

30-015-39390

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Pine Box "21" MD Federal Com #1H

90' FSL & 650' FWL

Sec 21-T20S-R25E

Eddy County, New Mexico



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 Carlsbad on US 285, north 14 miles to White Pine Rd. Turn left (west) 5.1 miles to lease road. Turn right (west) 250' 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. No new road construction is required
- B. 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 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 Pine Box "21" CN Fed Com #1H location. 3" - 100 psi surface polypipe flowline and overhead high voltage 3-phase electricity will follow roads from southeast corner of wellpad to an existing tie-in point as shown on attached plats. From tie-in point, flowline will continue along the edge of the existing lease road to the tank battery.
- 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 a permitted off-site facility.
- B. Water produced during operations will be disposed off-site at an approved facility.
- C. If any liquid hydrocarbons are produced during operations, those liquids will be stored in suitable tanks until sold.
- D. Portable toilets will be on location during drilling operations. 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.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Pine Box 21-MD Fed Com #1H

Page 3

- 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:

Wellpad and most of new flowline/electric ROW: BLM

The NW/4 of sec 21 is owned by Henry Terpening, 3612 E. Castleberry Rd., Artesia, NM 88210. Phone # (575) 746-2226. 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

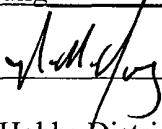
Mewbourne Oil Company

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 8 day of May, 2011.

Name: NM Young

Signature: 

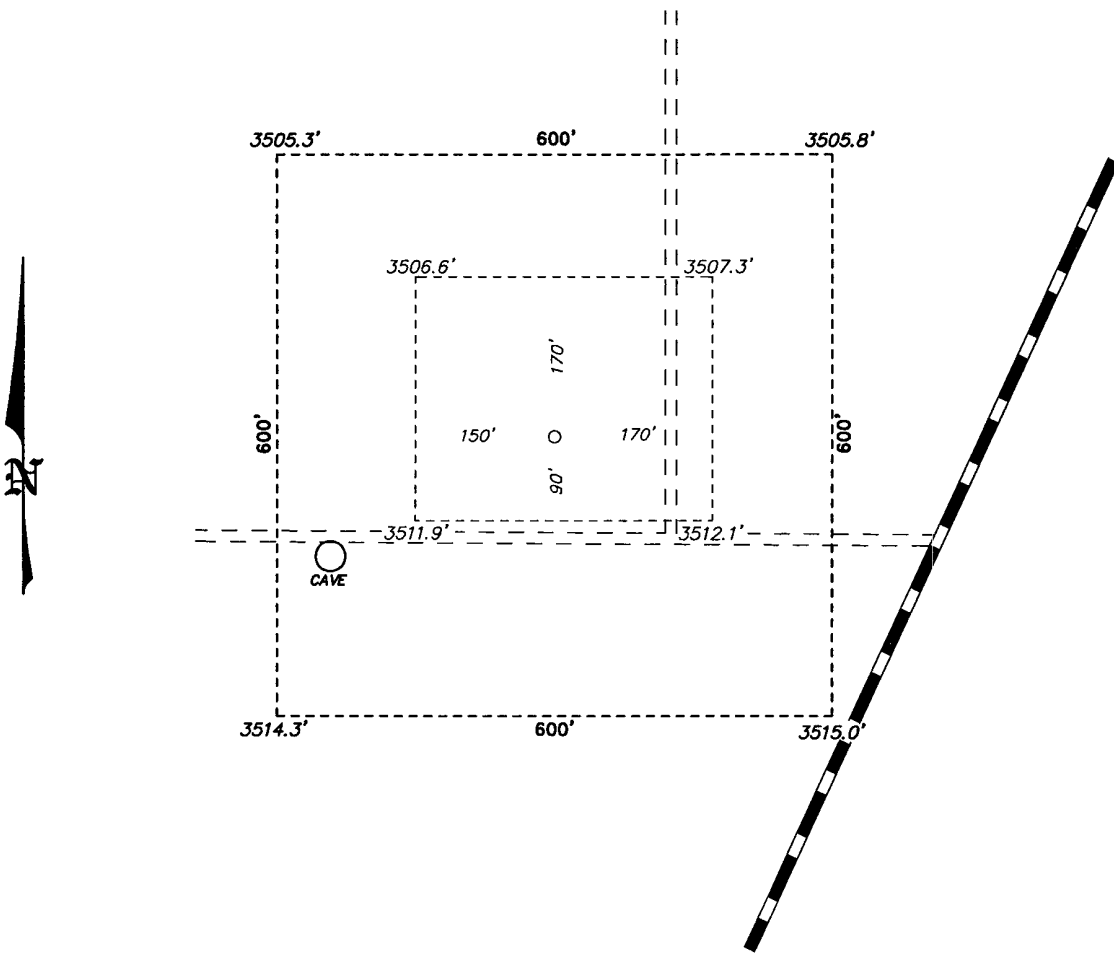
Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

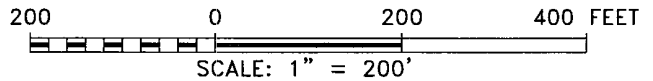
SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY
 PINE BOX "21" MD FEDERAL COM #1H
 ELEV. - 3510'

Lat - N 32°33'07.34"
 Long - W 104°29'44.18"
 NMSPE- N 564582.283
 E 450000.341
 (NAD-27)

Exhibit 3



Directions to Location:

