

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

Querecho 28 NC Federal #1H
150' FSL & 2230' FWL (SHL)
Sec 28-T18S-R32E
Lea County, New Mexico

JUN 24 2013

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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: From the junction of HWY 529 & Maljamar, go South 1.5 miles on Maljamar turning SE for 3.1 miles to a "Y". Go right for .8 miles turning East .1 miles then south 2 miles turning West .8 miles then North .7 miles to proposed lease road.
- C. Existing roads will be maintained in a condition the same as or better than before operations begin.

2. Proposed Access Road:

- A. Approx. 303.3 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 built on MOC's Querecho 28 MD location, gas line and flow line will follow existing roads back to MOC's Querecho 28 MD battery. 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

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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.

- 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:

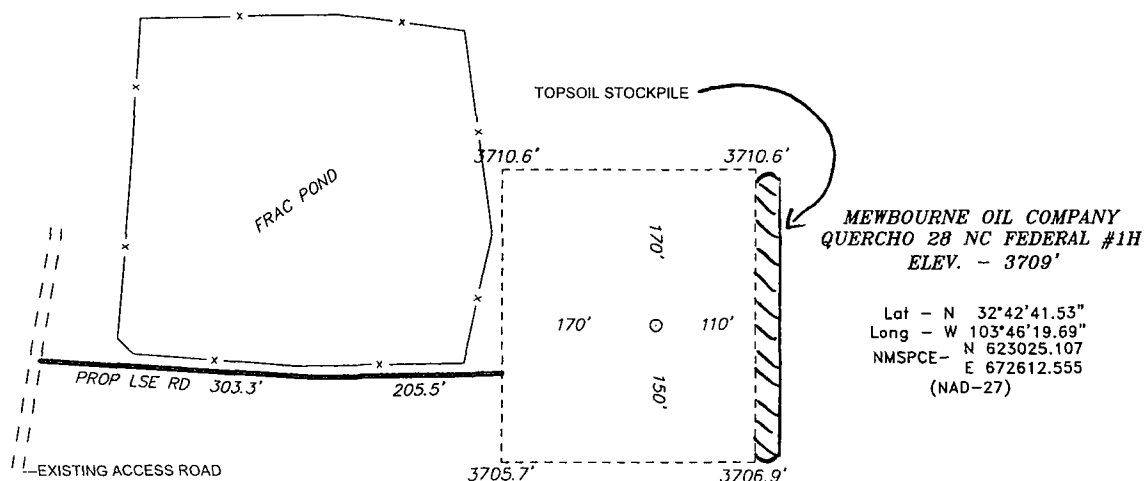
- A. The primary use of the surface at the location is for grazing of livestock.

13. Operators Representative:

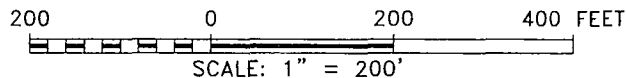
- A. Through APD approval, drilling, completion and production operations:

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

SECTION 28, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



TN
4/29/13



Directions to Location:

FROM THE JUNCTION OF HWY 529 AND MALJAMAR
GO SOUTH 1.5 MILES ON MALJAMAR FOR TURNING
SOUTHEAST FOR 3.1 MILES TO A "Y" GO RIGHT FOR
0.8 MILES TURNING EAST 0.1 MILES THENCE SOUTH
2.0 MILES TURNING WEST 0.8 MILES THENCE NORTH
0.7 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 27783 Drawn By: J. SMALL

