

MULTI-POINT SURFACE USE AND OPERATIONS PLAN**MEWBOURNE OIL COMPANY**

Salado Draw "9" DM Federal Com #1H

320' FNL & 330' FEL

Sec 9-T26S-R33E

Lea County, New Mexico

HOBBS OCD

APR 24 2013

RECEIVED

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. Exhibits #3-#3C are maps showing the location of the proposed well and access road. Existing and proposed roads are highlighted in black.
- B. Directions to location: West from Jal, NM on Hwy 128, 14 miles to Battle Axe Rd. Turn South onto Battle Axe Rd and continue Southwest 13.3 miles to pipeline road. Turn West for 2.17 miles on pipeline road. Turn South 122' 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. 121.3 feet of new road construction will be needed.
- 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 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 at the Salado Draw 9 AP, flow line will follow existing roads back to MOC's battery, flow line will parallel El Paso Natural Gas pipeline, 15' South of the pipeline. Electric line ROW is filed with BLM.
- 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 brine water 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 #6. 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.

10. Plans for Restoration of Surface

- A. Within 120 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location and surrounding area will be cleaned of all trash and junk to assure the well site is left as esthetically pleasing as reasonably possible.
- B. Interim reclamation:
 - i. All areas not needed for production operations will be reclaimed as shown in the interim reclamation layout, exhibit #5.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Salado Draw "9" DM Fed Com #1H

Page 3

- ii. In these areas, caliche will be removed, the land will be recontoured to match the surrounding area, the topsoil from the stockpile will be spread over these areas.
- iii. The disturbed area will be restored by seeding during the proper growing season.
- iv. Any additional caliche required for production facilities will be obtained from the reclaimed areas.

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.
- iii. The entire location will be restored to the original contour as much as reasonable possible.
- iv. The topsoil used for interim reclamation will be spread over the entire location.
- v. The disturbed area will be restored by seeding during the proper growing season.

All restoration work will be completed within 180 days of cessation of activities.

11. Surface Ownership:

The surface is owned by BLM. Archaeology is cleared through BLM MOA program.

12. Other Information:

- A. The primary use of the surface at the location is for grazing of livestock.

13. Operators 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 14 day of January, 2013.

Name: NM Young

Signature: Brendly King for NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

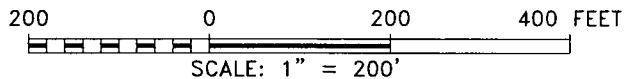
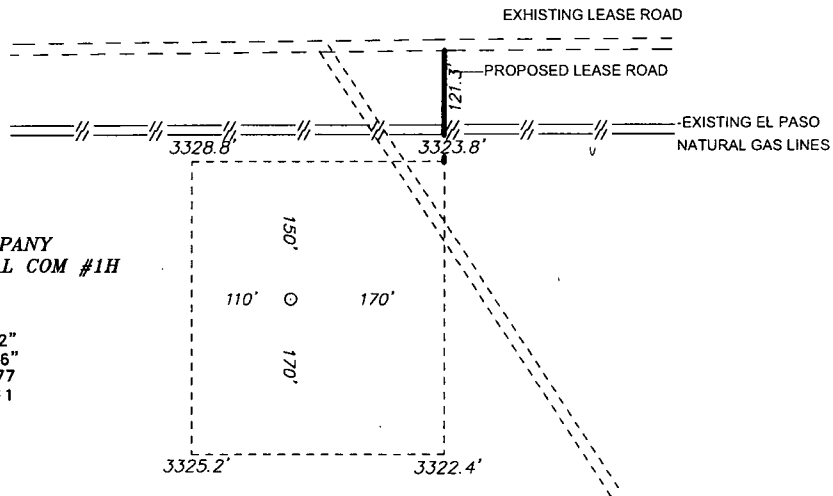
EXHIBIT "3"

SECTION 9, TOWNSHIP 26 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY
SALADO DRAW 9 DM FEDERAL COM #1H
ELEV. - 3327'

Lat - N 32°03'51.42"
Long - W 103°35'03.26"
NMSPCE- N 387916.477
E 732056.111
(NAD-27)



Directions to Location:

FROM THE JUNCTION OF ORLA AND BATTLE AXE, GO
EAST WINDING NORTHEAST 11.7 MILES TO LEASE
ROAD, ON LEASE ROAD GO WEST 1.4 MILES TO
PROPOSED LEASE ROAD.

