

30-025-42201

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

HOBBS OCD

MEWBOURNE OIL COMPANY

Marathon Road 15 NC Federal #1H

180' FSL & 1800' FWL (SHL)

Sec 15-T20S-R34E

Lea County, New Mexico

DEC 10 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: From the intersection of NM HWY 62/180 and CR- 27A, go south on CR 27A for 4.5 miles. Turn right on lease road for .6 mile to a lease road. Turn left for .4 mile to a lease road. Turn right for .6 mile to a proposed road stake and go 152.1 feet to Marathon Road 15 PA proposed location, continue west 2843.3' 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. 2843.3' 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 the NW side of the location. Electric lines and gas lines will be filed for at a later date.
- 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

OCT 23 2014

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 Ken Smith, INC. 267 Smith Ranch Rd., Hobbs, NM 88241 –Wayne Smith – 575-942-8421. A verbal surface use agreement has been reached and a copy of this surface use plan has been sent to land owner.

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

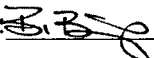
Mewbourne Oil Company

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 25 day of July, 2013.

Name: NM Young

Signature:  For NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

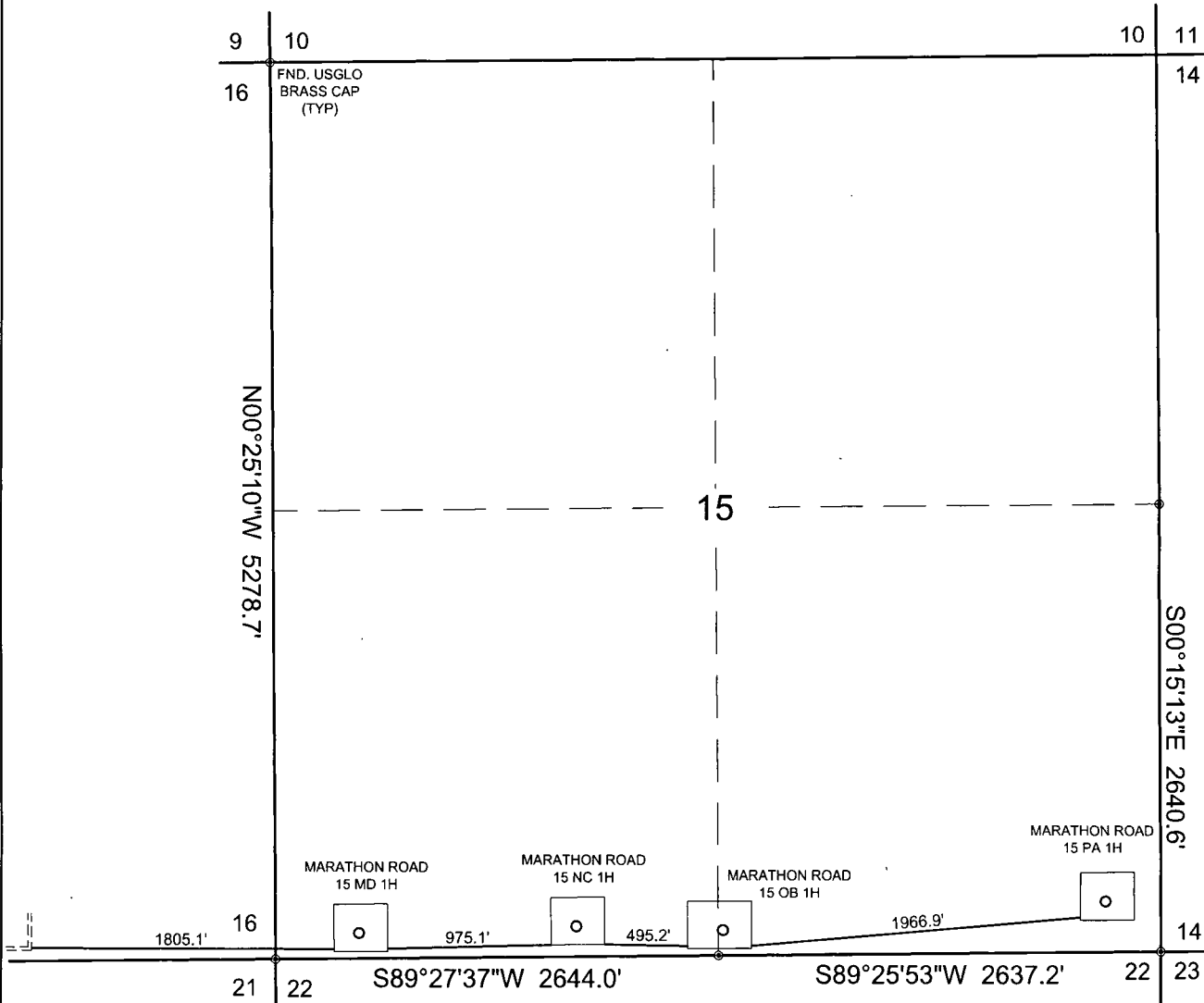
Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

