

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Brushy Draw "1" Federal #1H

330' FNL & 370' FEL (SHL)

Sec 1-T26S-R29E

Eddy County, New Mexico

30-015-38673

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: Go south of Malaga 8 ½ miles on US 285 to mm 4. Turn east on Longhorn and go 8 ½ miles. Turn north 0.9 miles on lease road. Turn left and continue approx ¼ mile NW 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 1170' of new road 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 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 north side of well pad.
- C. Production vessels that will remain on this 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 a permitted off-site 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 has been 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 BLM.

12. Other Information:

- A. 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 23 day of Dec, 2010.

Name: NM Young

Signature: NM Young by Jacqui Lathan

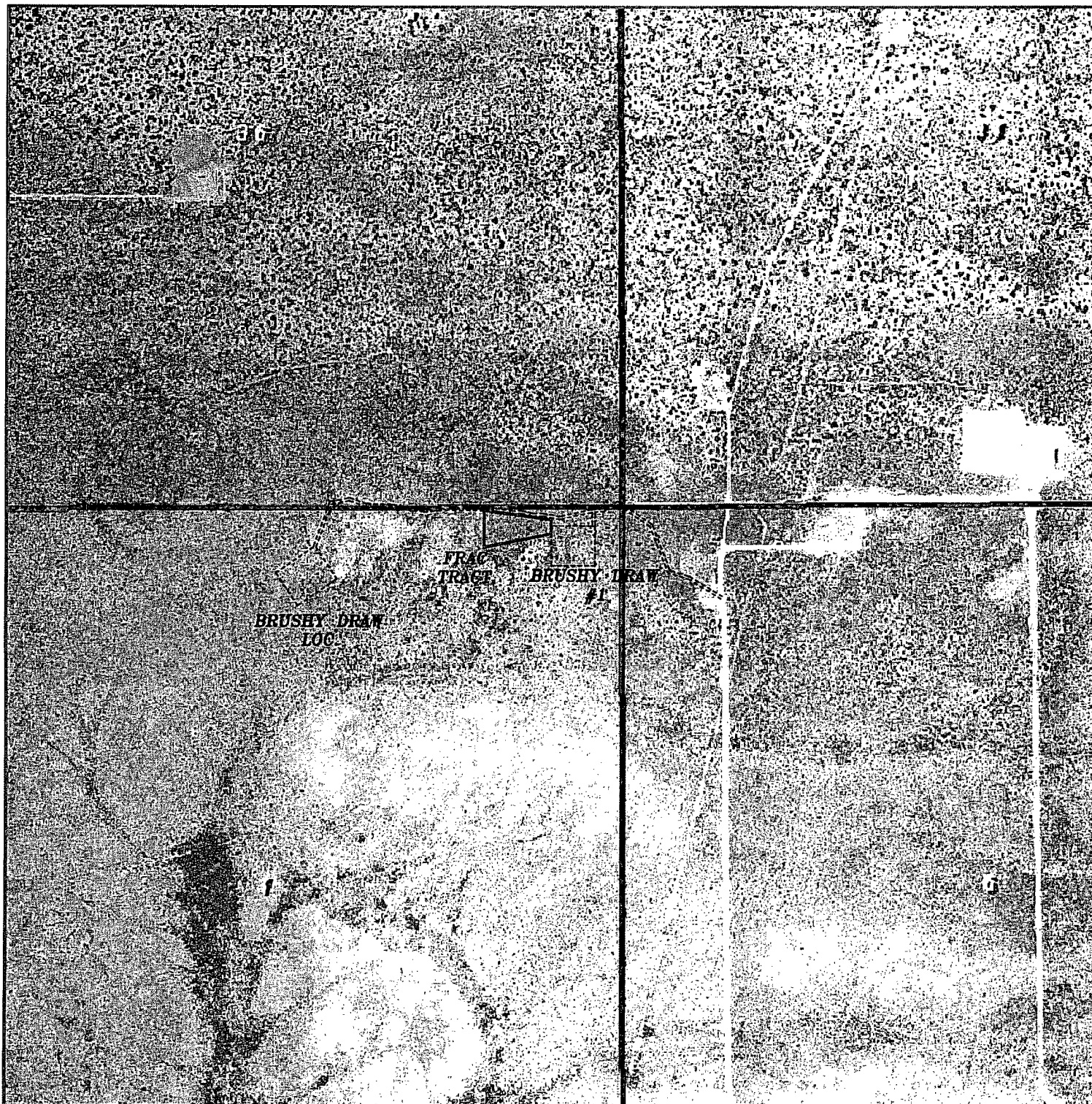
Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

Survey Date: 12-15-2010	Sheet 1 of 1 Sheets
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BRUSHY DRAW WELLS FRAC TANK
 Section 1, Township 26 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin
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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. KJG 23898

Scale: 1" = 1000'