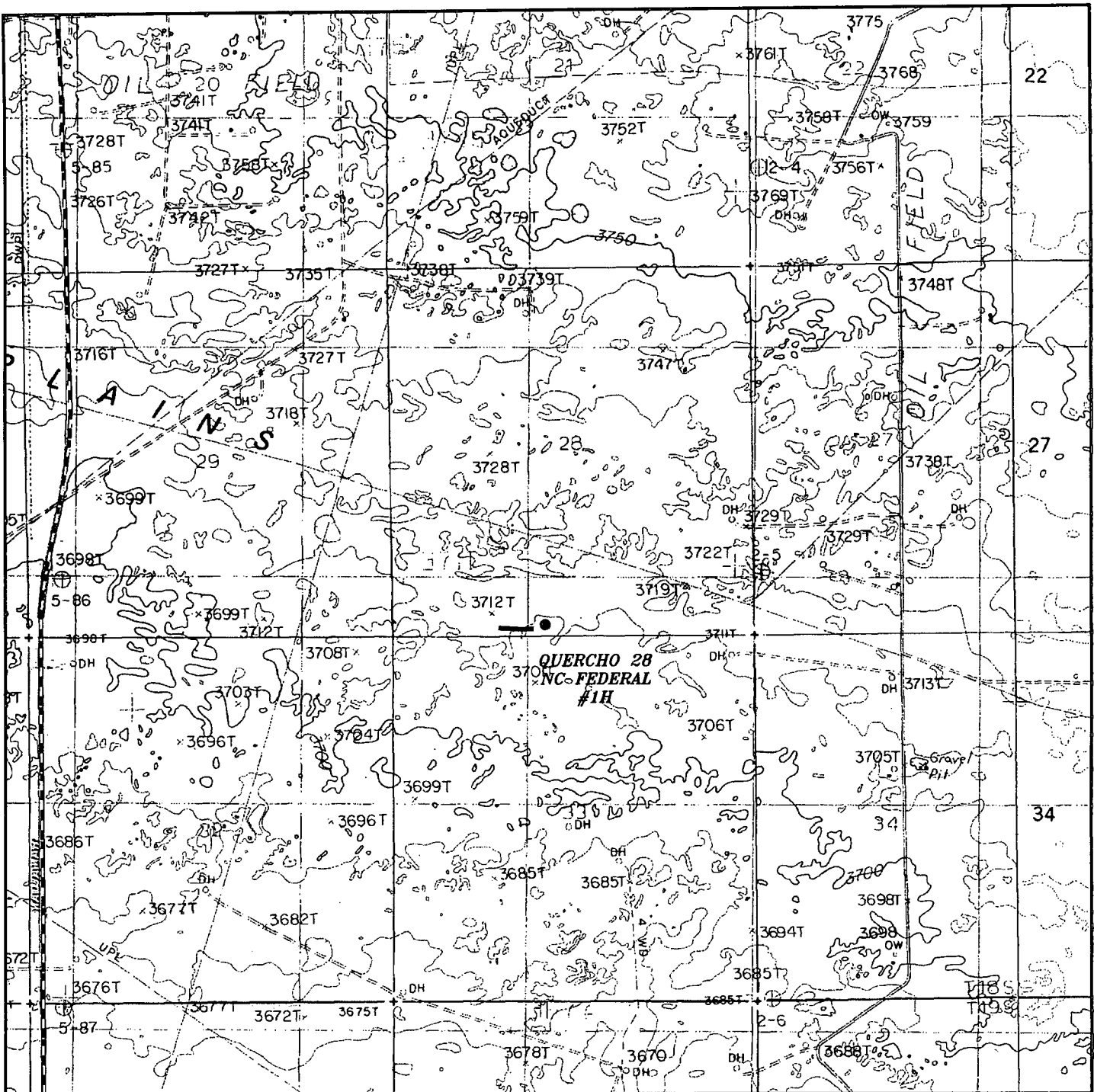
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MEWBOURNE OIL COMPANY

REF: QUERCHO 28 NC FEDERAL #1H / WELL PAD TOPO

THE QUERCHO 28 NC FEDERAL #1H LOCATED 150'
FROM THE SOUTH LINE AND 2230' FROM THE WEST LINE OF
SECTION 28, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 12-12-2012 Sheet 1 of 1 Sheets



QUERCHO 28 NC FEDERAL #1H
 Located 150' FSL and 2230' FWL
 Section 28, Township 18 South, Range 32 East,
 N.M.P.M., Lea County, New Mexico.