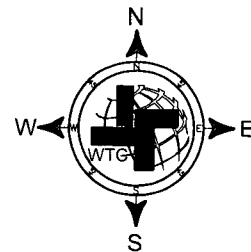


\\projects\oil & gas surveys\mendourne oil company, state & plot 4 Marathon Rd. 15 Wells, Lee Co Drawings\48972- Marathon Road 15 NC FEDERAL gH.dwg

SECTION 15 TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



A PROPOSED 20 FOOT WIDE ROAD EASEMENT BEING 5242.3 FEET OR 317.72 RODS IN LENGTH AND CONTAINING 2.41 ACRES OF LAND SITUATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 10 FEET LEFT AND 10 FEET RIGHT OF THE SURVEY OF CENTERLINE AS SHOWN HEREON.



NOTE:

1. BASIS OF BEARING IS A TRANSVERSE MERCATOR PROJECTION OF THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, NAD 83, BASED ON NGS STATION "TURKEY", AND DISTANCES ARE OF GRID VALUE.

1000 0 1000 2000 FEET



I, JAMES E. TOMPKINS, NEW MEXICO PROFESSIONAL SURVEYOR NO. 14729, DO HEREBY CERTIFY THAT THIS PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

James E. Tompkins
JAMES E. TOMPKINS, N.M. P.L.S.

SURVEY DATE: N/A
JOB NO.: .

09/24/2013

No. 14729

DRAFT: GWS
SHEET: 1 OF 1

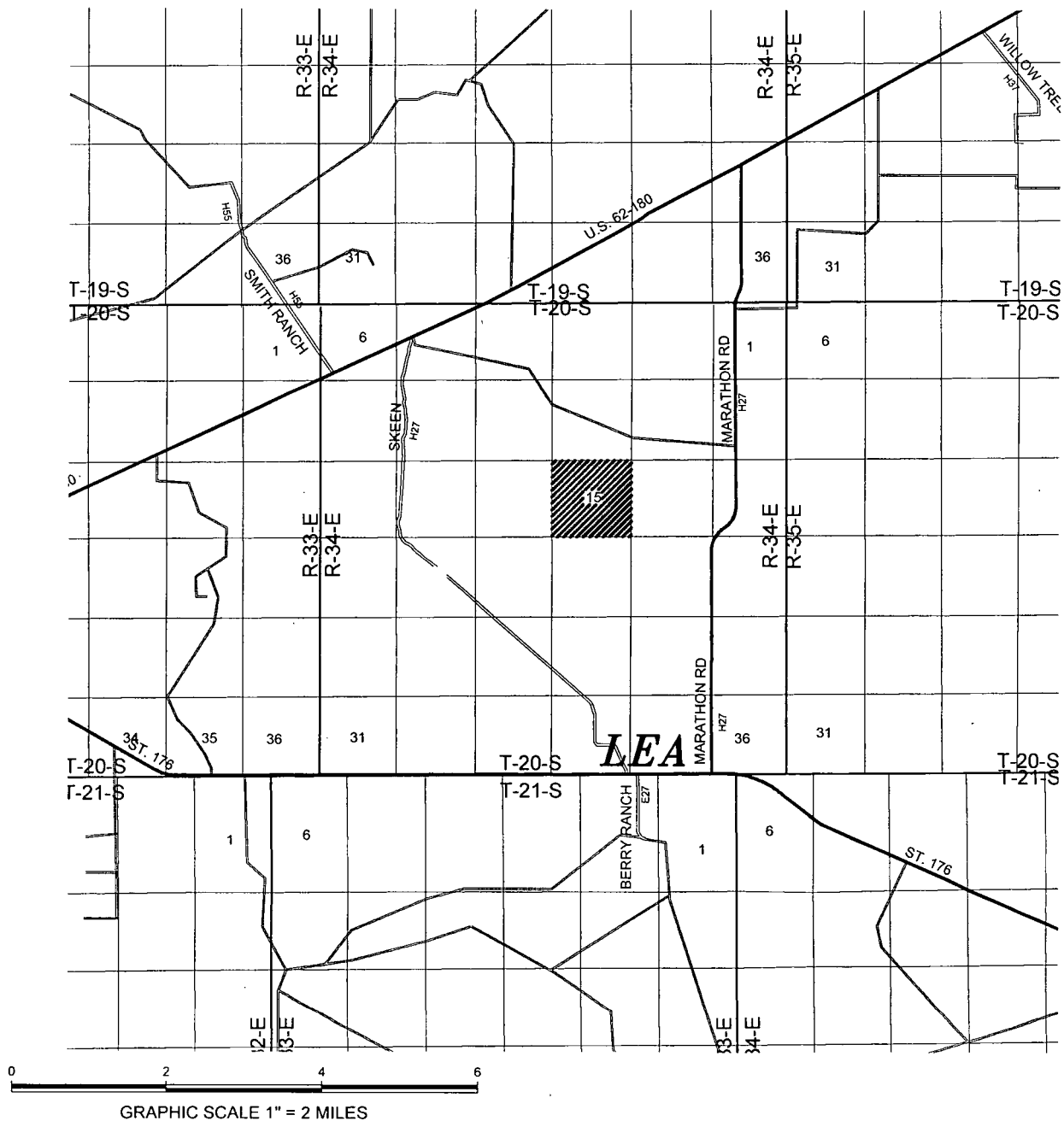
MEWBOURNE OIL CO.