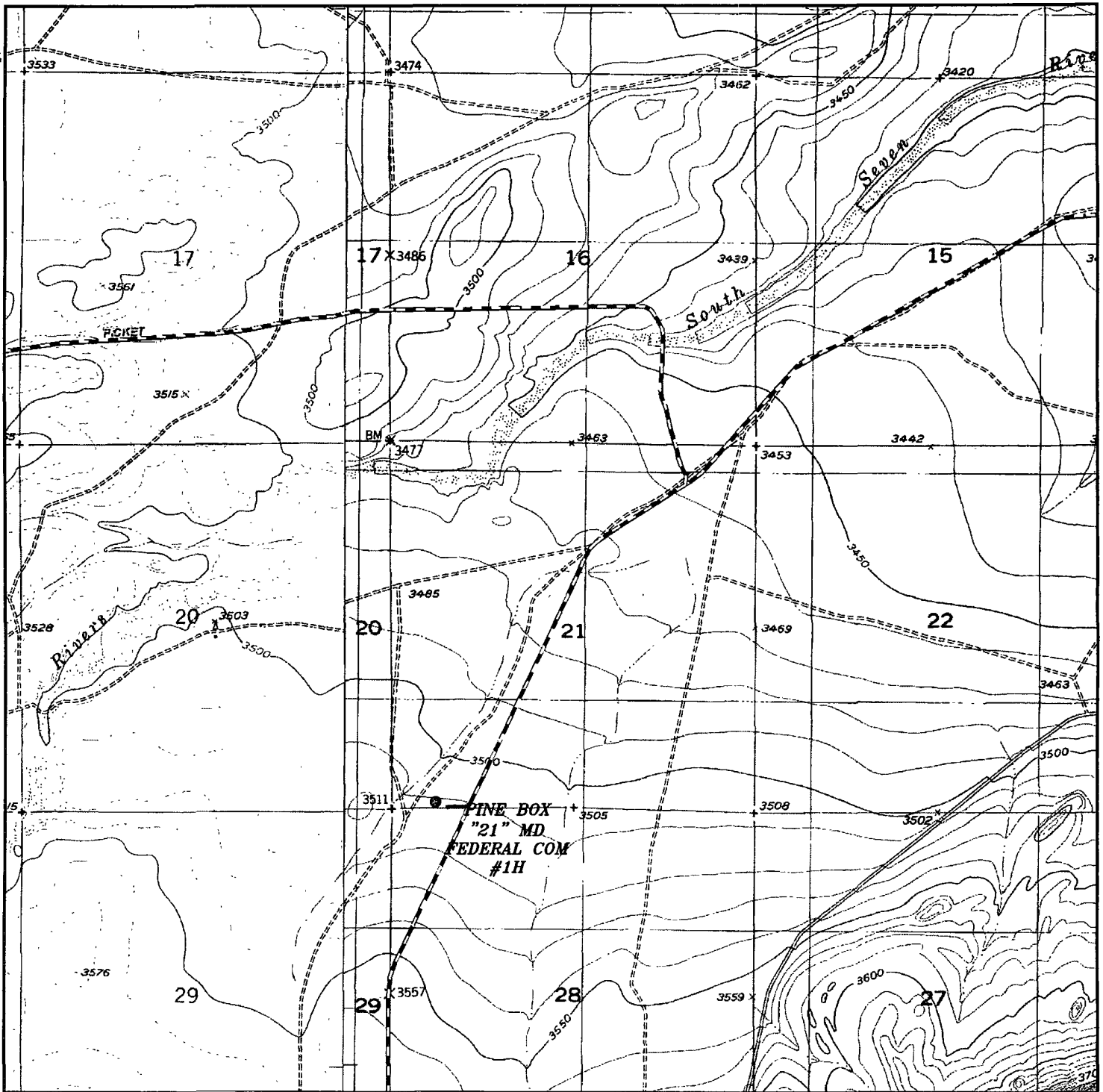
FROM THE JUNCTION OF PICKET AND WHITE PINE GO
 SOUTH 0.9 MILES TO LEASE ROAD, ON LEASE ROAD
 GO WEST TO PROPOSED LOCATION.

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

W.O. Number: 24560 Drawn By: J. SMALL

Date: 05-06-2011 Disk: JMS 24560

MEWBOURNE OIL COMPANY	
REF: PINE BOX "21" MD FEDERAL COM #1H / WELL PAD TOPO	
THE PINE BOX "21" MD FEDERAL COM #1H LOCATED 90' FROM THE SOUTH LINE AND 650' FROM THE WEST LINE OF SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 04-26-2011	Sheet 1 of 1 Sheets



PINE BOX "21" MD FEDERAL COM #1H

Exhibit 3A

Located 90' FSL and 650' FWL

Section 21, Township 20 South, Range 25 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys

focused on excellence
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 24560