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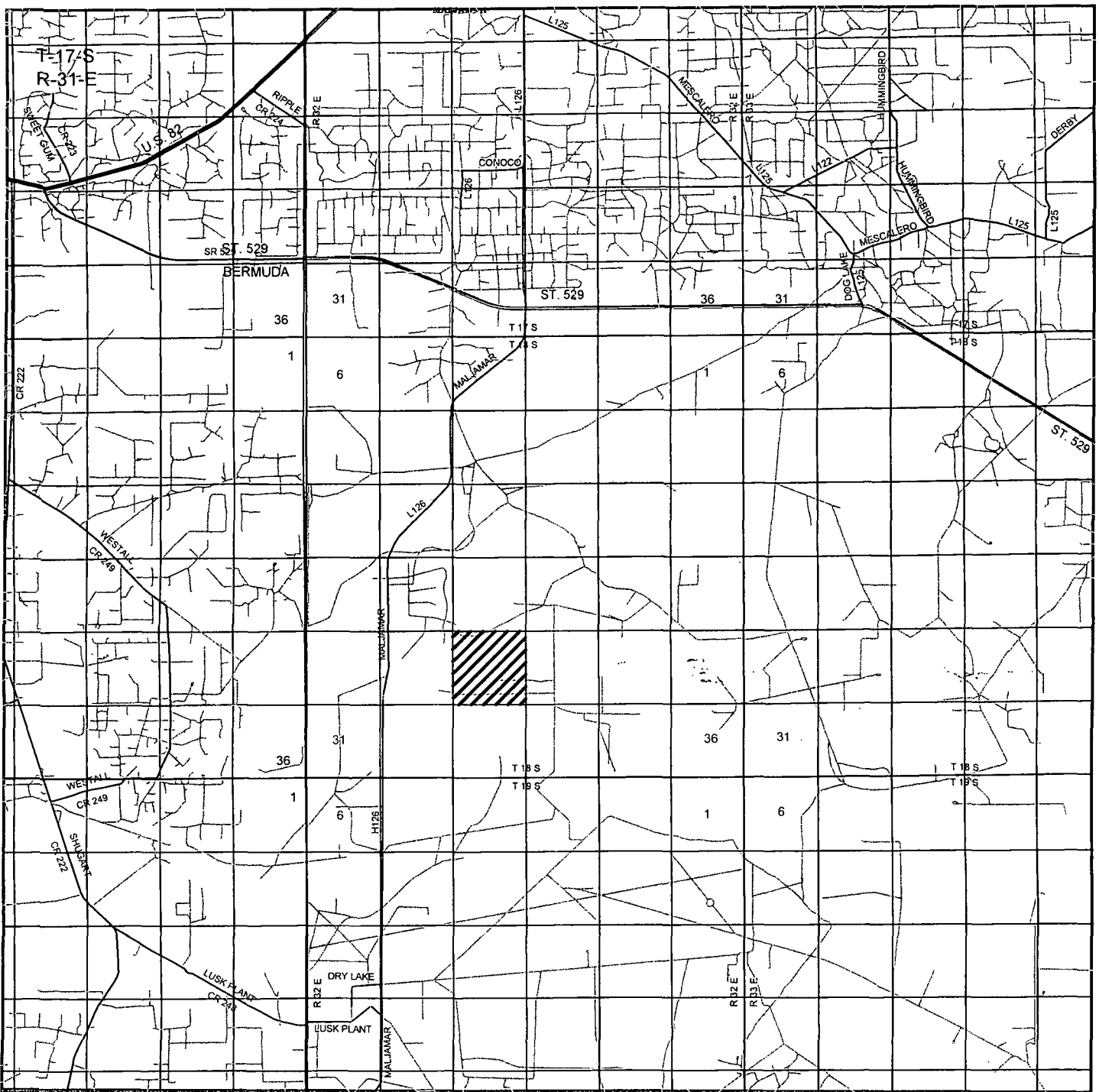
W.O. Number: JMS 27783

Survey Date: 12-12-2012

Scale: 1" = 2000'