A PROPOSED ROAD IN
SECTION 15, T20S, R34E, N.M.P.M.,
LEA COUNTY, NEW MEXICO

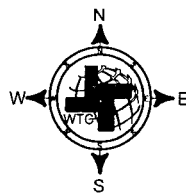


WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st Street
Andover, TX 75714
(432) 523-2181

VICINITY MAP



SECTION 15, T 20 S, R 34 E, N.M.P.M.

COUNTY: LEA STATE: NMDESCRIPTION: 180' FSL & 1800' FWLOPERATOR: MEWBOURNE OIL COMPANYWELL NAME: MARATHON ROAD 15 NC FEDERAL-1H

DRIVING DIRECTIONS:

From the intersection of New Mexico State Highway 62 and County Road 27-A located xx miles west of Hobbs, New Mexico. Go south on County Road 27-A for 4.5 miles to a lease road right. Go right and follow lease road for 0.6 mile to a lease road left. Go left and follow lease road for 0.4 mile to a lease road right. Go right and follow lease road for 0.6 mile to proposed road stake and go 152.1 feet to pad of Marathon Road 15 PA FED 1H, continue west 2843.3 feet to location.

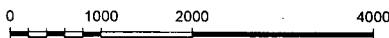
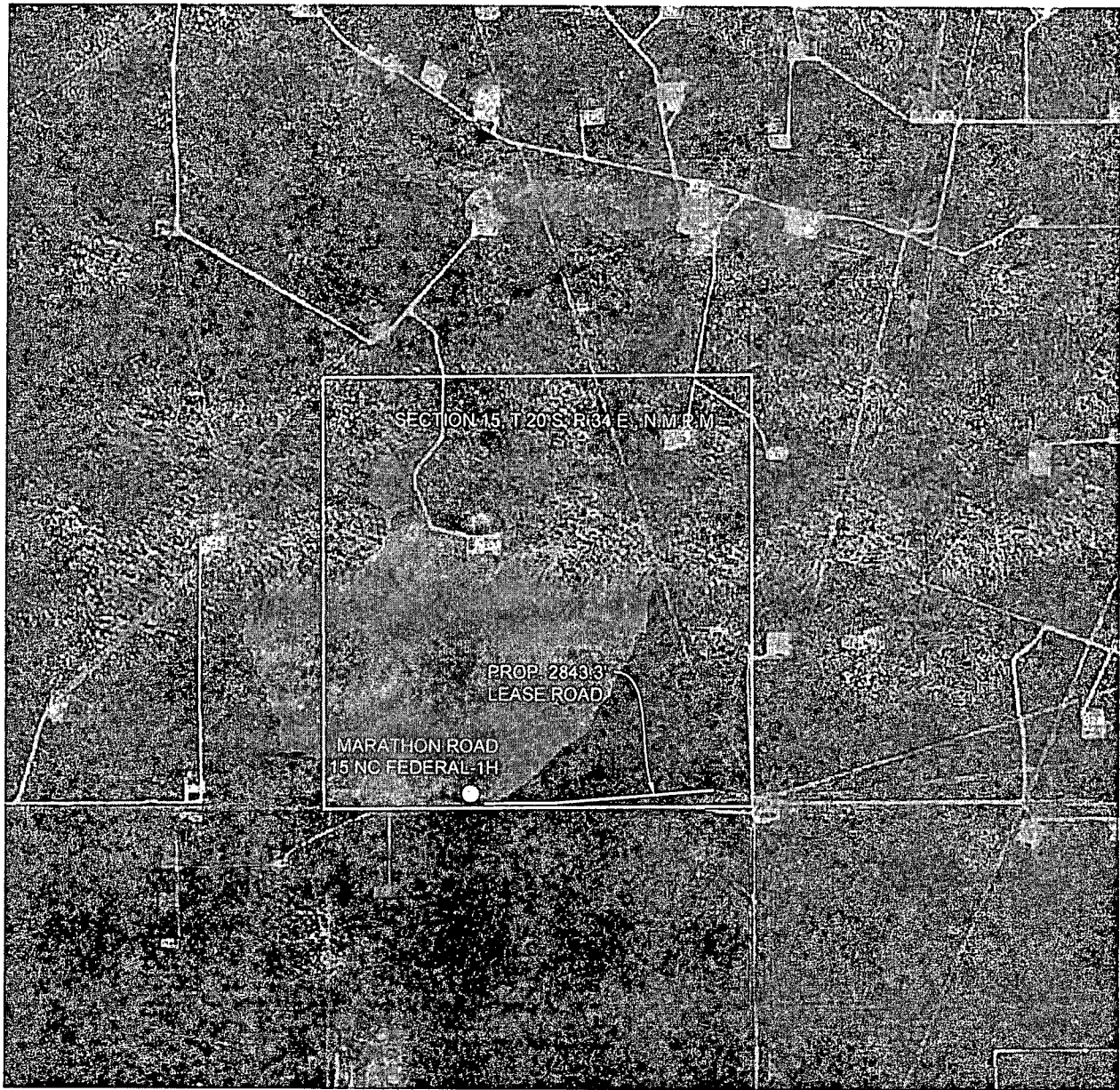


WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st. STREET
ANDREWS, TEXAS 79714
(432) 523-2181

MEWBOURNE OIL COMPANY

JOB No.: WTC48972

AERIAL MAP



GRAPHIC SCALE 1" = 2000'

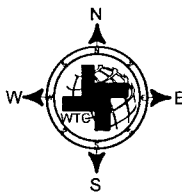
SECTION 15, T 20 S, R 34 E, N.M.P.M.

COUNTY: LEA STATE: NM

DESCRIPTION: 180' FSL & 1800' FWL

OPERATOR: MEWBOURNE OIL COMPANY

WELL NAME: MARATHON ROAD 15 NC FEDERAL-1H



DRIVING DIRECTIONS:

From the intersection of New Mexico State Highway 62 and County Road 27-A located xx miles west of Hobbs, New Mexico. Go south on County Road 27-A for 4.5 miles to a lease road right. Go right and follow lease road for 0.6 mile to a lease road left. Go left and follow lease road for 0.4 mile to a lease road right. Go right and follow lease road for 0.6 mile to proposed road stake and go 152.1 feet to pad of Marathon Road 15 PA FED 1H, continue west 2843.3 feet to location.