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REF: SALADO DRAW 9 DM FEDERAL COM #1H / WELL PAD TOPO

THE SALADO DRAW 9 DM FEDERAL COM #1H LOCATED 320'

FROM THE NORTH LINE AND 330' FROM THE WEST LINE OF

SECTION 9, TOWNSHIP 26 SOUTH, RANGE 33 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 27782

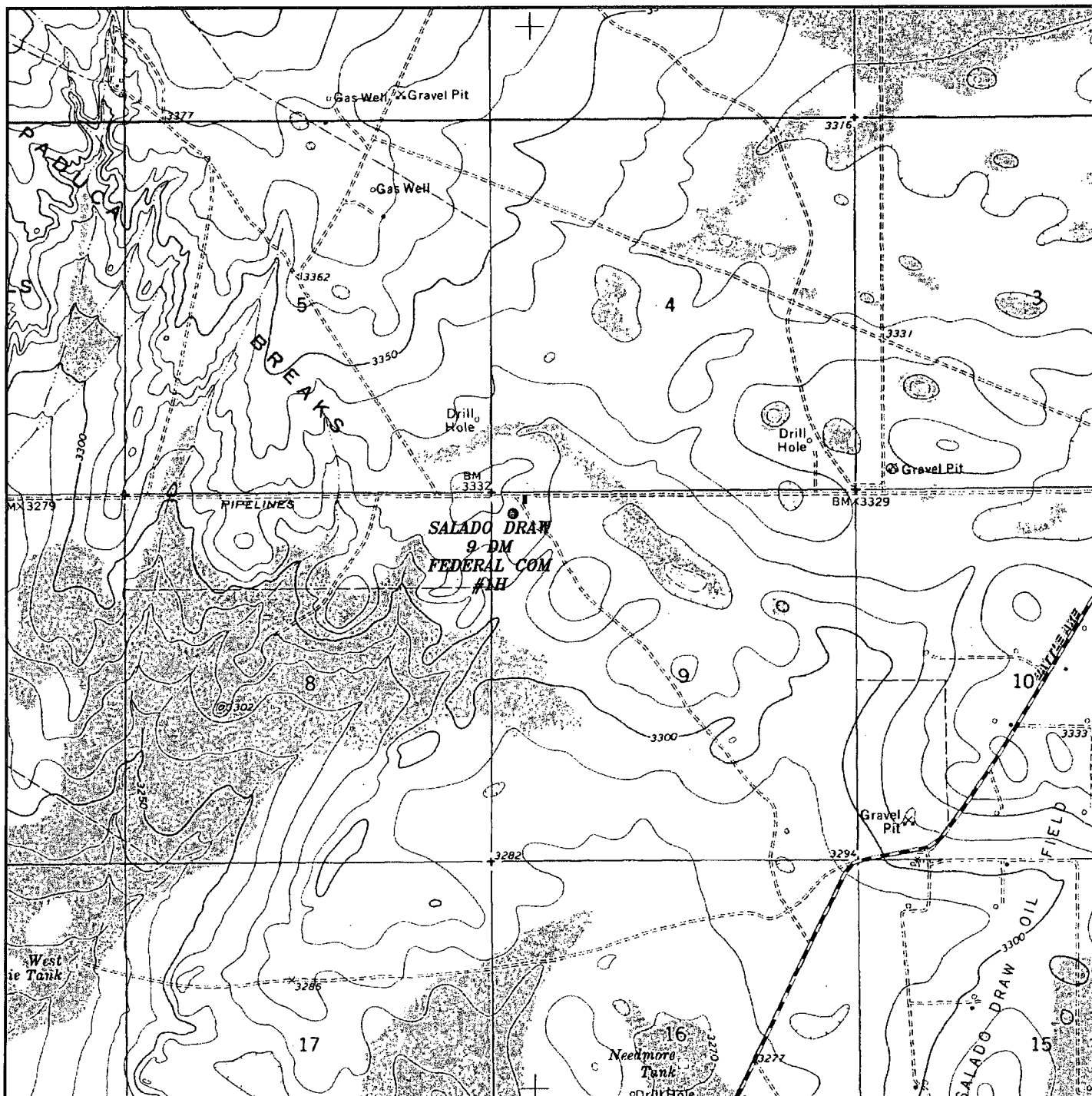
Drawn By: J. SMALL

Date: 12-17-2012

Disk: JMS 27782

Survey Date: 12-12-2012

Sheet 1 of 1 Sheets



SALADO DRAW 9 DM FEDERAL COM #1H
 Located 320' FNL and 330' FWL
 Section 9, Township 26 South, Range 33 East,
 N.M.P.M., Lea County, New Mexico.