Date: 12-17-2012

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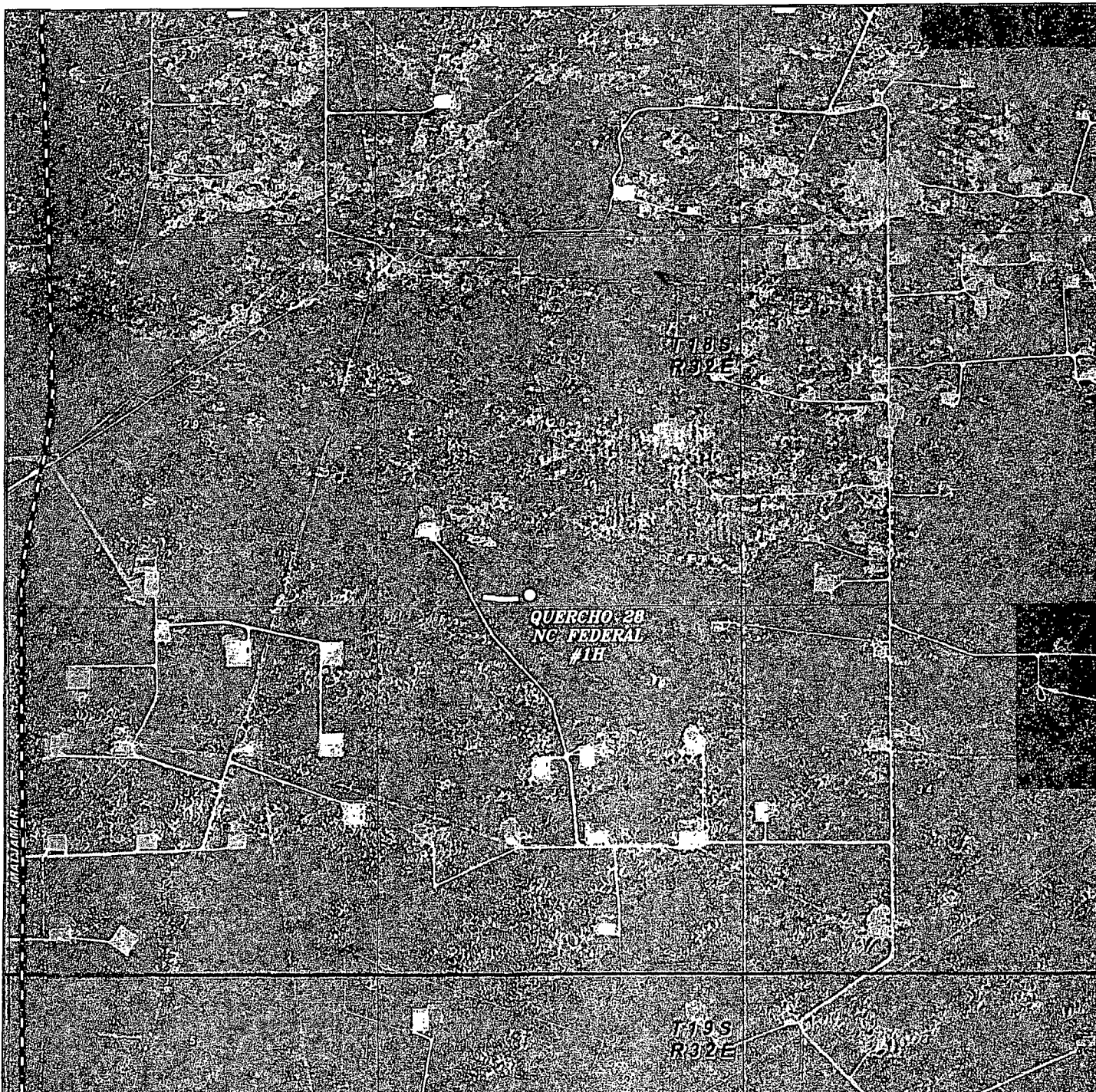
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Survey Date: 12-12-2012

Scale: 1" = 2 Miles

Date: 12-17-2012

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N.M.P.M., Lea County, New Mexico.