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



MEWBOURNE
OIL COMPANY

SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

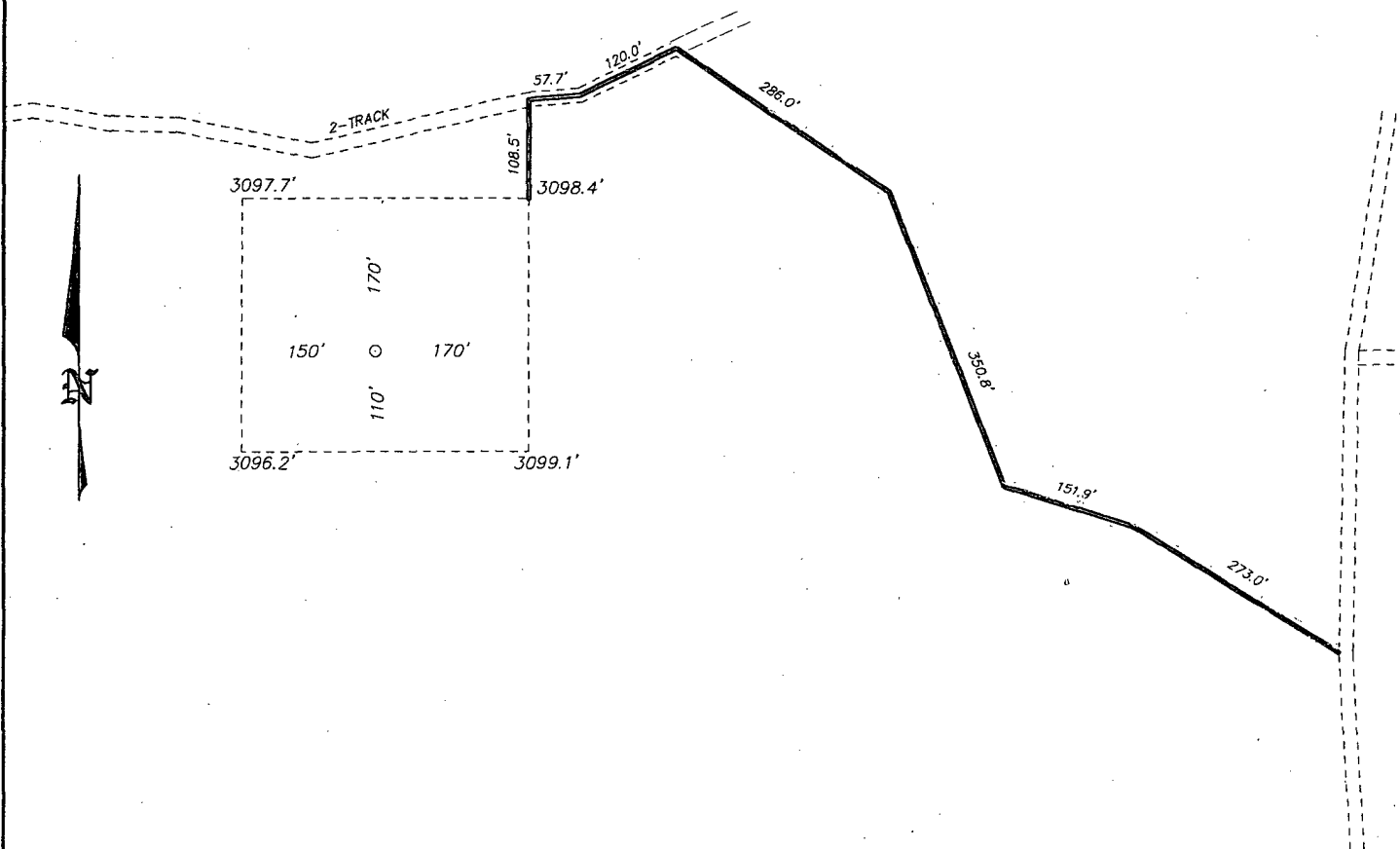


Exhibit 3

MEWBOURNE OIL COMPANY
BRUSHY DRAW "1" FEDERAL #1H
ELEV. - 3099'

Lat - N 32°04'40.63"
Long - W 103°55'47.88"
NMSPCE- N 392317.032
E 624936.166
(NAD-27)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF TARBRUSH AND WHITE THORN, GO NORTH ON TARBRUSH FOR 2.0 MILES TO LEASE ROAD, ON LEASE ROAD GO 1.4 MILES EAST TO LEASE ROAD, ON LEASE ROAD TO NORTH 0.9 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 23891 Drawn By: J. SMALL

Date: 12-21-2010 Disk: JMS 23891

MEWBOURNE OIL COMPANY

REF: BRUSHY DRAW "1" FEDERAL #1H / WELL PAD TOPO

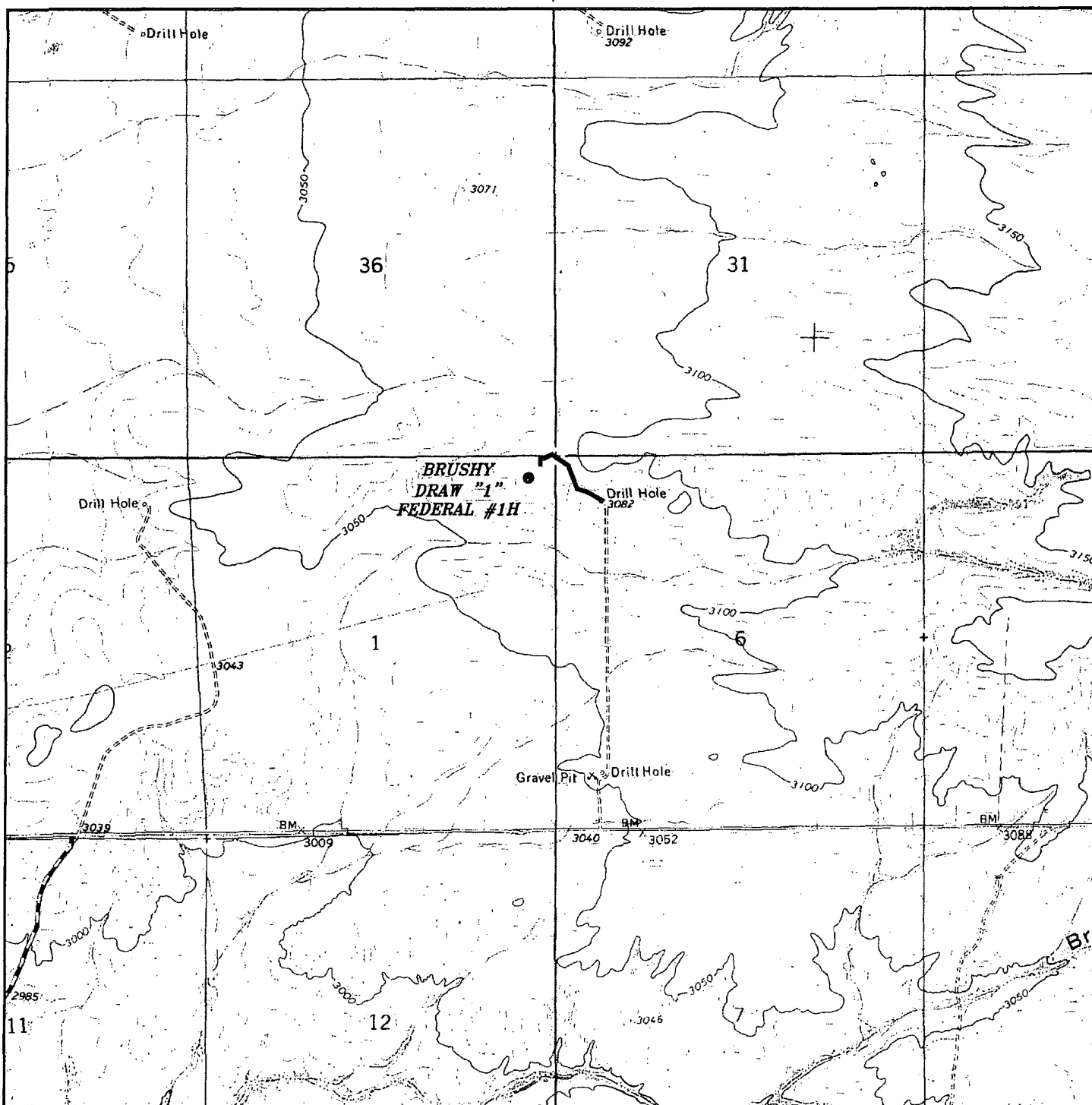
THE BRUSHY DRAW "1" FEDERAL #1H LOCATED 330'

FROM THE NORTH LINE AND 370' FROM THE EAST LINE OF

SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST,

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

Survey Date: 12-09-2010 Sheet 1 of 1 Sheets



BRUSHY DRAW "1" FEDERAL #1H *Exhibit 3A*
 Located 330' FNL and 370' FEL
 Section 1, Township 26 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