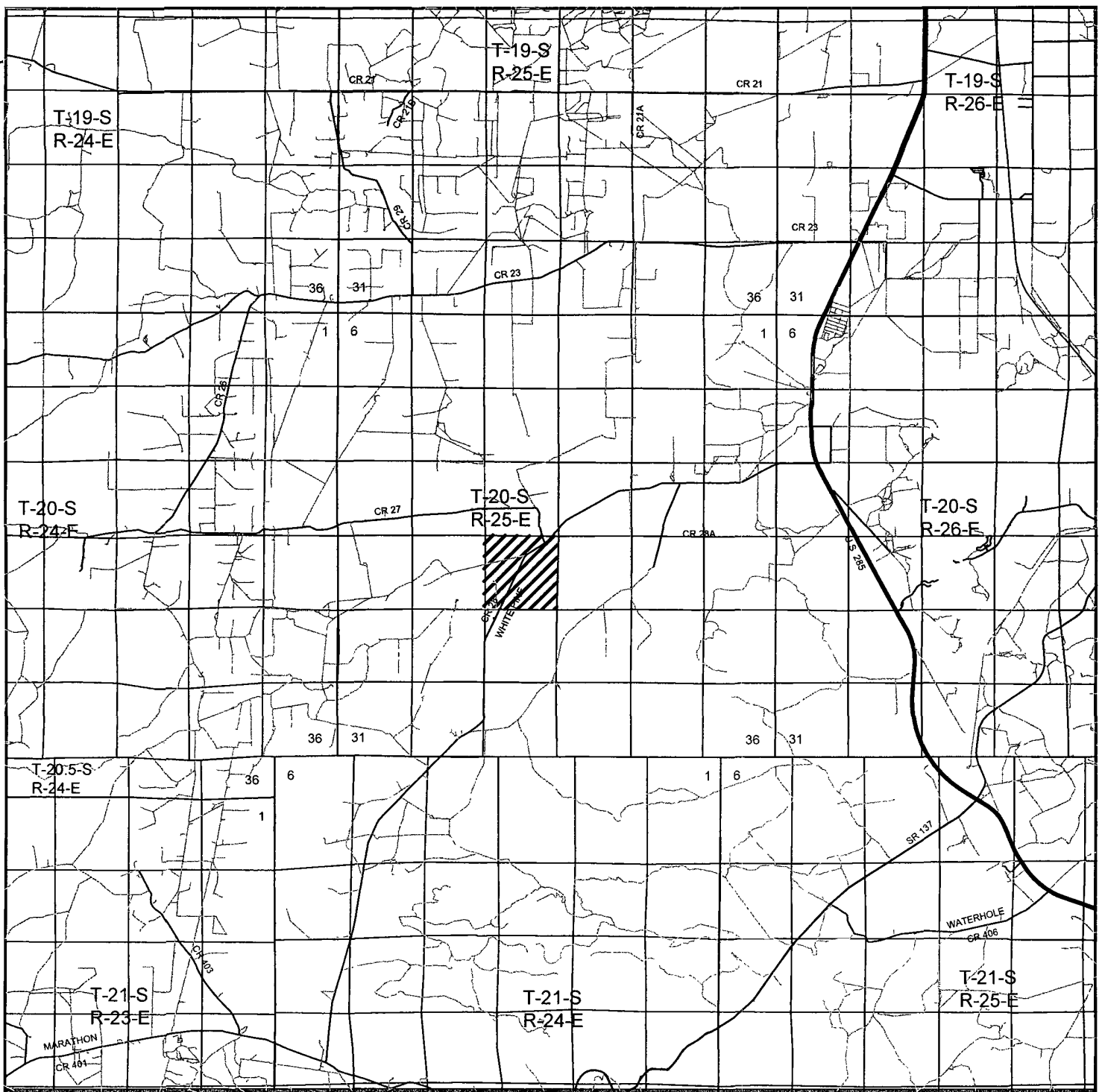
Survey Date: 04-26-2011

Scale: 1" = 2000'

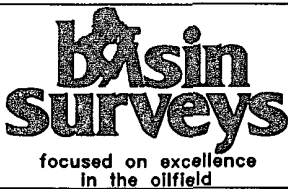
Date: 05-06-2011



MEWBOURNE
OIL COMPANY



PINE BOX "21" MD FEDERAL COM #1H *Exhibit 3 B*
 Located 90' FSL and 650' FWL
 Section 21, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.



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 24560

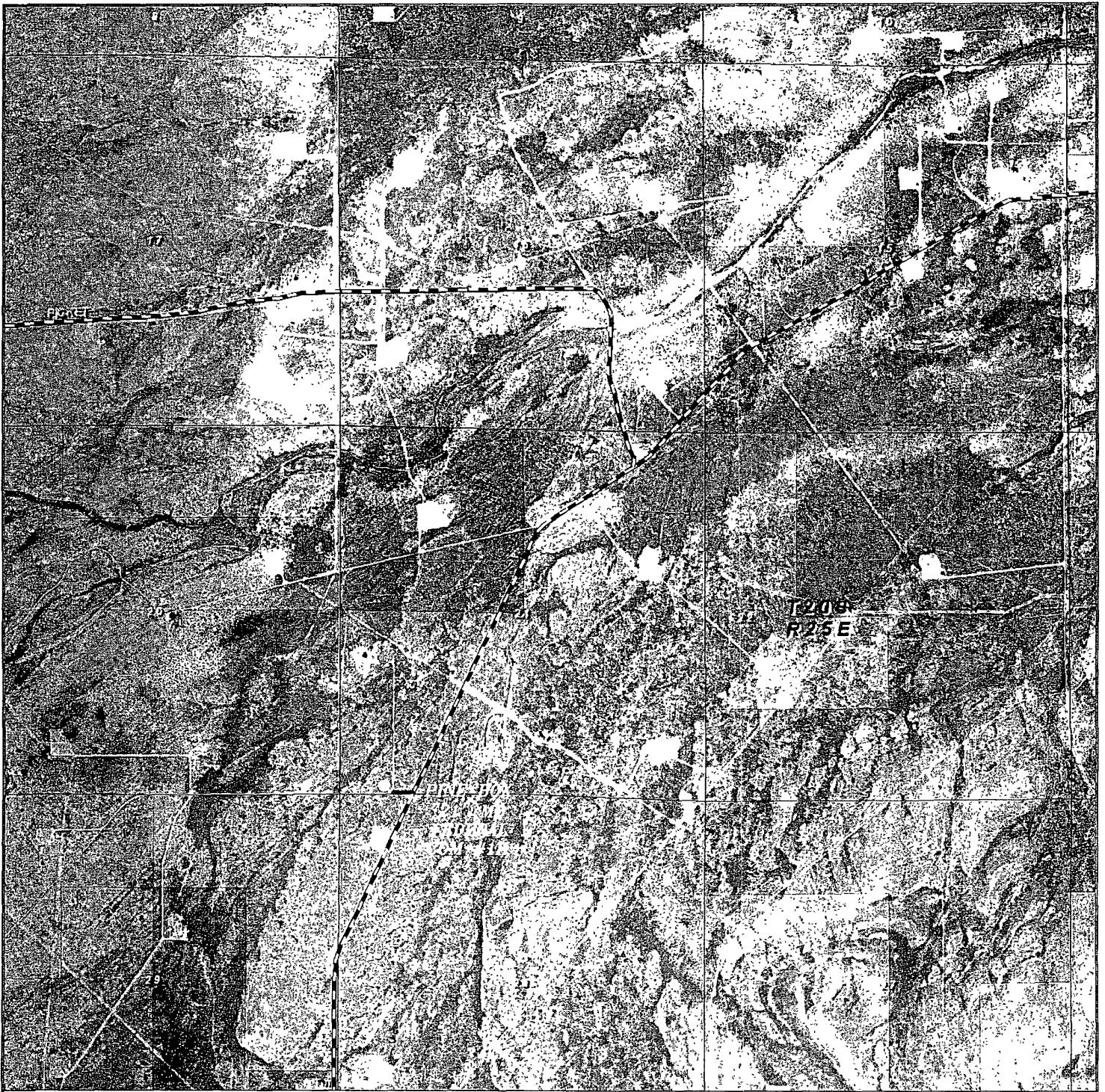
Survey Date: 04-26-2011

Scale: 1" = 2 Miles

Date: 05-06-2011



MEWBOURNE
 OIL COMPANY



PINE BOX "21" MD FEDERAL COM #1H *Exhibit 3C*
 Located 90' FSL and 650' FWL
 Section 21, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 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 24560