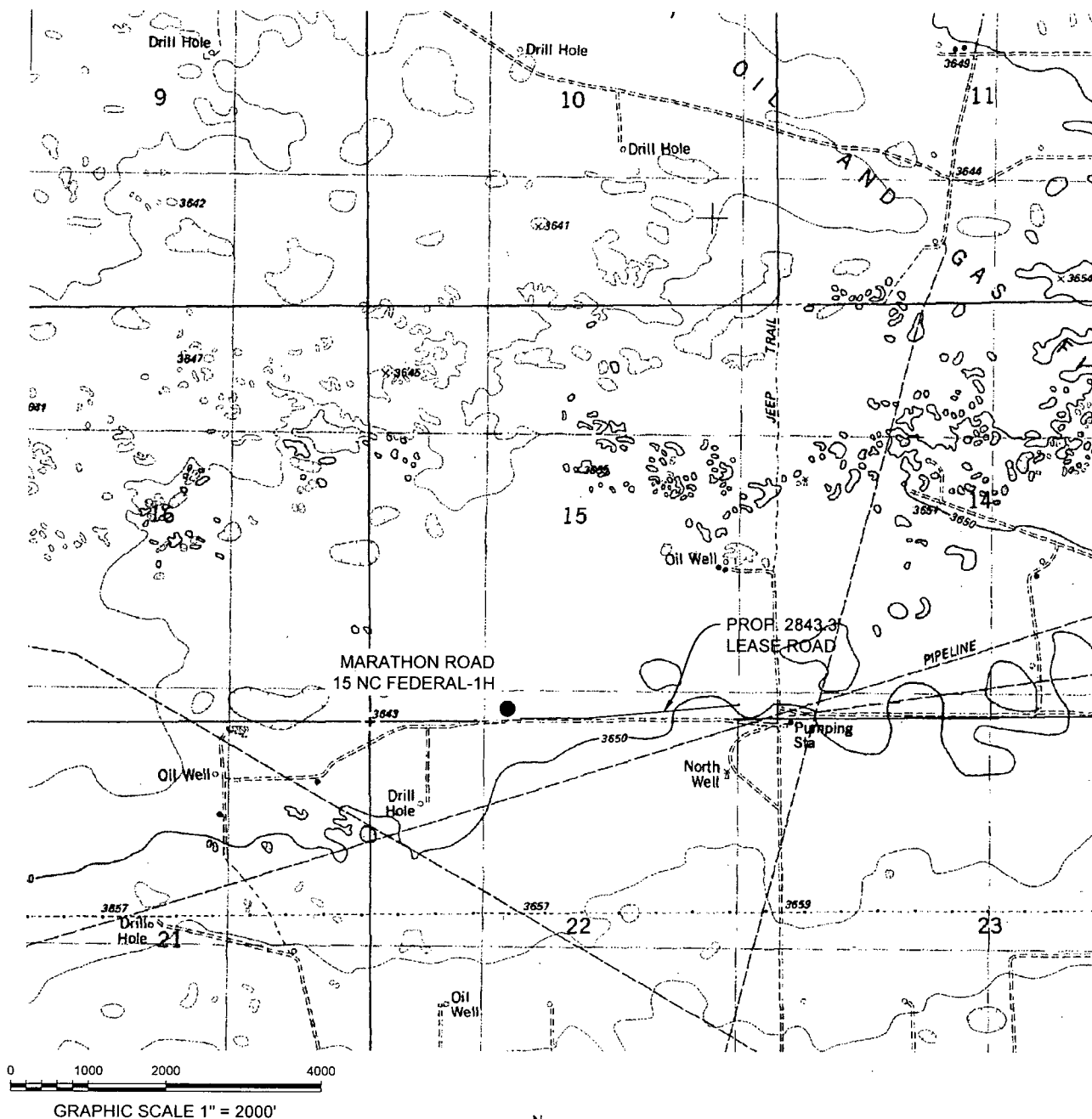


WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 523-2181

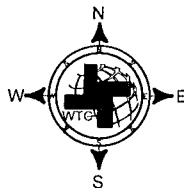
MEWBOURNE OIL COMPANY

JOB No.: WTC48972

LOCATION VERIFICATION MAP



SECTION 15, T 20 S, R 34 E, N.M.P.M.

COUNTY: LEA STATE: NMDESCRIPTION: 180' FSL & 1800' FWLOPERATOR: MEWBOURNE OIL COMPANYWELL NAME: MARATHON ROAD 15 NC FEDERAL-1H

DRIVING DIRECTIONS:

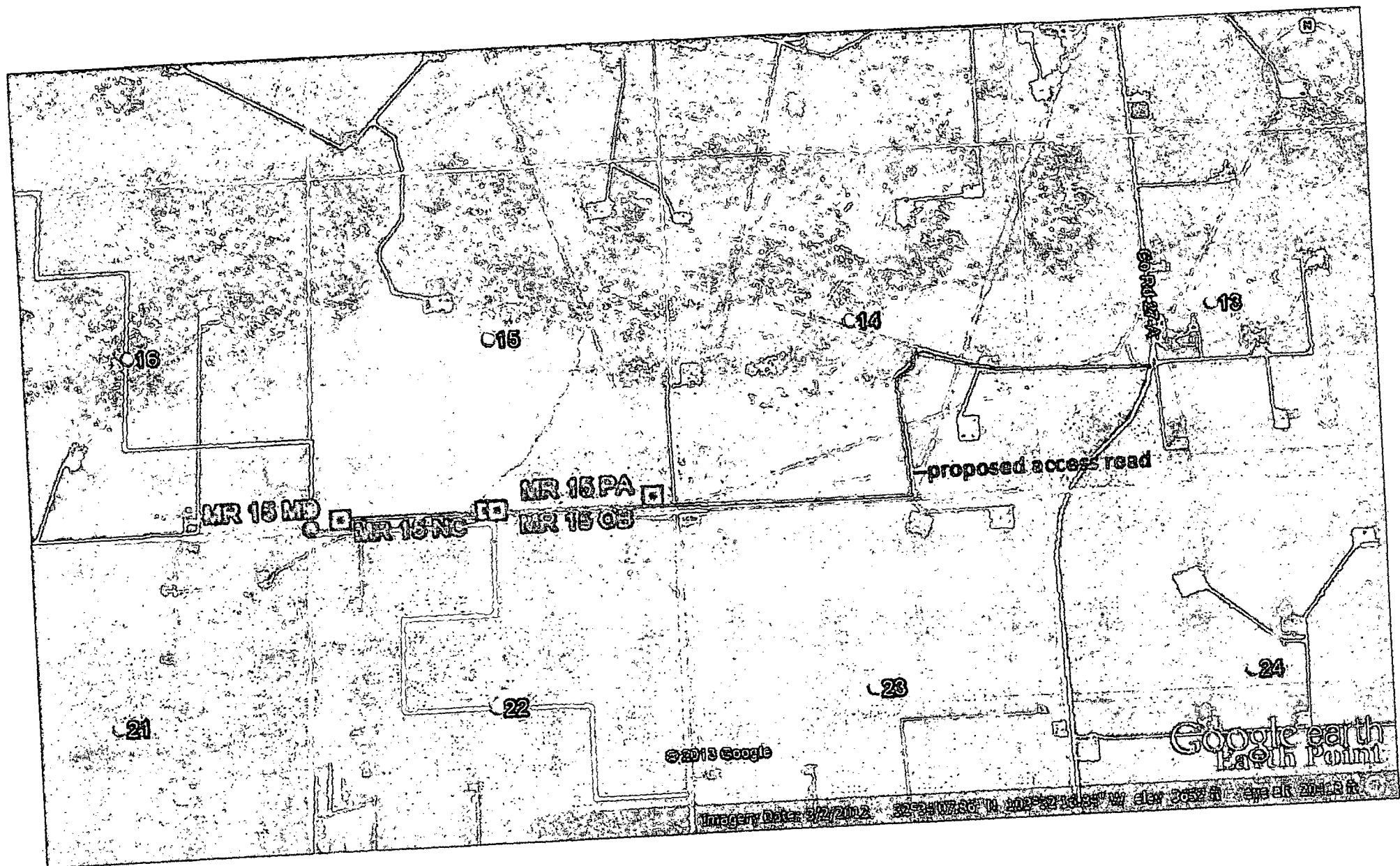
From the intersection of New Mexico State Highway 62 and County Road 27-A located xx miles west of Hobbs, New Mexico. Go south on County Road 27-A for 4.5 miles to a lease road right. Go right and follow lease road for 0.6 mile to a lease road left. Go left and follow lease road for 0.4 mile to a lease road right. Go right and follow lease road for 0.6 mile to proposed road stake and go 152.1 feet to pad of Marathon Road 15 PA FED 1H, continue west 2843.3 feet to location.