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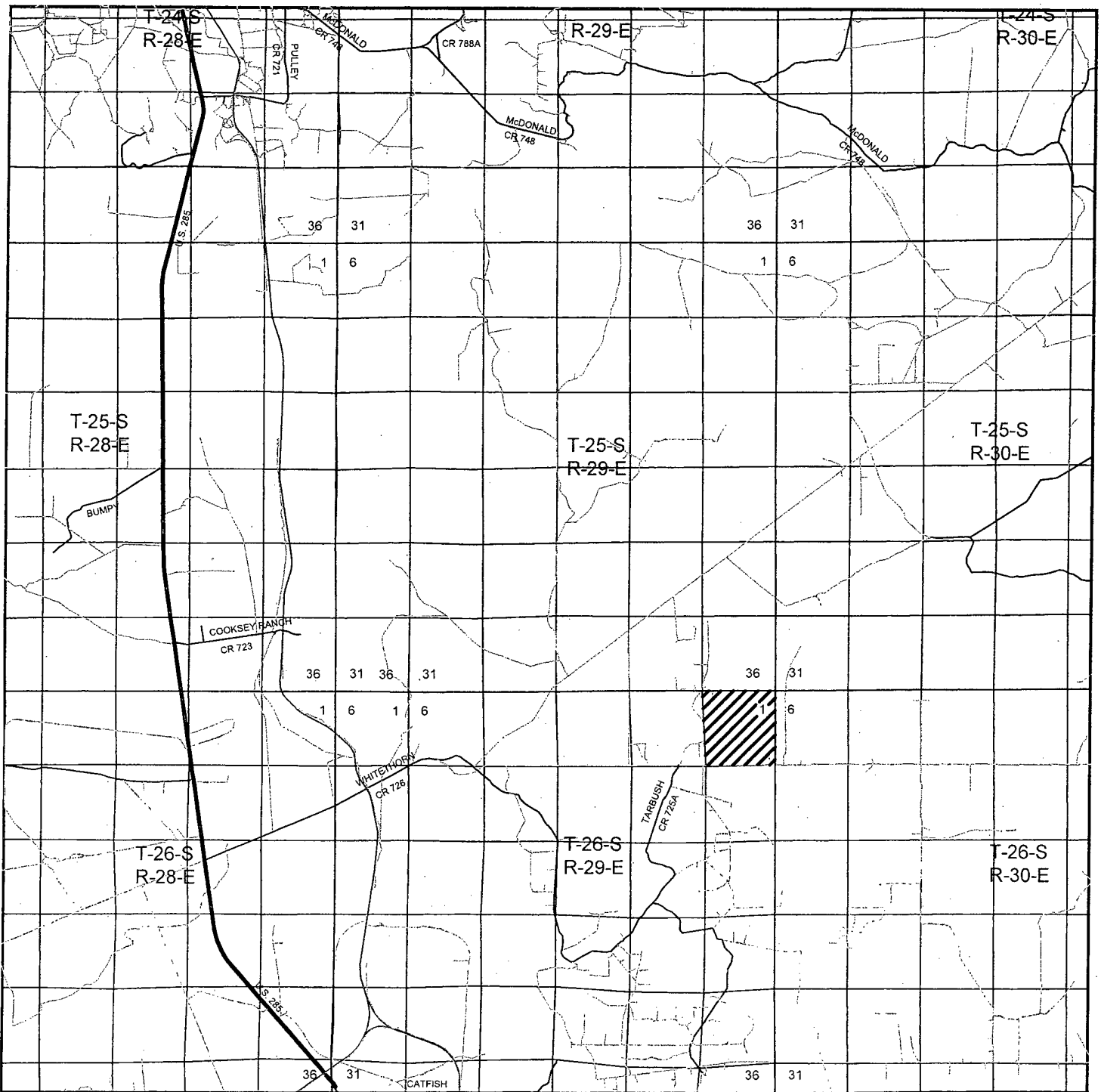
W.O. Number: JMS 23891

Survey Date: 12-09-2010

Scale: 1" = 2000'

Date: 12-21-2010

MEWBOURNE
OIL COMPANY



BRUSHY DRAW "1" FEDERAL #1H

Exhibit 3B

Located 330' FNL and 370' FEL

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



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W.O. Number: JMS 23891

Survey Date: 12-09-2010

Scale: 1" = 2 Miles

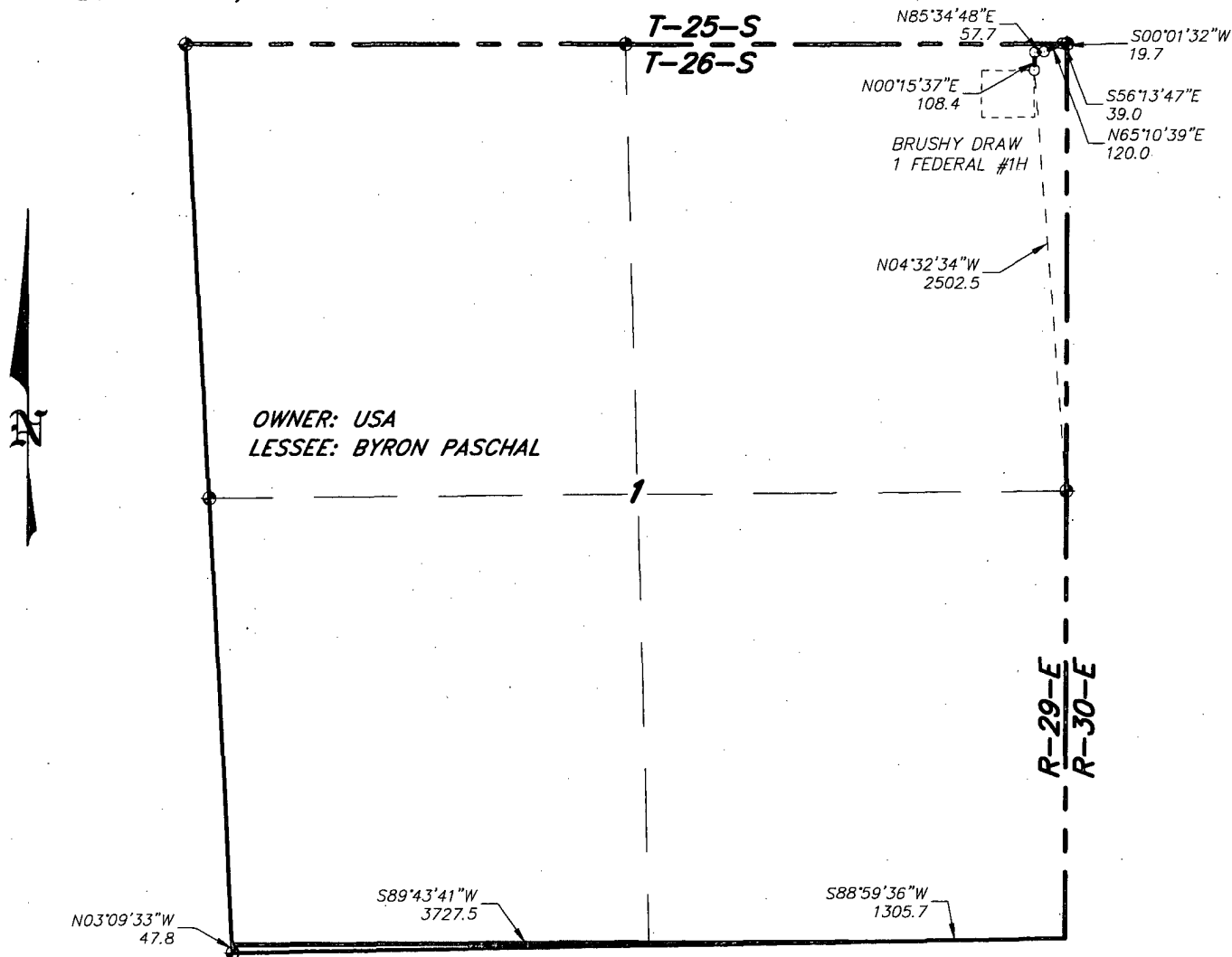
Date: 12-21-2010



MEWBOURNE
OIL COMPANY

Exhibit 3-C

SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

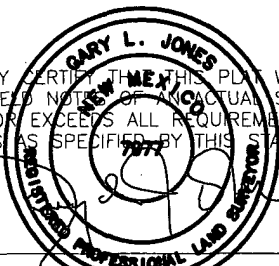


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 1 = 4052.6 FEET = 245.61 RODS = 0.77 MILES = 2.79 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF A FACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES
TEXAS P.L.S. No. 7977
No. 5074