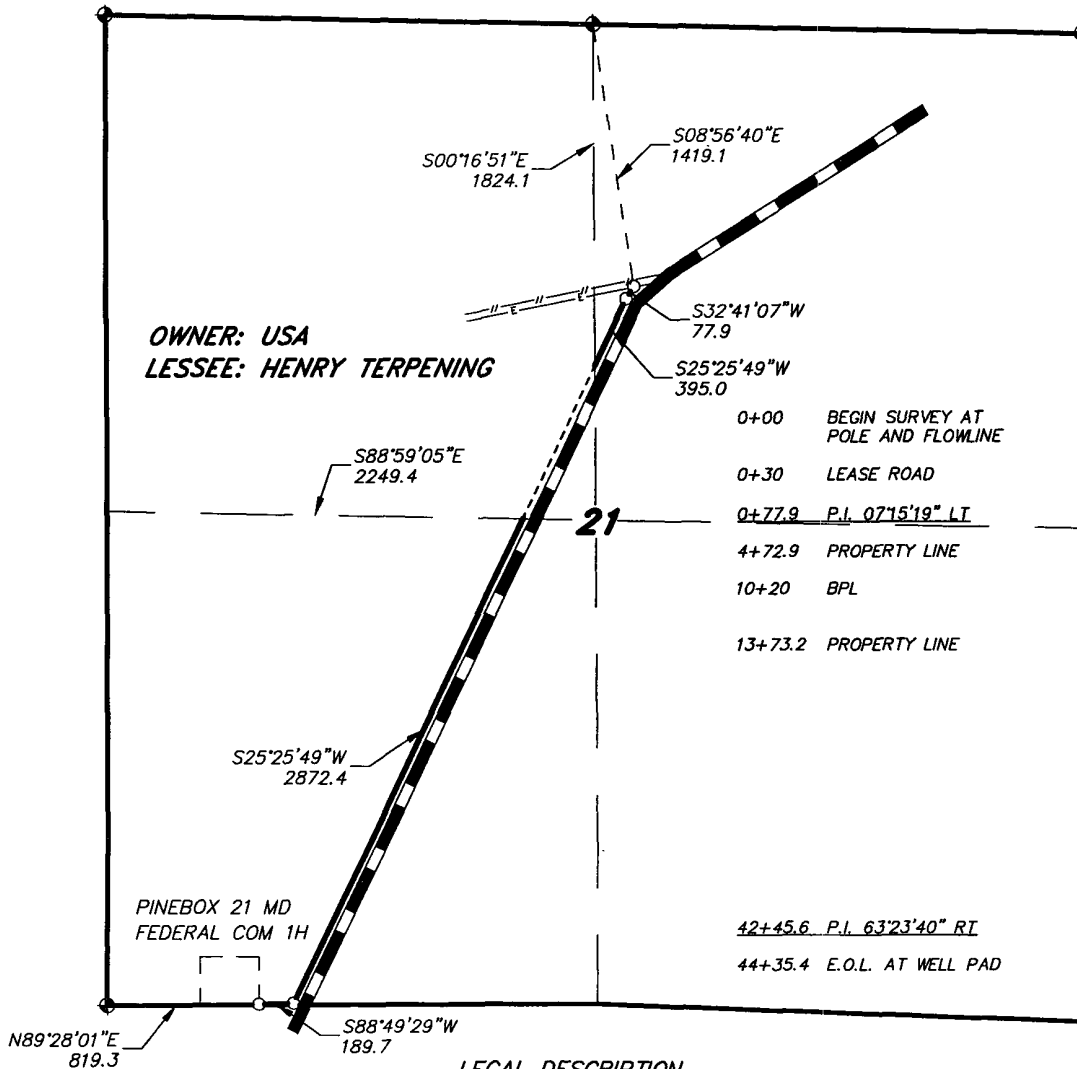
Scale: 1" = 2000'

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



MEWBOURNE
 OIL COMPANY

SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 21 = 3535.0 FEET = 214.24 RODS = 0.67 MILES = 2.43 ACRES

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES ON 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



MEWBOURNE OIL COMPANY

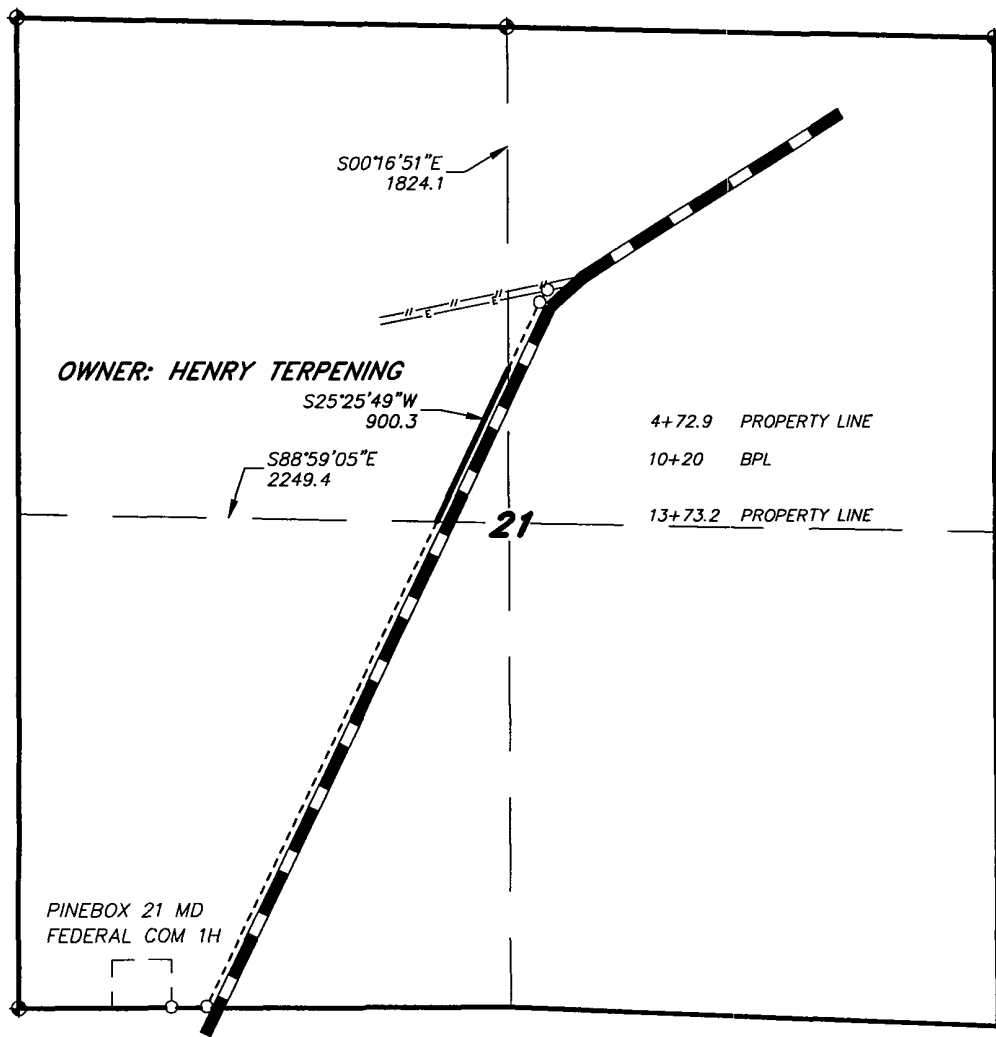
REF: PROPOSED PL & EL TO THE PINEBOX 21 MD FEDERAL COM 1H