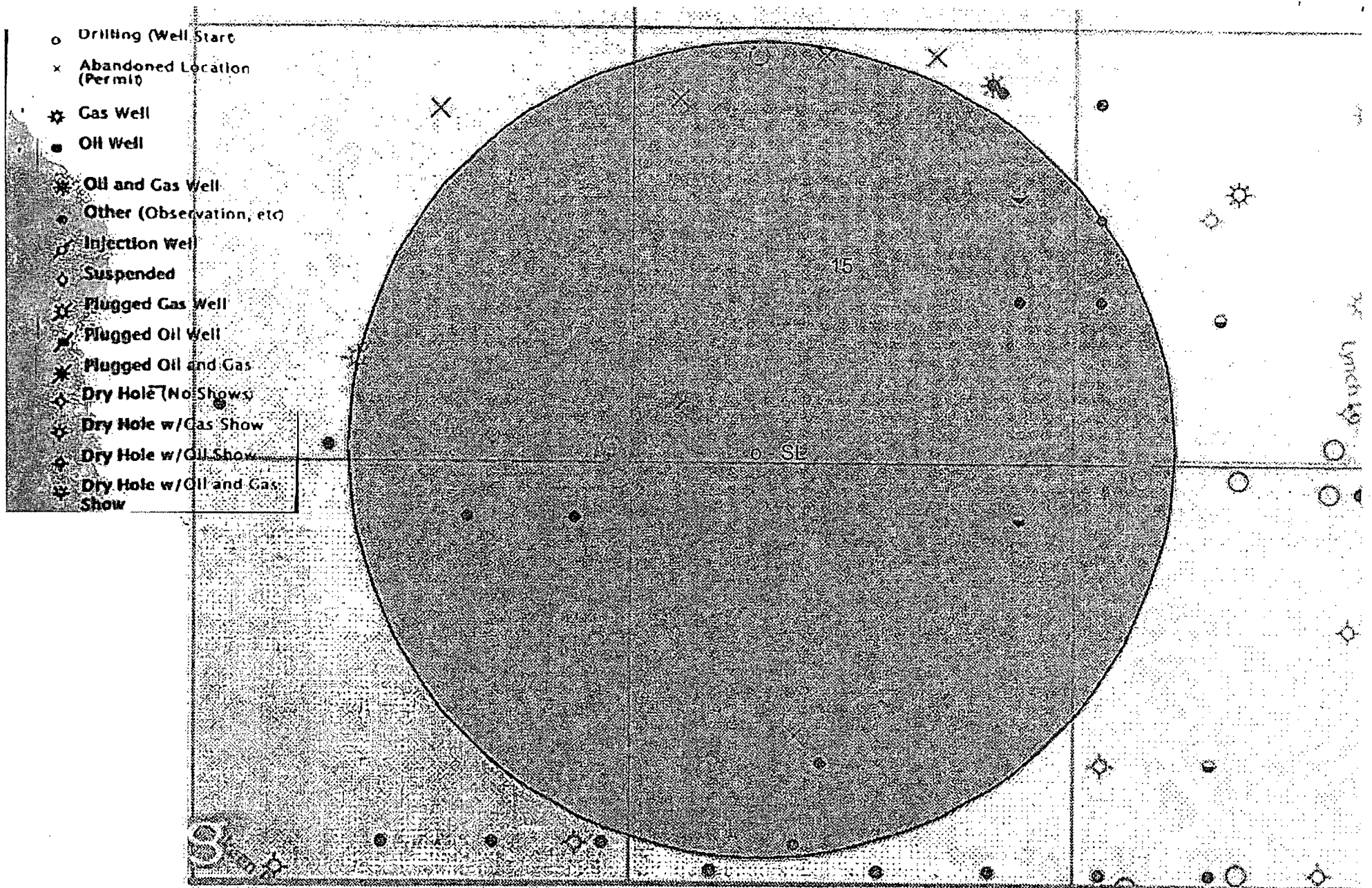


WEST TEXAS CONSULTANTS, INC.
ENGINEERS PLANNERS SURVEYORS
405 S.W. 1st STREET
ANDREWS, TEXAS 79714
(432) 523-2181

MEWBOURNE OIL COMPANY

JOB No.: WTC48972





Marathon Road 15 NC Federal #1H - SL - 180' FSL & 1800' FWL, Sec. 15 T20S R34E, Lea 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 Shows)
- ⊛ Dry Hole w/ Gas Show
- ⊛ Dry Hole w/ Oil Show
- ⊛ Dry Hole w/ Oil and Gas Show