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surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
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W.O. Number: JMS 27782

Survey Date: 12-12-2012

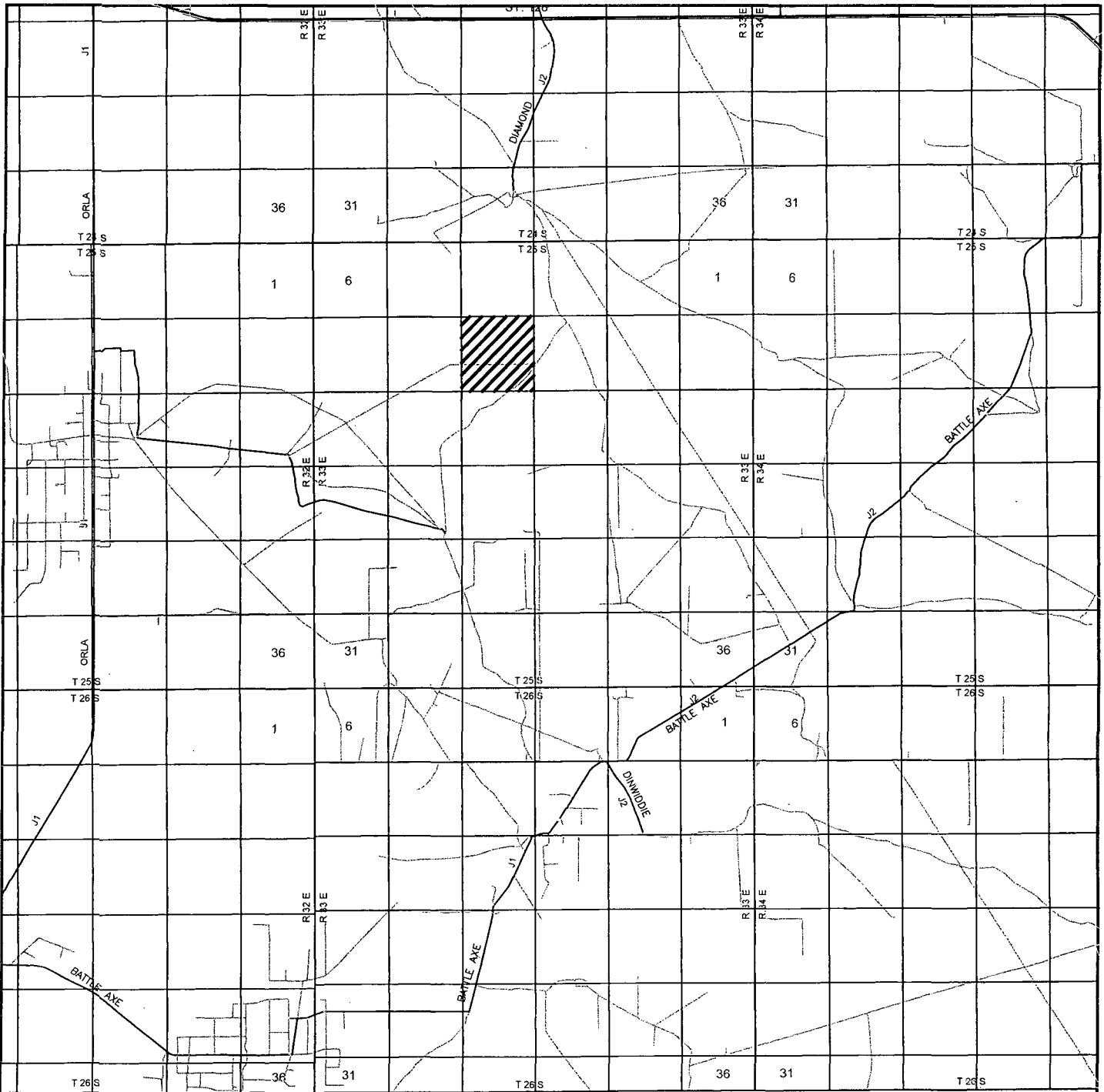
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Date: 12-17-2012