A PIPELINE & ELECTRIC LINE CROSSING USA LAND IN
SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Basin Surveys P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 24577	Drawn By: J. M. SMALL	Survey Date: 04-26-2011	Sheet 1 of 2 Sheets
Date: 05-11-2011	Disk: JMS 24577		

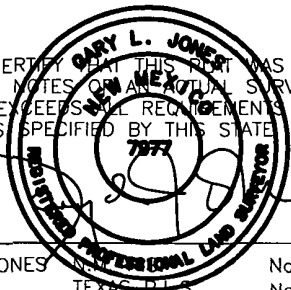
SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 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 NORTH PROPERTY LINE WHICH LIES S.00°16'51"E., 1824.1 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 21; THENCE S.25°25'49"W., 900.3 FEET TO A POINT ON THE SOUTH PROPERTY LINE WHICH LIES S.88°59'05"E., 2249.4 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 21. SAID STRIP OF LAND BEING 900.3 FEET OR 54.56 RODS IN LENGTH.

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



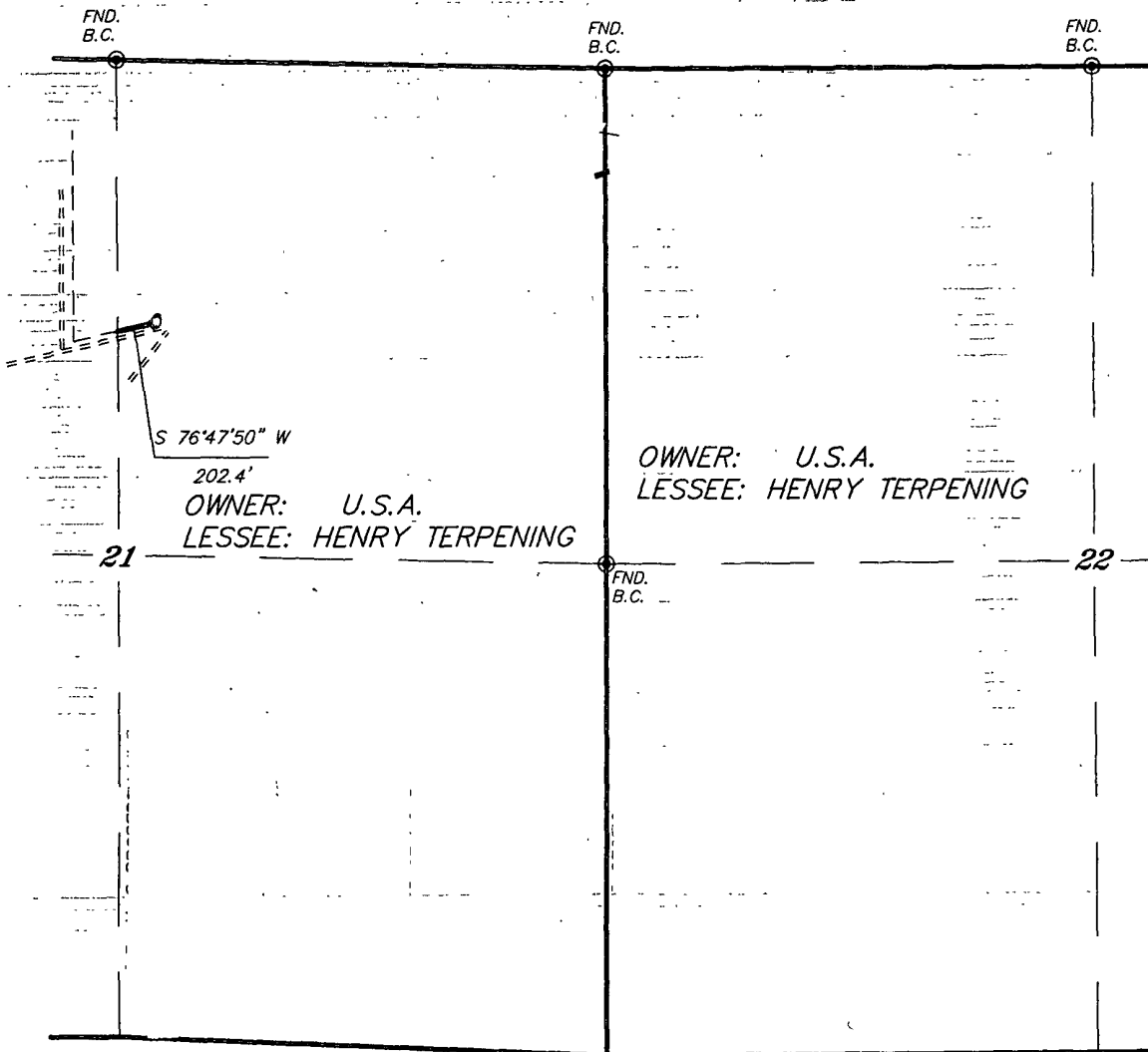
GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074