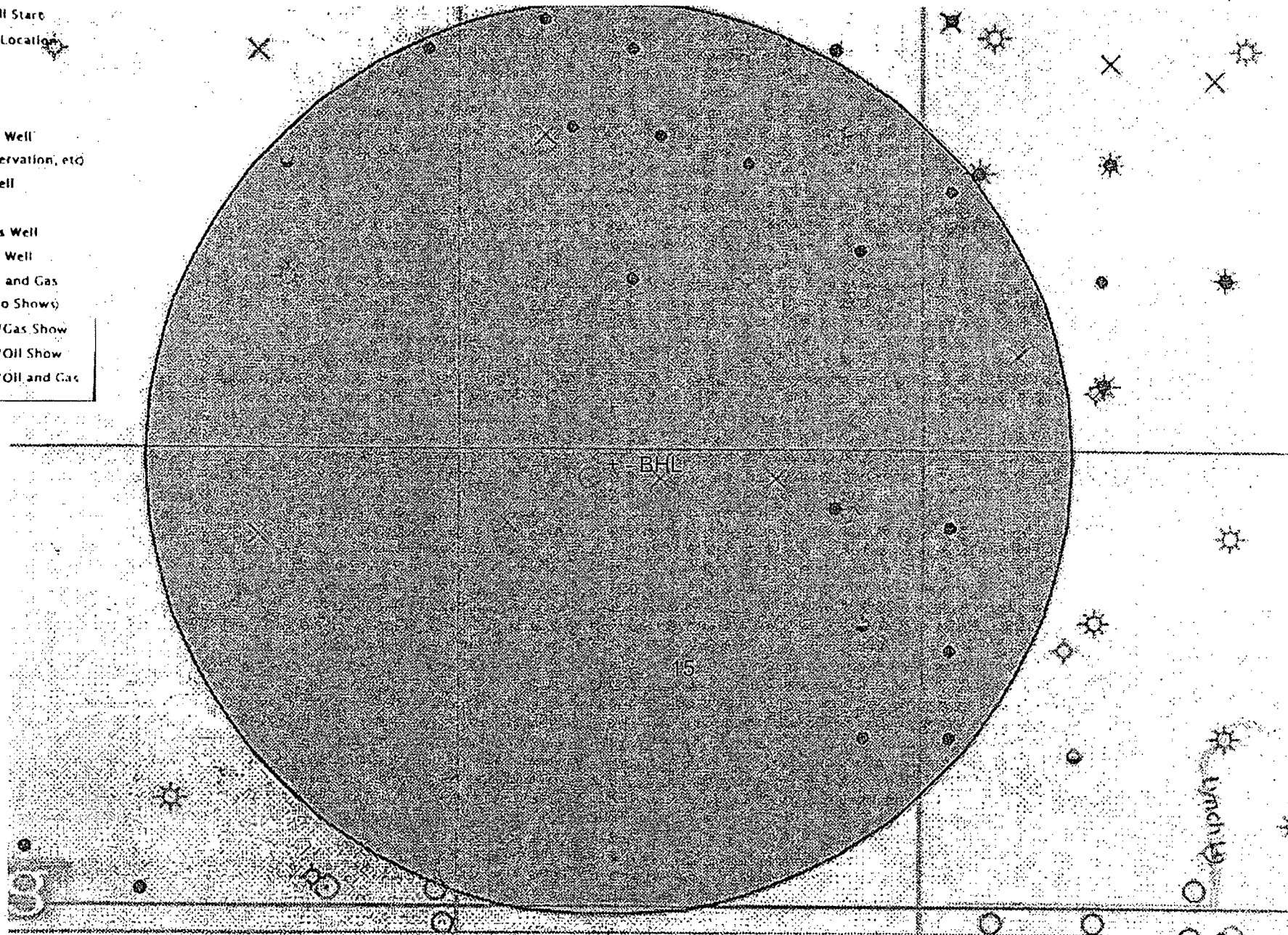


EXHIBIT "4A" - BHL - Marathon Road 15 NC Federal #1H - 330' FNL & 1980' FWL, Sec. 15 T20S R34E, Lea County, NM

Attachment: Marathon Road 15 NC Fed #1H

BLM Serial No.: NMNM 099048 – T20S, R34E, Section 15: W/2, Lea County, NM

Mewbourne Oil Company will earn an Assignment of Operating Rights from Caza Petroleum Inc., et al
once our well is drilled and production has been established.

Caza Petroleum Inc., 2002 Timberloch Place, #500, The Woodlands, Texas 77380-1350, 281-363-4442