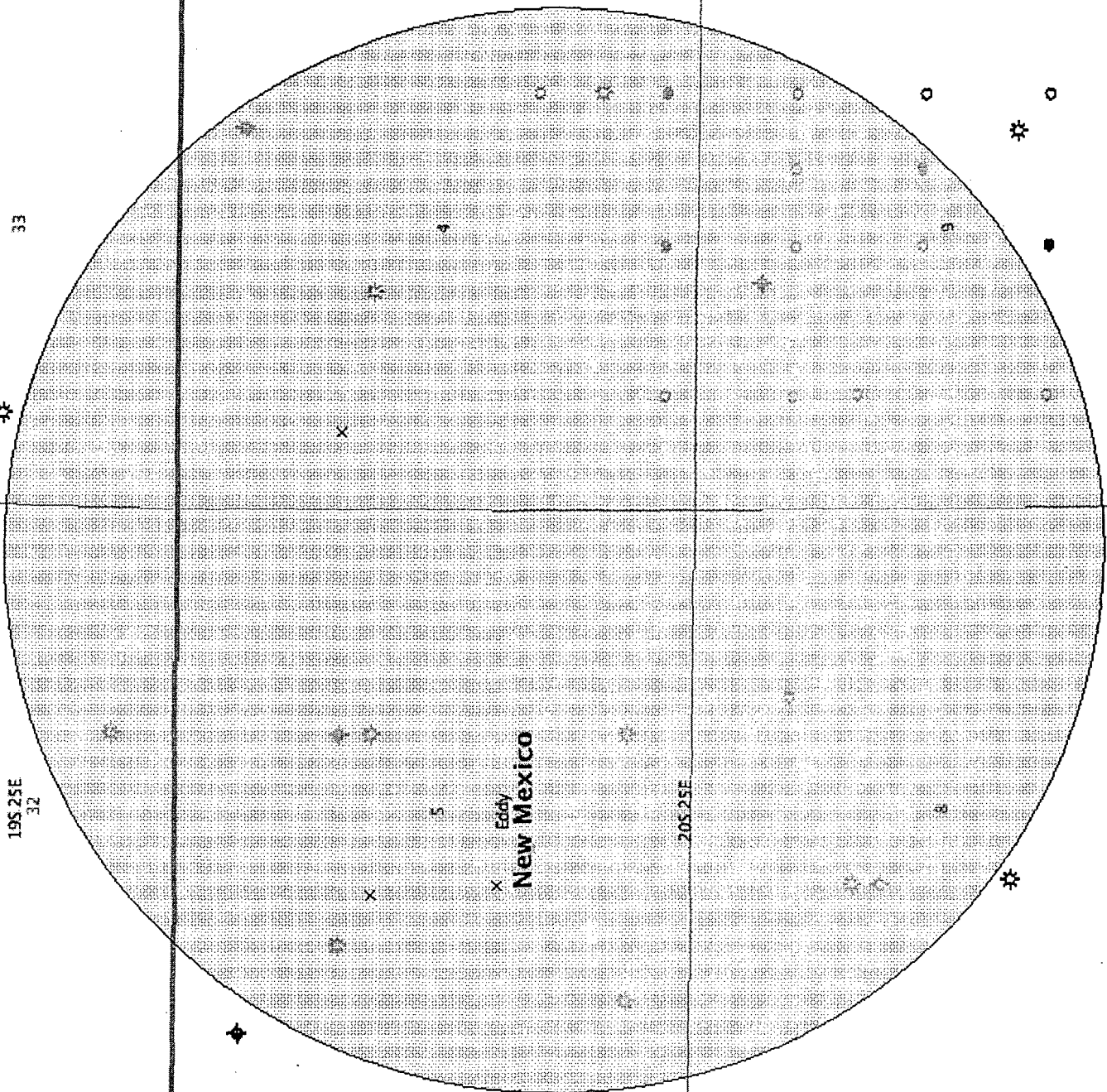


Exhibit 4

- Location (Permit)
- Drilling (Well Start)
- × Abandoned Location (Permit)
- ⊛ Gas Well
- Oil Well
- ⊛ Oil and Gas Well
- Other (Observation, etc)
- ⊛ Injection Well
- Suspended
- ⊛ Plugged Gas Well
- ⊛ Plugged Oil Well
- ⊛ Plugged Oil and Gas
- ◇ Dry Hole (No Shows)
- ⊛ Dry Hole w/Gas Show
- ⊛ Dry Hole w/Oil Show
- ⊛ Dry Hole w/Oil and Gas Show