MEWBORNE OIL COMPANY	
REF: PROPOSED PL & EL TO THE PINEBOX 21 MD FEDERAL COM 1H	
A PIPELINE & ELECTRIC LINE CROSSING FEE LAND IN SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
W.O. Number: 24577	Drawn By: J. M. SMALL
Date: 05-11-2011	Disk: JMS 24577
Survey Date: 04-26-2011	Sheet 2 of 2 Sheets

Basin Surveys P.O. BOX 1786—HOBBS, NEW MEXICO

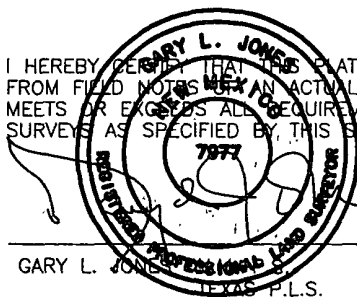
SECTIONS 21&22, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

Flow Line Route

I HEREBY CERTIFY THAT THE SURVEY WAS PREPARED FROM FIELD NOTES IN 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



MEWBOURNE OIL COMPANY

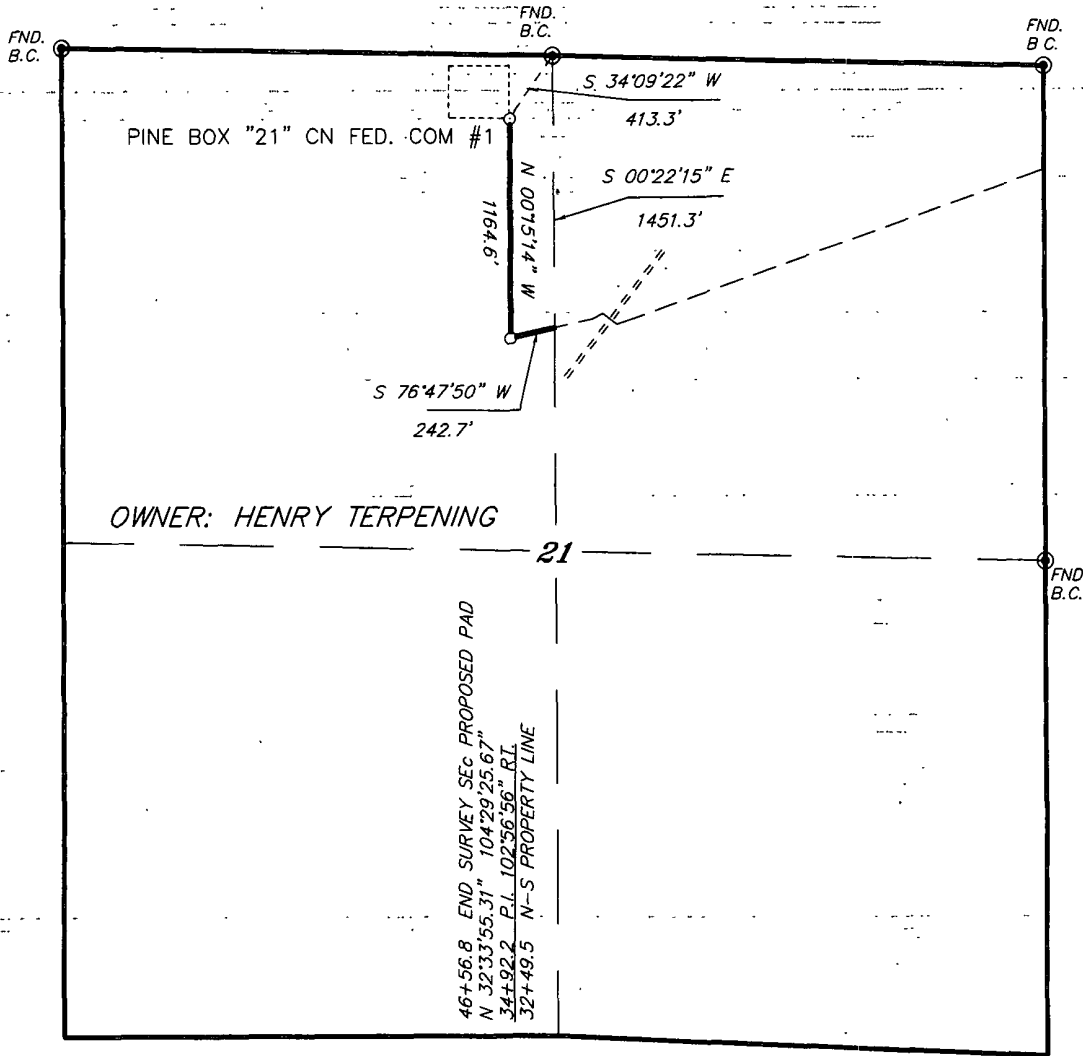
REF: PROPOSED PIPELINE TO PINE BOX "21" CN FED. COM #1

A PIPELINE CROSSING U.S.A. LAND IN
 SECTIONS 21&22, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 23781	Drawn By: James Presley
Date: 12/07/10	Disk: JLP #1 - MEW23781
Survey Date: 11/22/10	Sheet 1 of 2 Sheets

SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



OWNER: HENRY TERPENING

46+56.8 END SURVEY SEC PROPOSED PAD
 N 32°33'55.31" 104+29'25.67"
 34+92.2 P.L. 102°56'56" RL
 32+49.5 N-S PROPERTY LINE

LEGAL DESCRIPTION

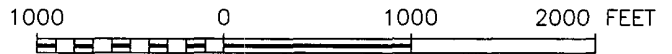
A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 21, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S.00°22'15"E., 1451.3 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 21; THENCE S.76°47'50"W., 242.7 FEET; THENCE N.00°15'14"W., 1164.6 FEET TO THE END OF THIS LINE WHICH LIES S.34°09'22"W., 413.3 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 21. SAID STRIP OF LAND BEING 1407.3 FEET OR 85.29 RODS IN LENGTH.