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

W.O. Number: 23891 Drawn By: J. M. SMALL

Date: 12-21-2010 Disk: JMS 23891

1000 0 1000 2000 FEET



MEWBOURNE OIL COMPANY

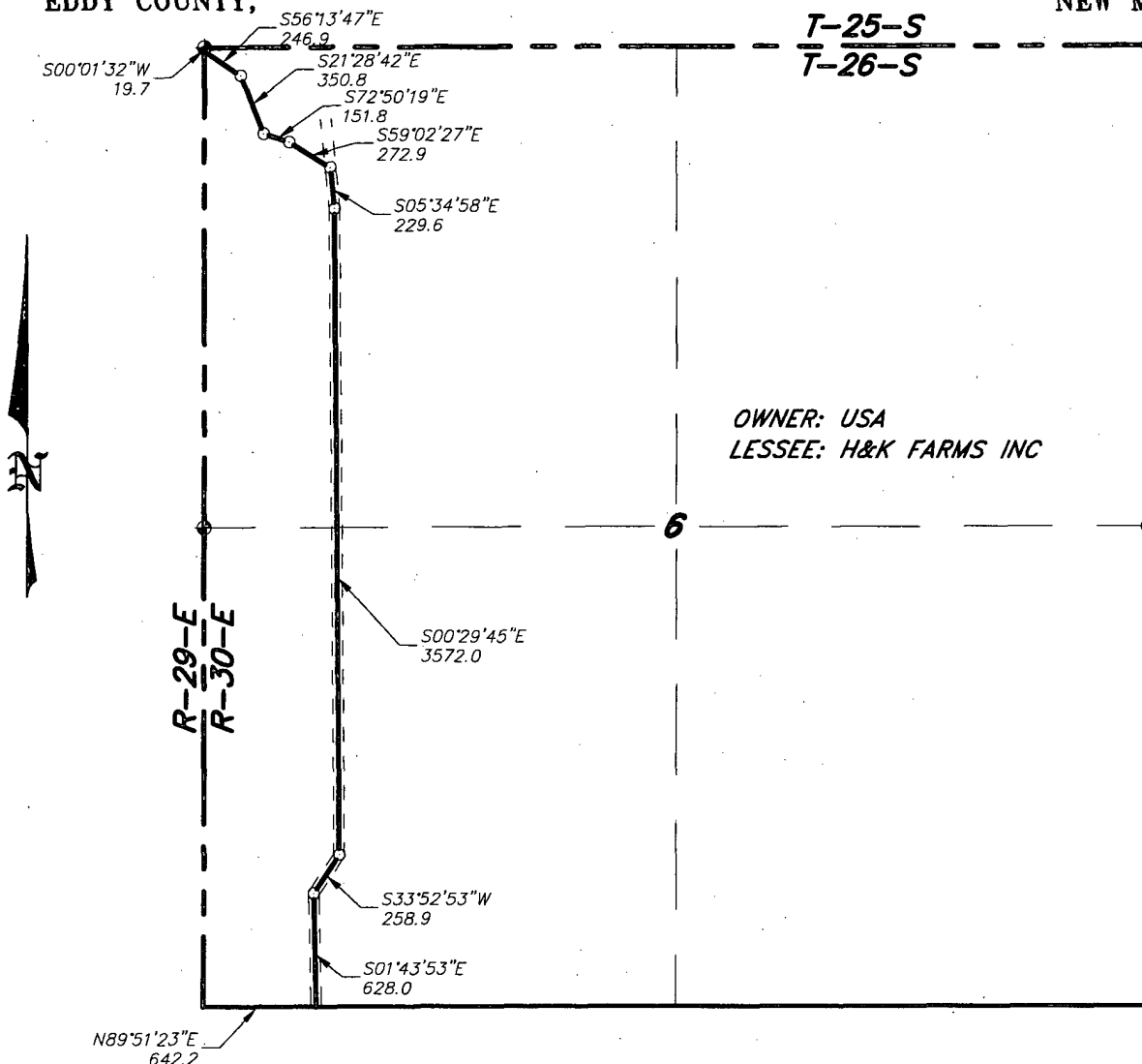
REF: PROPOSED LEASE ROAD TO BRUSHY DRAW 1 FEDERAL #1H

A LEASE ROAD CROSSING USA LAND IN
SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-09-2010 Sheet 1 of 6 Sheets

Exhibit 3C

SECTION 6, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

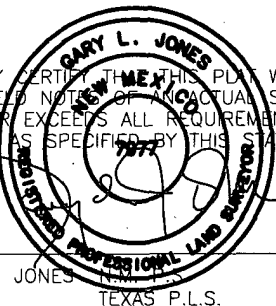


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 6, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 6 = 5710.9 FEET = 346.12 RODS = 1.08 MILES = 3.93 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES

TEXAS P.L.S.