31

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Closed Loop Pad Dimensions 280' x 320'

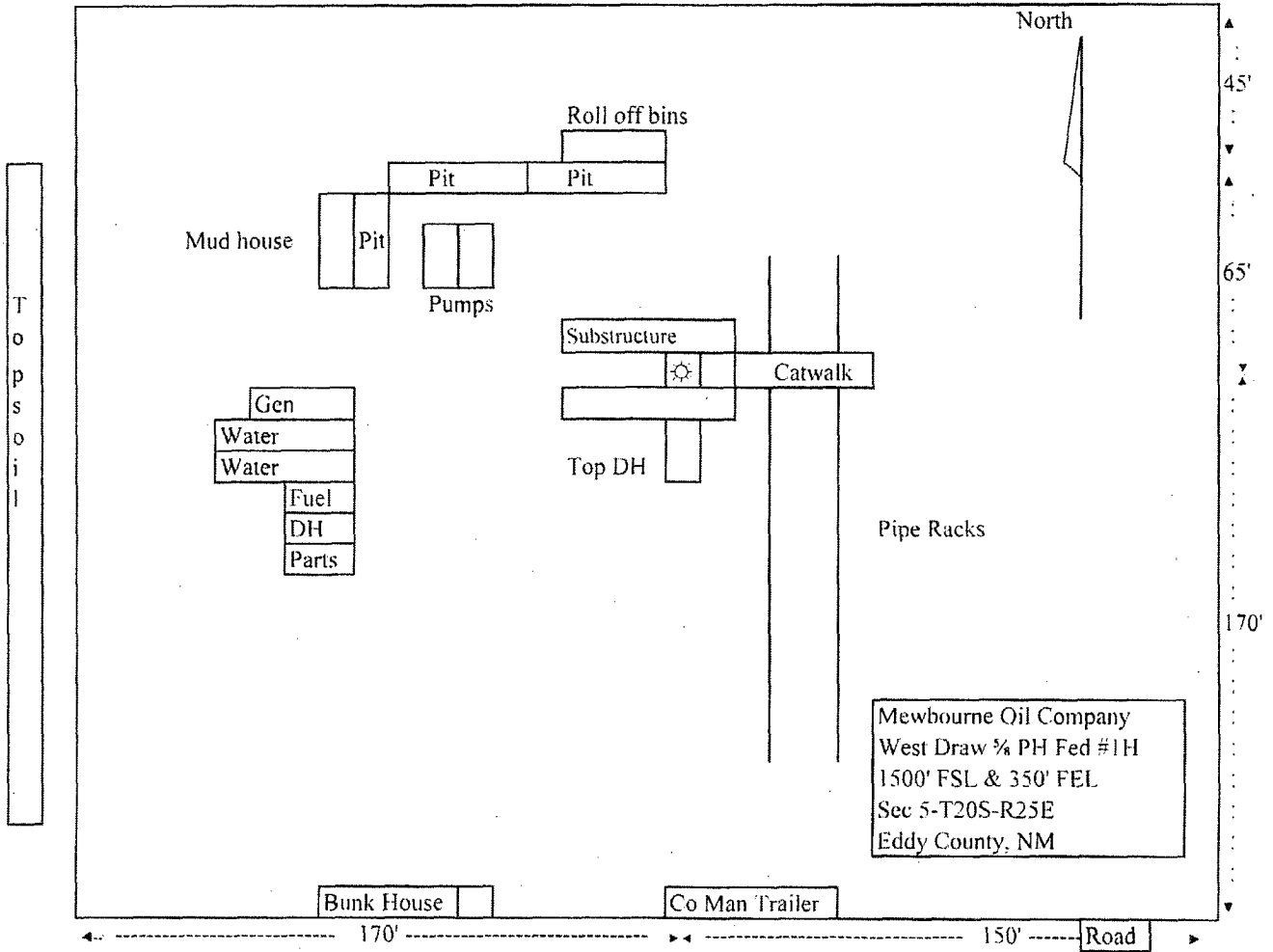


Exhibit 5