Flowline Route

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
 PROFESSIONAL LAND SURVEYOR
 TEXAS P.L.S.
 No. 7977
 No. 5074



MEWBOURNE OIL COMPANY

REF: PROPOSED PIPELINE TO PINE BOX "21" CN FED. COM #1

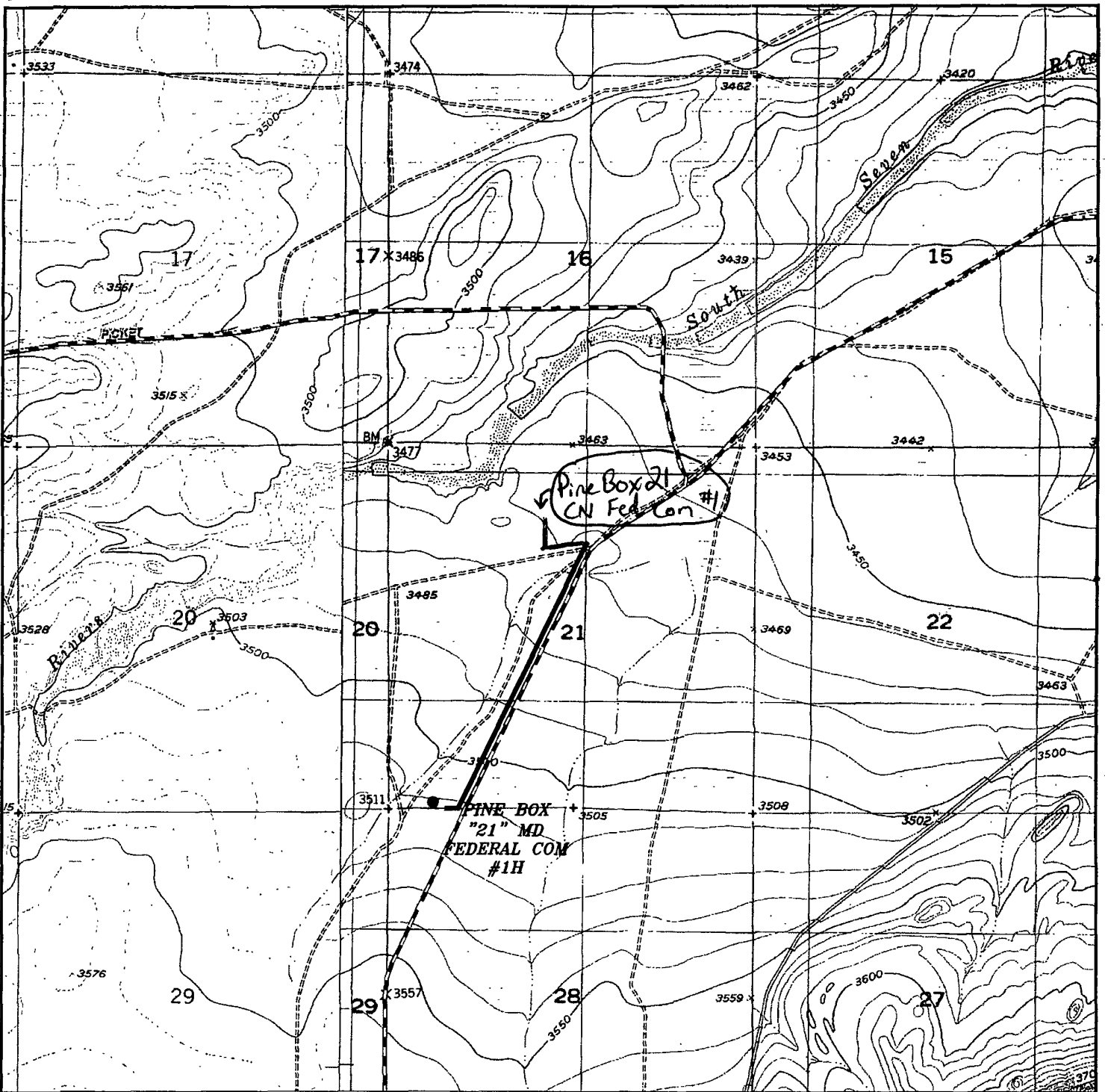
A PIPELINE CROSSING U.S.A. LAND IN
 SECTION 22, TOWNSHIP 18 SOUTH, RANGE 32 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 23781 Drawn By: James Presley

Date: 12/07/10 Disk: JLP #1 - MEW23781

Survey Date: 11/22/10 Sheet 2 of 2 Sheets



PROPOSED PL & EL TO THE PINE BOX "21" MD FED COM #1H
 Section 21, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 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 24577