No. 7977

No. 5074

BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23891

Drawn By: J. M. SMALL

Date: 12-21-2010

Disk: JMS 23891

1000 0 1000 2000 FEET

MEWBOURNE OIL COMPANY

REF: PROPOSED LEASE ROAD TO BRUSHY DRAW 1 FEDERAL #1H

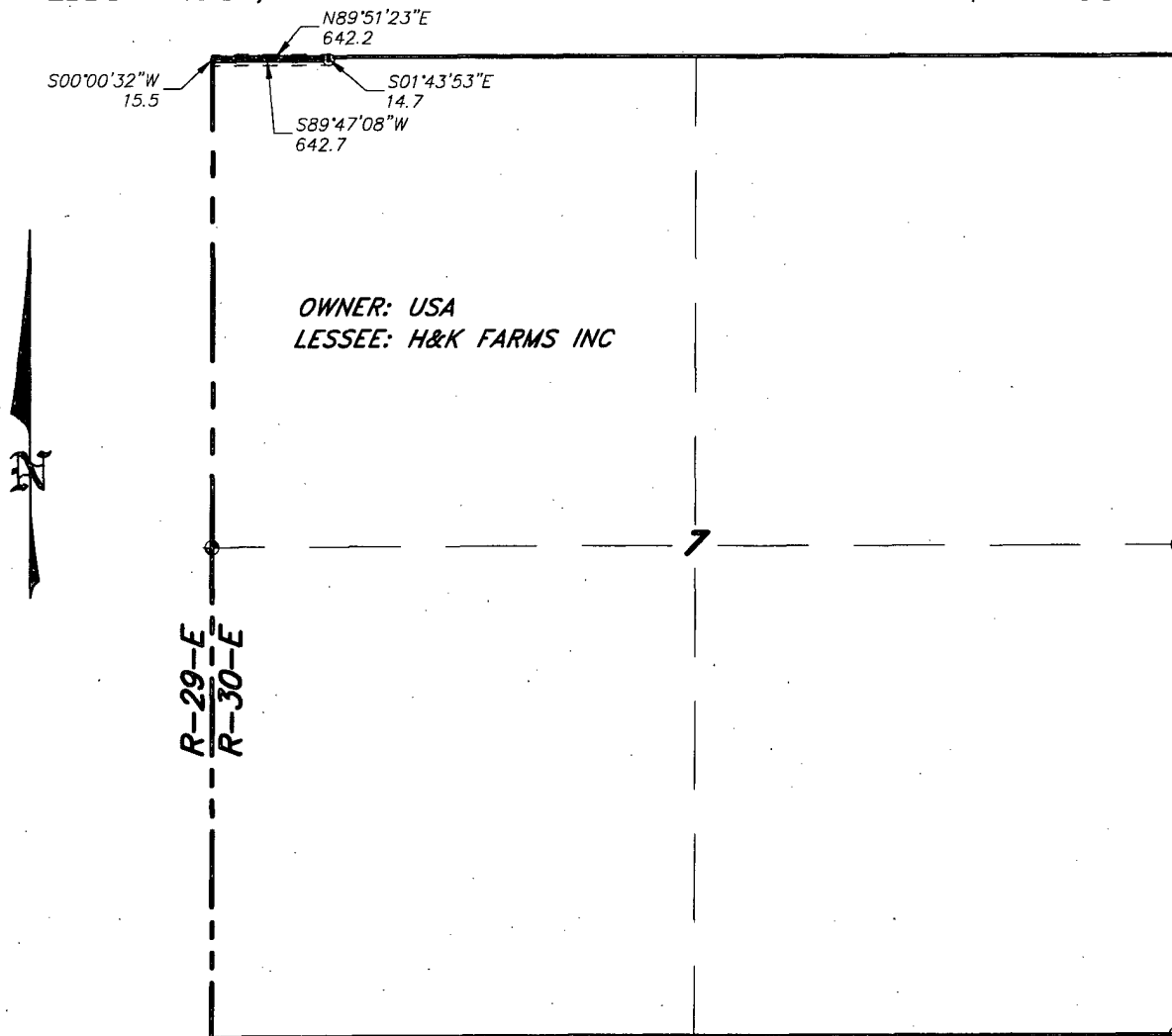
A LEASE ROAD CROSSING USA LAND IN
SECTION 6, TOWNSHIP 26 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-09-2010

Sheet 2 of 6 Sheets

Exhibit 3C

SECTION 7, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



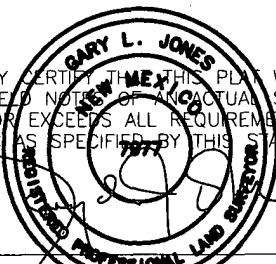
OWNER: USA
LESSEE: H&K FARMS INC

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 7, TOWNSHIP 26 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 7 = 657.4 FEET = 39.84 RODS = 0.12 MILES = 0.45 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

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

W.O. Number: 23891 Drawn By: J. M. SMALL

Date: 12-21-2010 Disk: JMS 23891

1000 0 1000 2000 FEET

MEWBOURNE OIL COMPANY

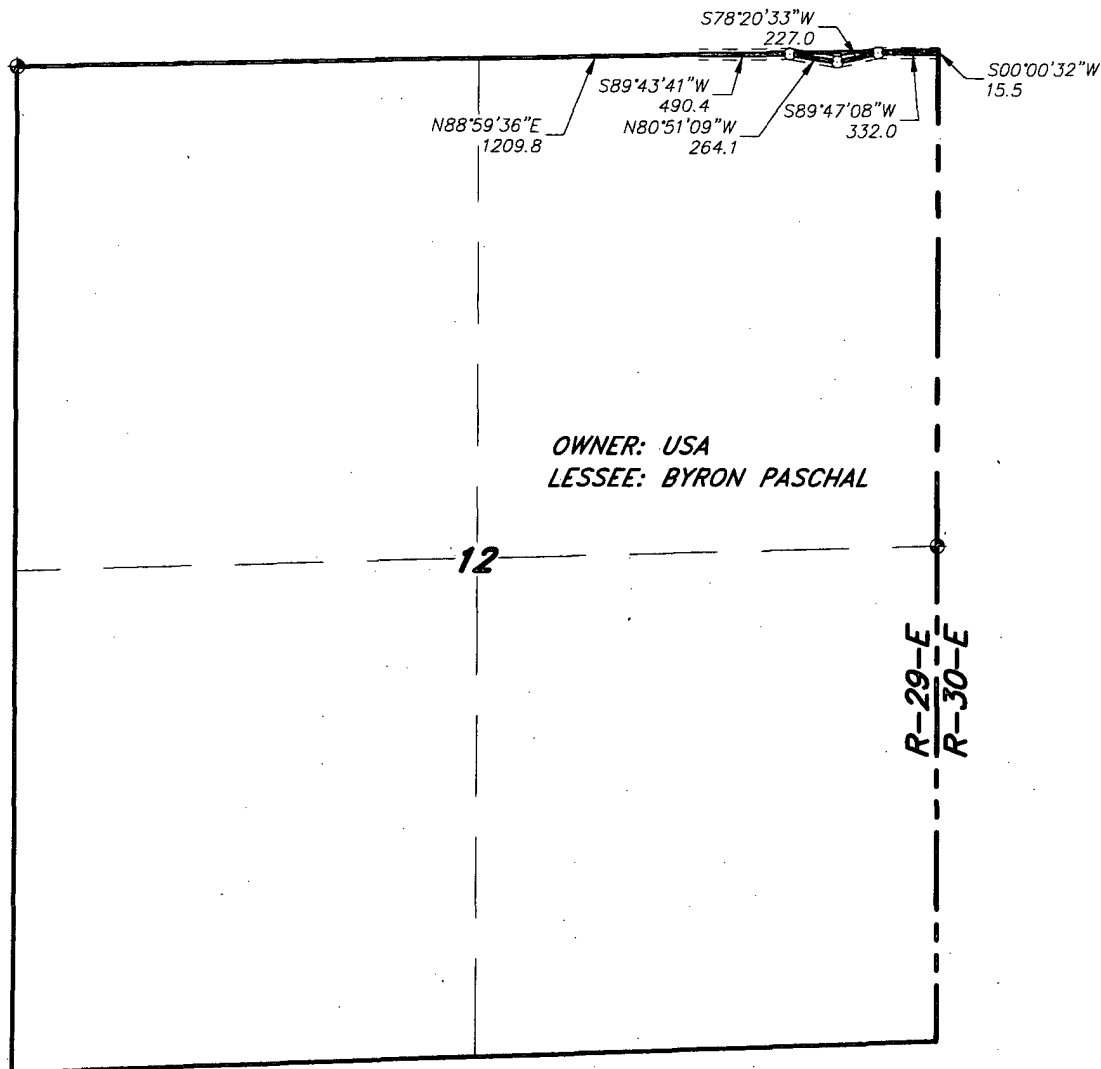
REF: PROPOSED LEASE ROAD TO BRUSHY DRAW 1 FEDERAL #H

A LEASE ROAD CROSSING USA LAND IN
SECTION 7, TOWNSHIP 26 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-09-2010 Sheet 3 of 6 Sheets

Exhibit 3C

SECTION 12, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



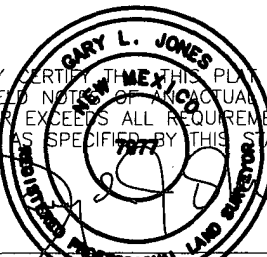
OWNER: USA
LESSEE: BYRON PASCHAL

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 12, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 12 = 1313.5 FEET = 79.61 RODS = 0.25 MILES = 0.90 ACRES