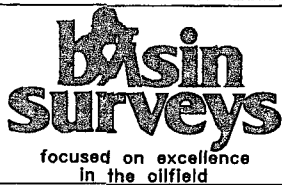


MEWBOURNE
OIL COMPANY

EXHIBIT "3B"



SALADO DRAW 9 DM FEDERAL COM #1H
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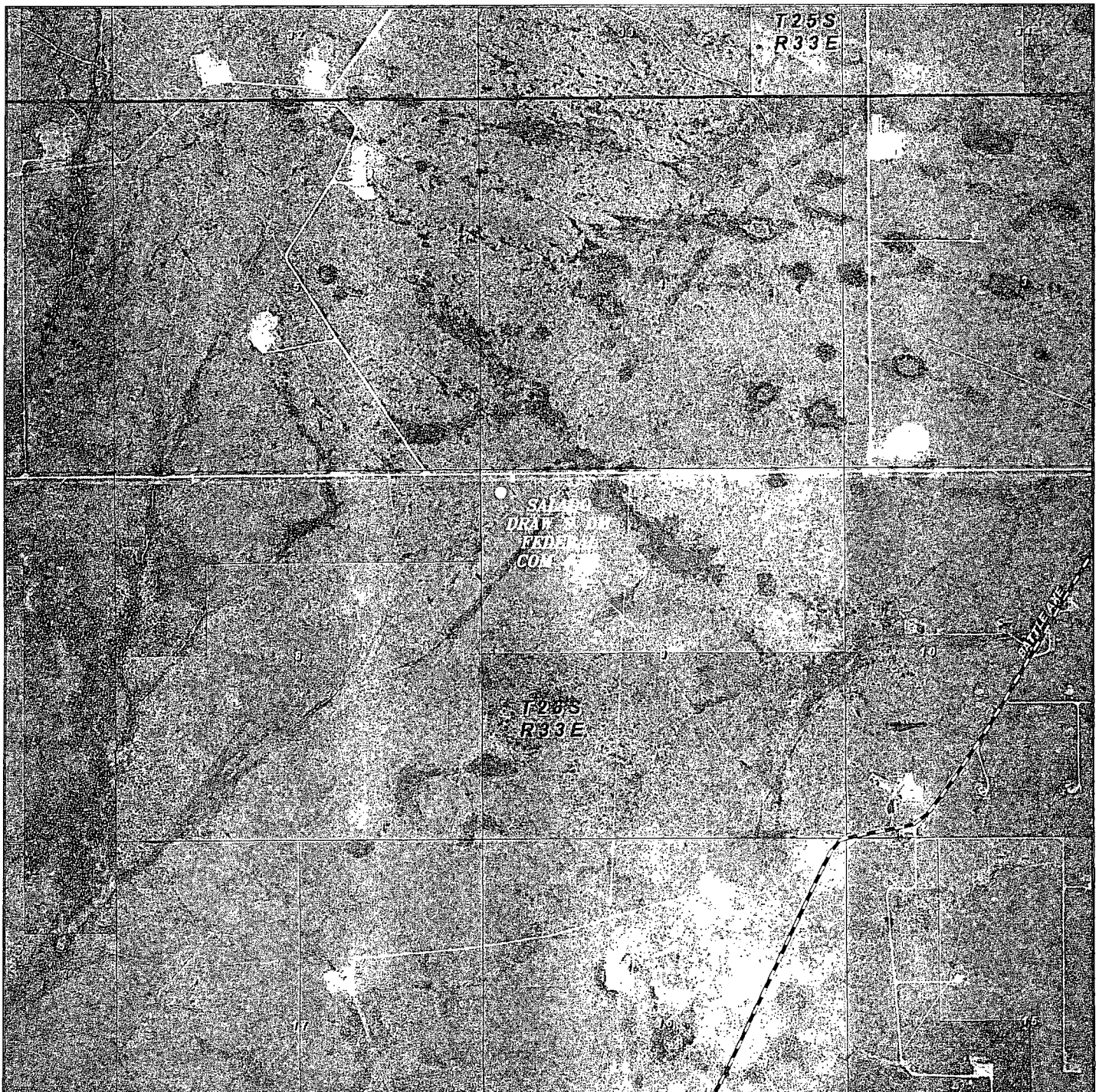
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Scale: 1" = 2 Miles

Date: 12-17-2012



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 OIL COMPANY**



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Scale: 1" = 2000'

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

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Exhibit 3D

Exhibit "4A" - 13 HL - 330' FSL + 500' FAL