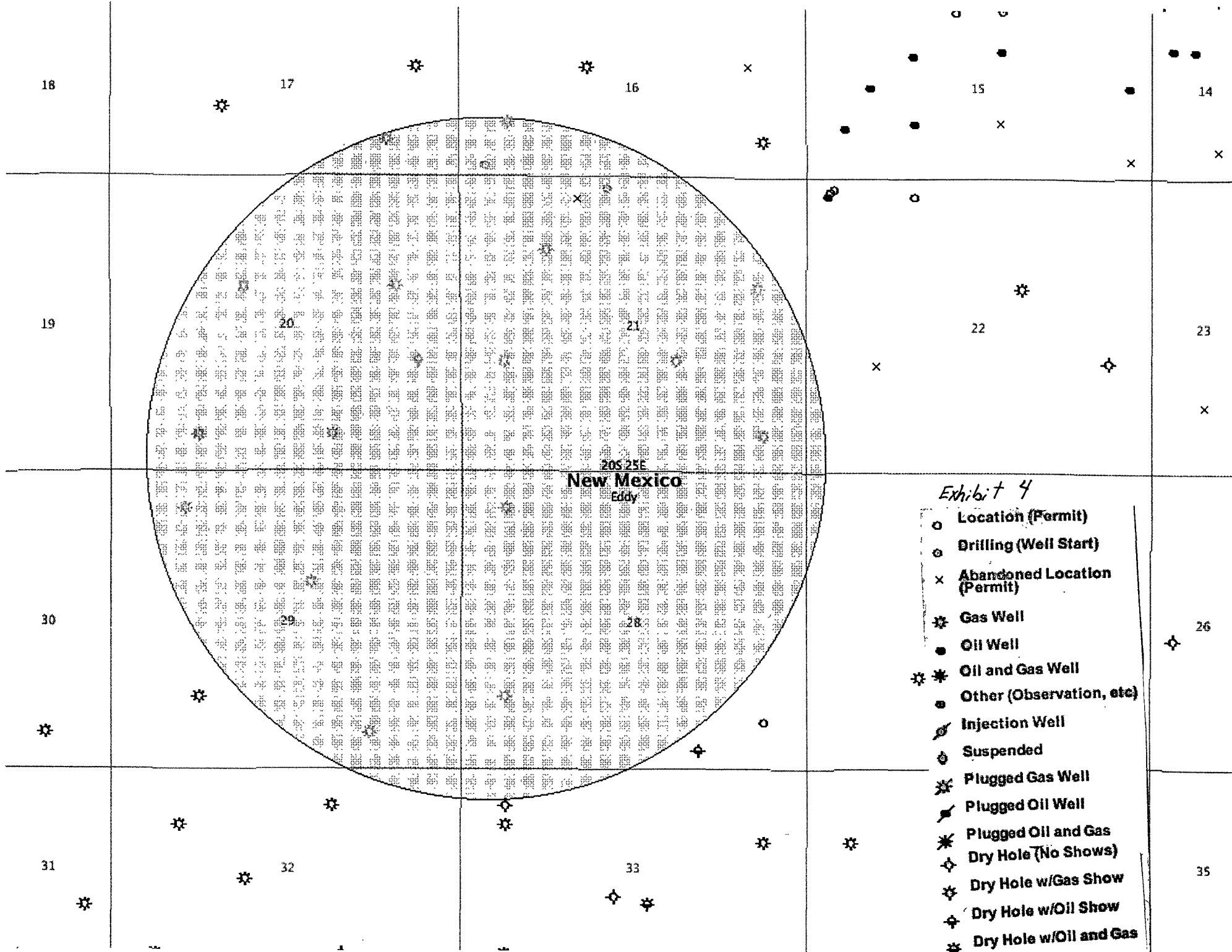
Survey Date: 04-26-2011

Scale: 1" = 2000'

Date: 05-11-2011

MEWBOURNE
 OIL COMPANY

TEA
 6/21/11



New Mexico
Eddy

- 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

Closed Loop Pad Dimensions 280' x 320'

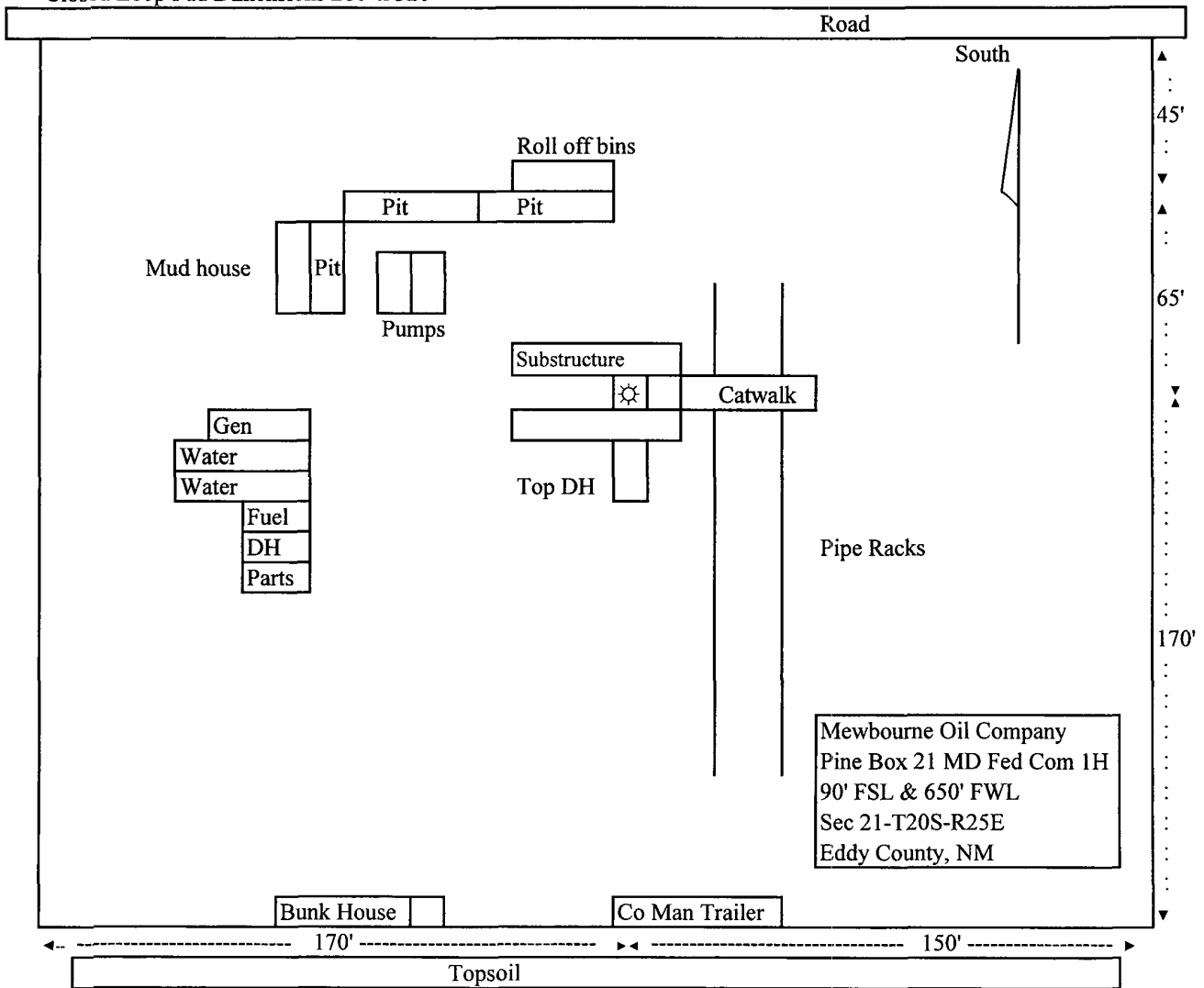


Exhibit 5