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED
FROM FIELD NOTES OF AN ACTUAL SURVEY AND
MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND
SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

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

W.O. Number: 23891 Drawn By: J. M. SMALL

Date: 12-21-2010 Disk: JMS 23891

1000 0 1000 2000 FEET



MEWBOURNE OIL COMPANY

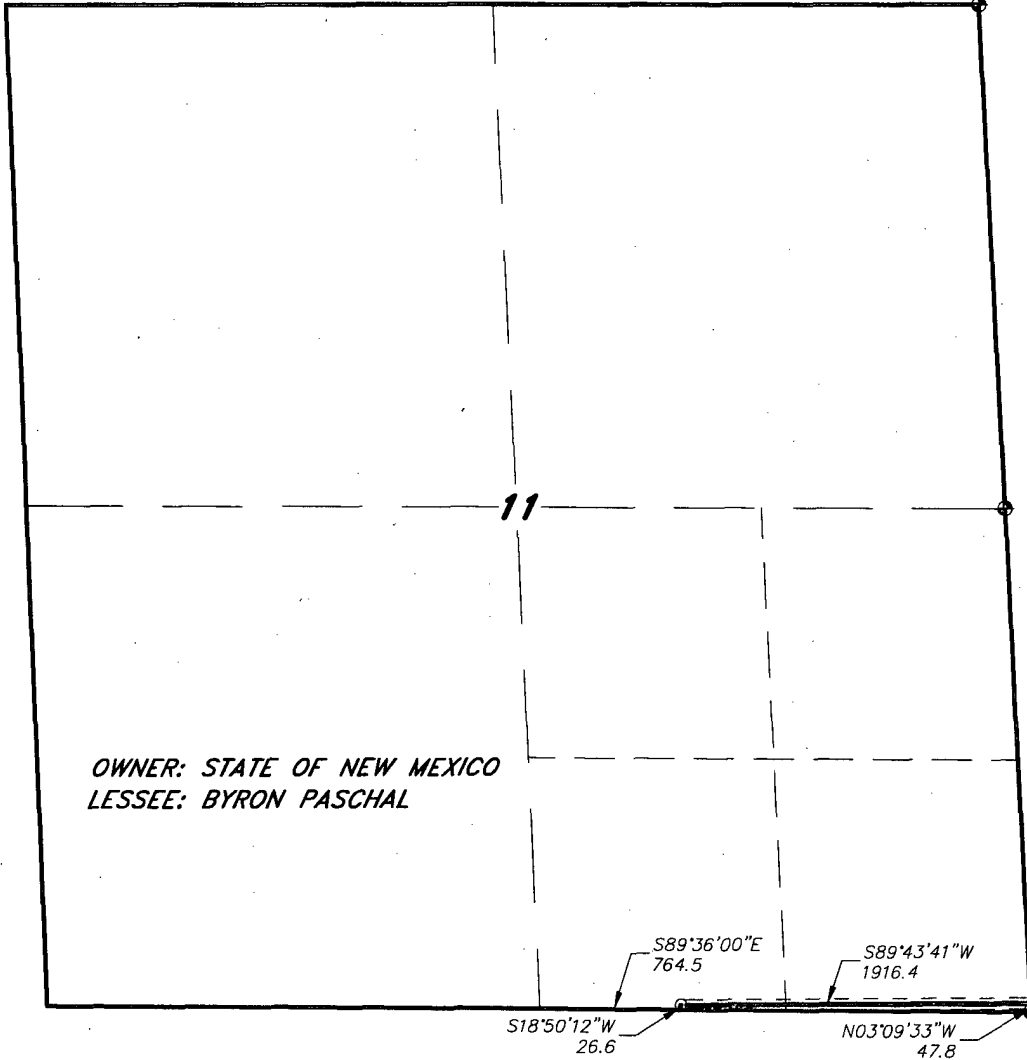
REF: PROPOSED LEASE ROAD TO BRUSHY DRAW 1 FEDERAL #1H

A LEASE ROAD CROSSING USA LAND IN
SECTION 12, TOWNSHIP 26 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-09-2010 Sheet 4 of 6 Sheets

Exhibit 3C

SECTION 11, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



OWNER: STATE OF NEW MEXICO
LESSEE: BYRON PASCHAL

LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 11, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY. BEGINNING AT A POINT ON THE EAST SECTION LINE WHICH LIES N.03°09'33"W., 47.8 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 11; THENCE S.89°43'41"W., 1916.4 FEET; THENCE S.18°50'12"W., 26.6 FEET TO A POINT ON THE SOUTH SECTION LINE WHICH LIES S.89°36'00"E., 764.5 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 11. SAID STRIP OF LAND BEING 1943.0 FEET OR 117.76 RODS IN LENGTH AND CONTAINING 1.34 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 = 81.52 RODS = 0.93 ACRES SW/4 SE/4 = 36.24 RODS = 0.41 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO
TEXAS P.L.S. No. 7977 No. 5074

1000 0 1000 2000 FEET

MEWBOURNE OIL COMPANY

REF: PROPOSED LEASE ROAD

A LEASE ROAD CROSSING USA LAND IN
SECTION 11, TOWNSHIP 26 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

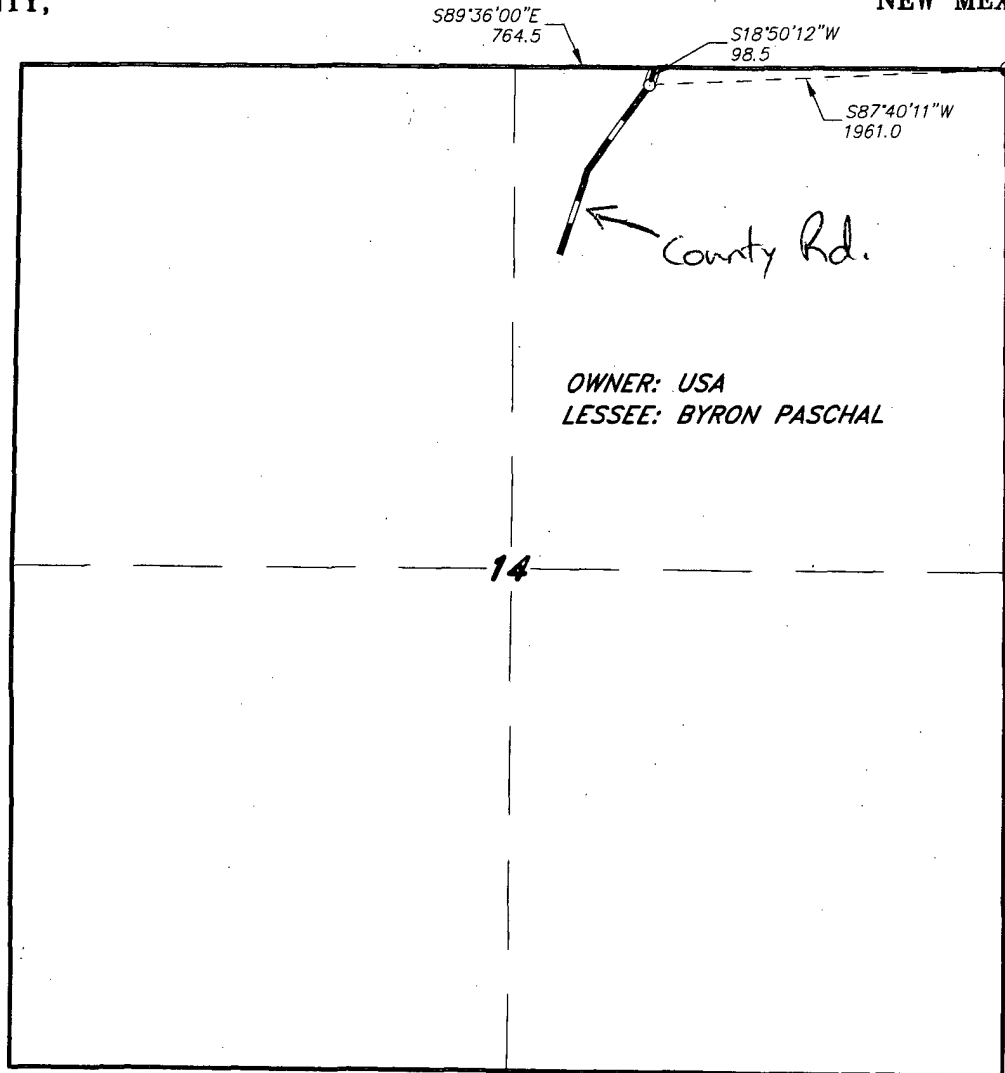
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 23891 Drawn By: J. M. SMALL