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Scale: 1" = 2000'

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



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OIL COMPANY

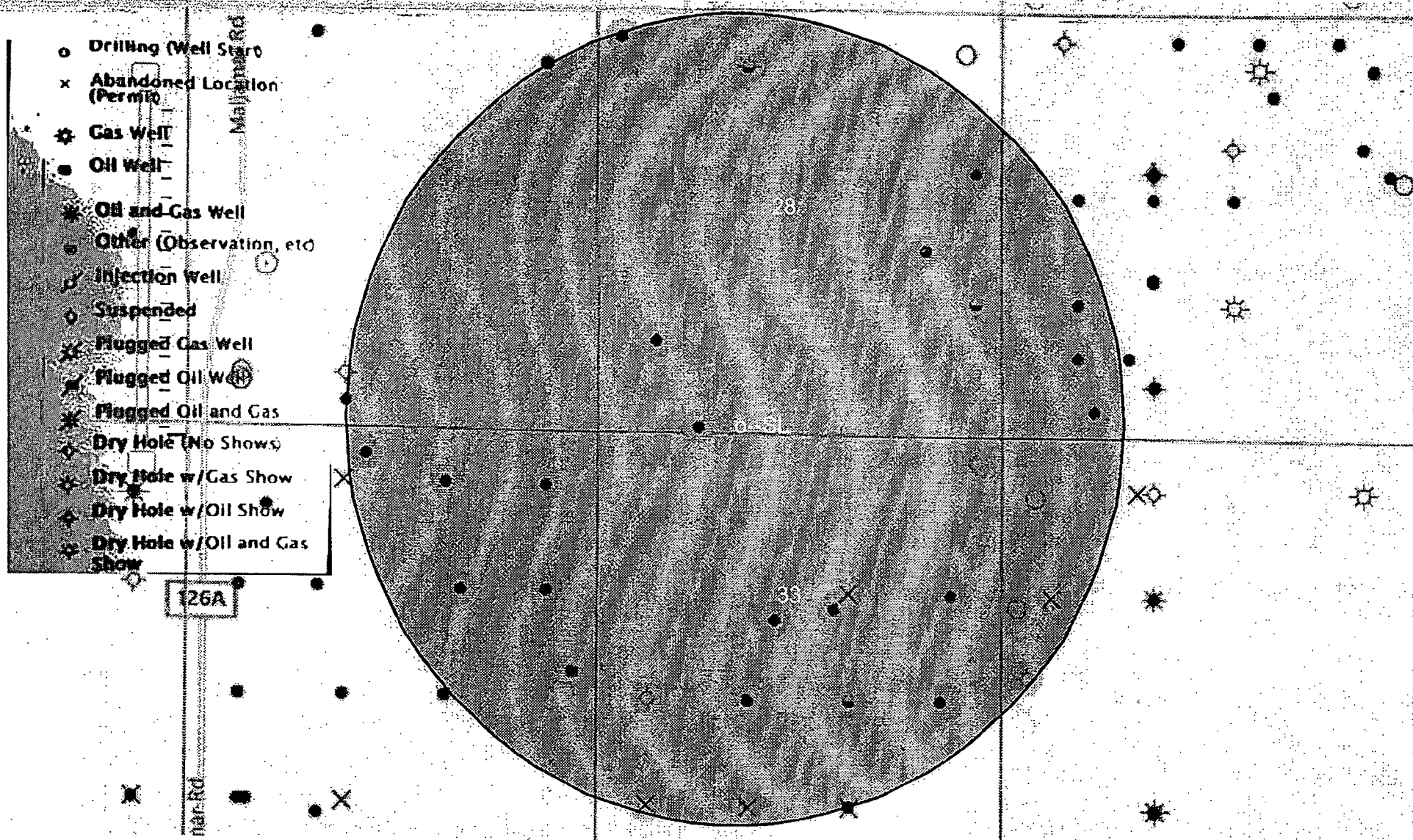


EXHIBIT "4" - Querecho 28 NC Federal #1H -SL- 150' FSL & 2230' FWL - Sec. 28 T18S R32E, Eddy Co. NM.