Date: 12-21-2010 Disk: JMS 23891

Survey Date: 12-09-2010 Sheet 5 of 6 Sheets

SECTION 14, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

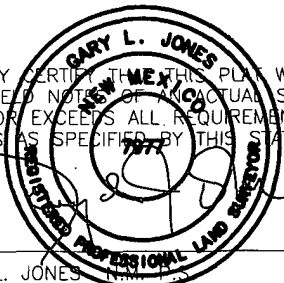


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WDE, LOCATED IN SECTION 14, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 14 = 98.5 FEET = 5.97 RODS = 0.02 MILES = 0.07 ACRES

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

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

W.O. Number: 23891	Drawn By: J. M. SMALL
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Date: 12-21-2010	Disk: JMS 23891
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1000 0 1000 2000 FEET

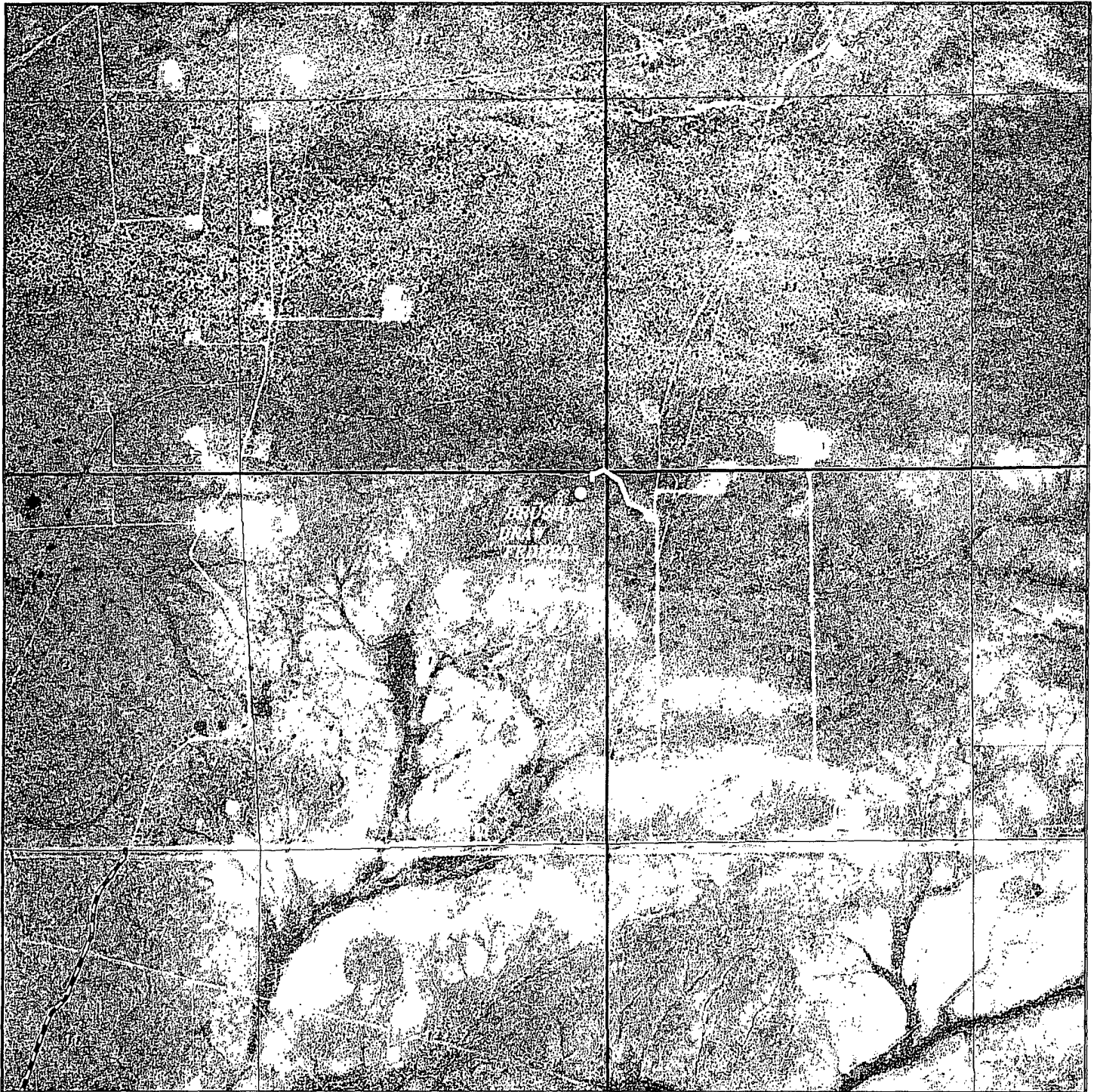


MEWBOURNE OIL COMPANY

REF: PROPOSED LEASE ROAD TO BRUSHY DRAW 1 FEDERAL #1H

A LEASE ROAD CROSSING USA LAND IN
SECTION 14, TOWNSHIP 26 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 12-09-2010	Sheet 6 of 6 Sheets
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BRUSHY DRAW "1" FEDERAL #1H *Exhibit 3C*
Located 330' FNL and 370' FEL
Section 1, Township 26 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

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W.O. Number: JMS 23891

Scale: 1" = 2000'

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

MEWBOURNE
OIL COMPANY

Closed Loop Pad Dimensions 280' x 320'

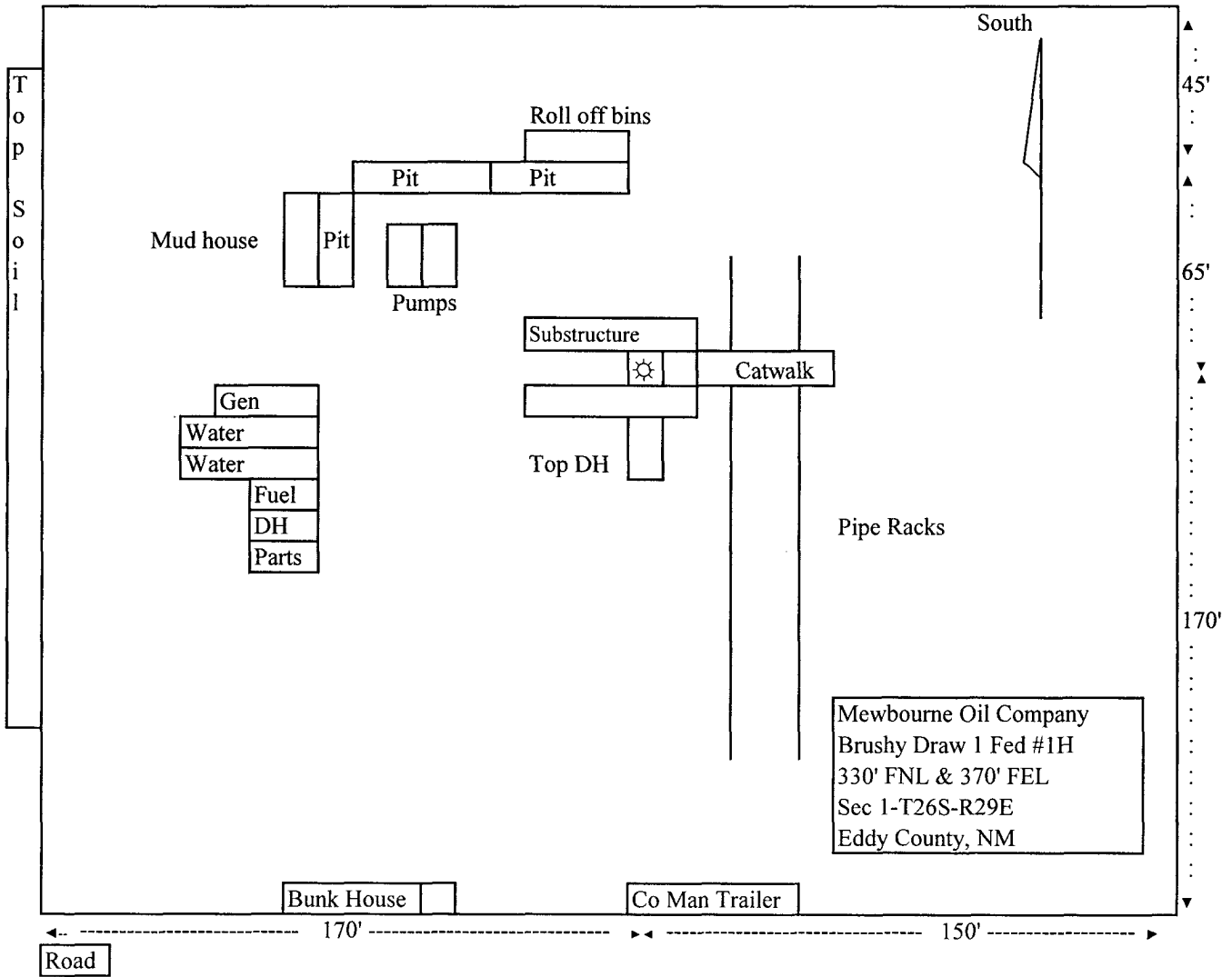
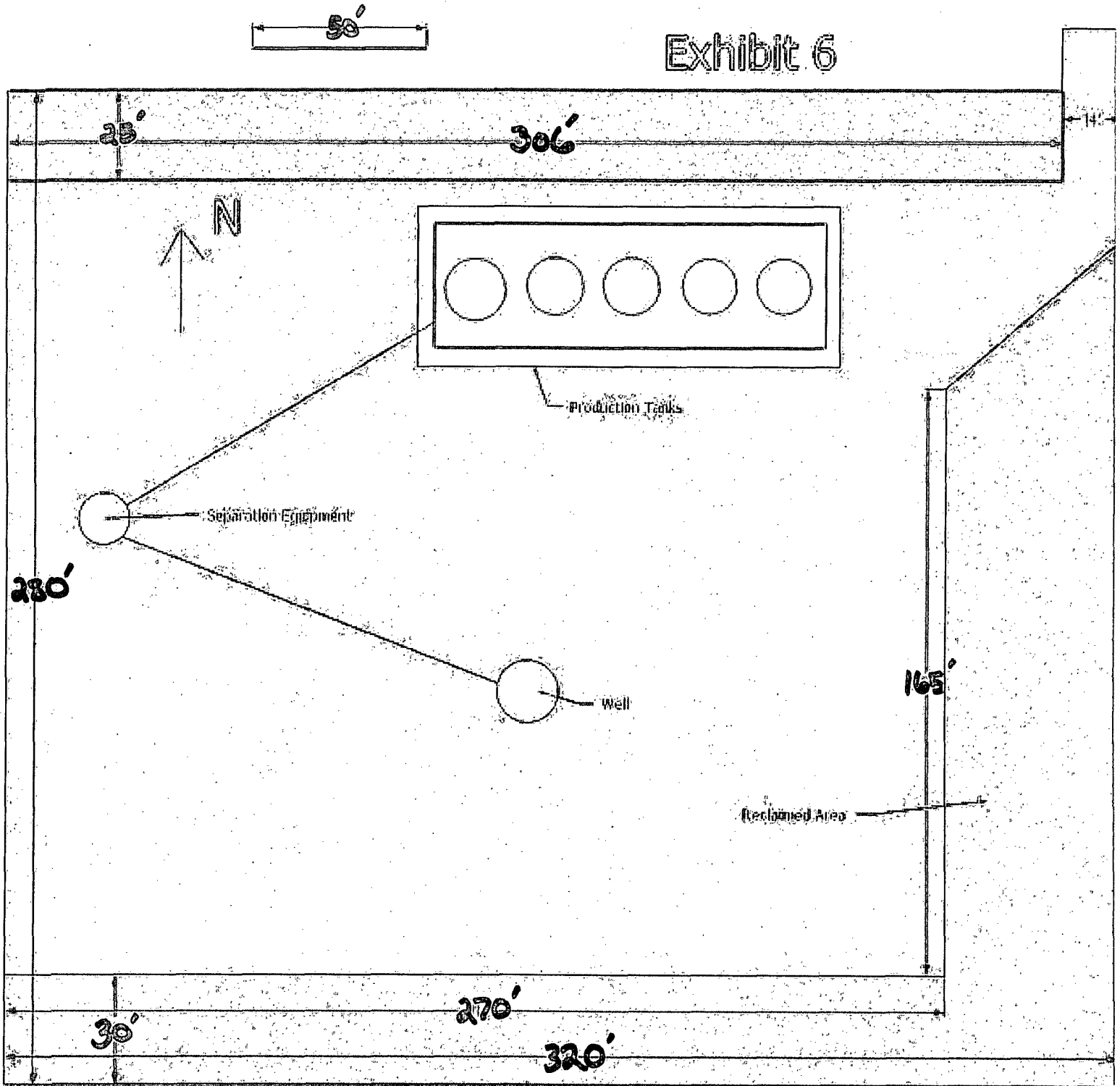


Exhibit 5

Exhibit 6



Brushy Draw 1 Federal #1
Interim Reclamation