- 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 Show)
- ⊗ Dry Hole w/ Gas Show
- ⊗ Dry Hole w/ Oil Show
- ⊗ Dry Hole w/ Oil and Gas Show

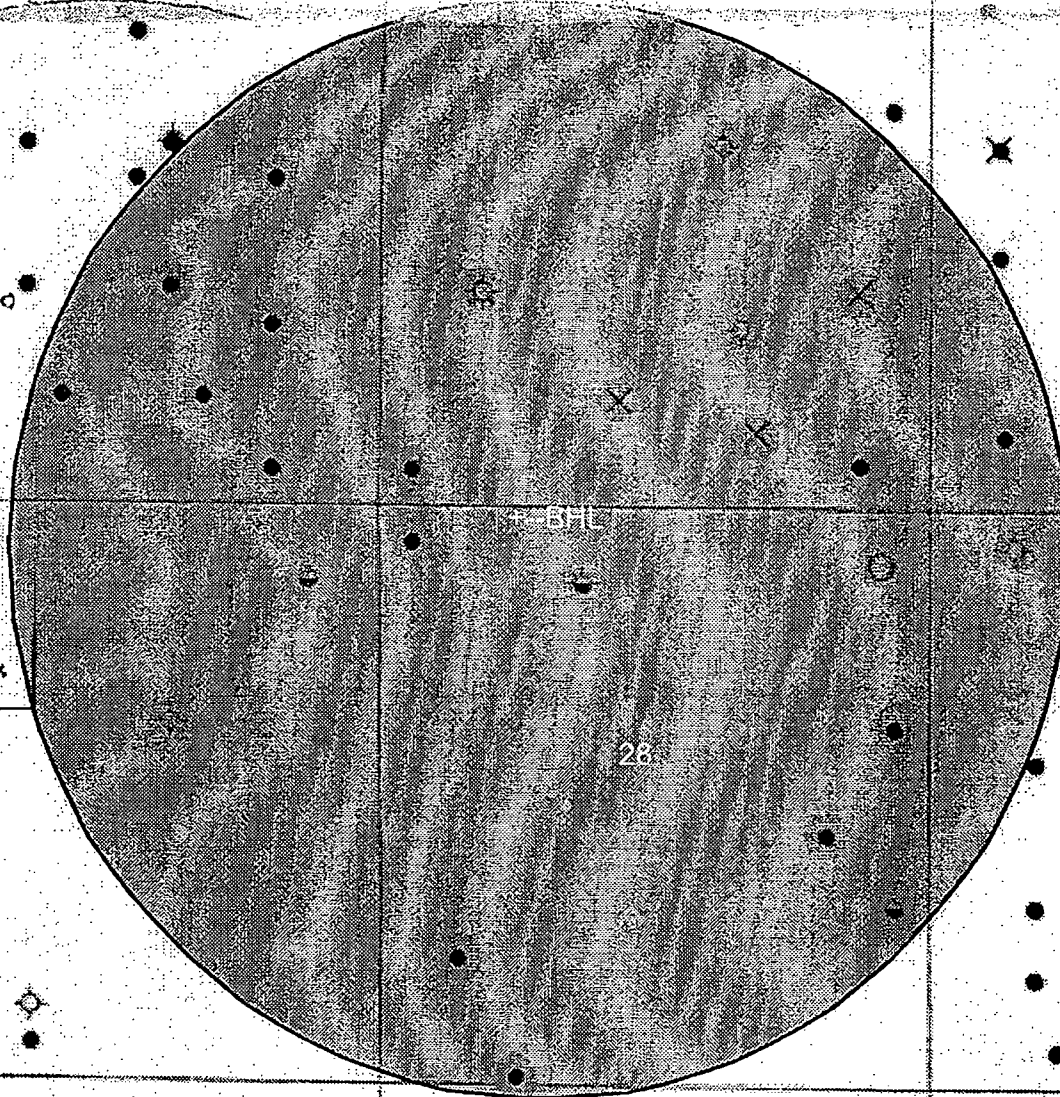
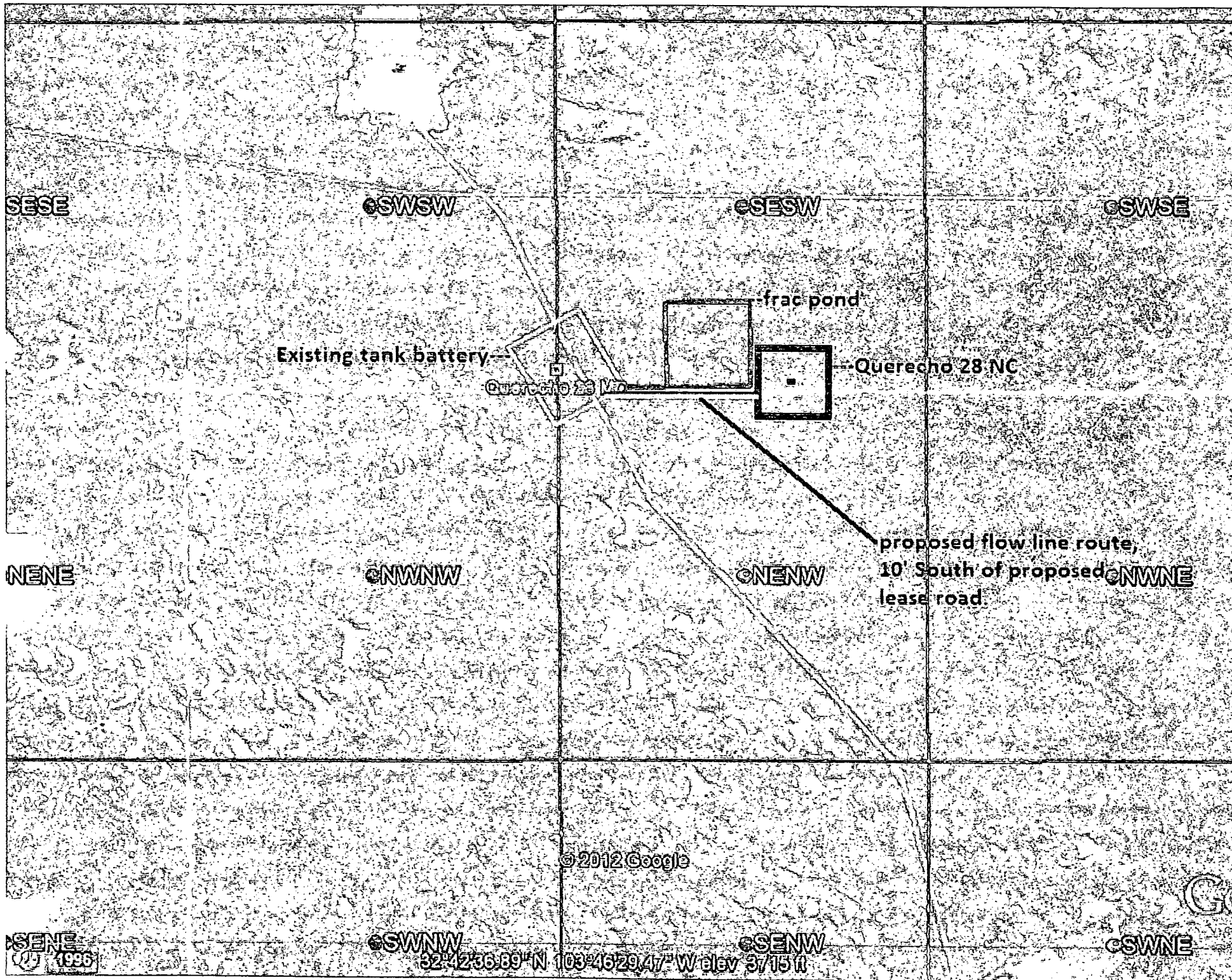


EXHIBIT "4A" Querecho 28 NC Fed #1H - BHL - 330' FNL & 1650 FWL - Section 28 T18S R32E



Flowline Map

32°42'36.89"N 103°46'29.47"W elev 3715 ft

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 17 day of January, 2013.

Name: NM Young

Signature: Bradley Briley for NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com