

30-015-39471

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Tamano "11" Fed Com #1H
400' FNL & 330' FEL (SHL)
Sec 11-T18S-R31E
Eddy County, New Mexico

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SEP 30 2011

NMOCD ARTESIA

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 Lovington: Go West on Hwy 82 for 33 miles to Shugart Rd (CR 222). Turn South and go 4 miles to Westall Rd (CR 249). Turn left (East) and go 1.25 miles to lease road. Turn left (North) and go 1 mile. Turn right (East) and go 1 mile to location (road bends to south, then back north).
- C. Existing roads will be maintained in a condition the same as or better than before operations begin.

2. Proposed Access Road:

- A. Approx 790' 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 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 SW side of location. Electricity will follow proposed lease road as shown on Exhibit 3.
- C. Production equipment that will remain on this location will be painted to conform to BLM painting stipulations within 180 days of installation.

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 #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. 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

**United States Department of the Interior
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287**

Statement Accepting Responsibility for Operations

Operator Name: Mewbourne Oil Company
Street or Box: P.O. Box 5270
City, State: Hobbs, New Mexico
Zip Code: 88241

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted of the leased land or portion thereof, as described below.

Lease Number: Lease Number # LC-062052 & LC-029388D

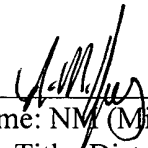
Legal Description of Land: Section 11, T-18S, R-31E Eddy County, New Mexico.
Location @ 400' FNL & 330' FEL.

Formation (if applicable): Bone Springs

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: 7/27/11

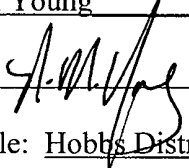
Mewbourne Oil Company

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 27 day of July, 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 11, TOWNSHIP 18 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

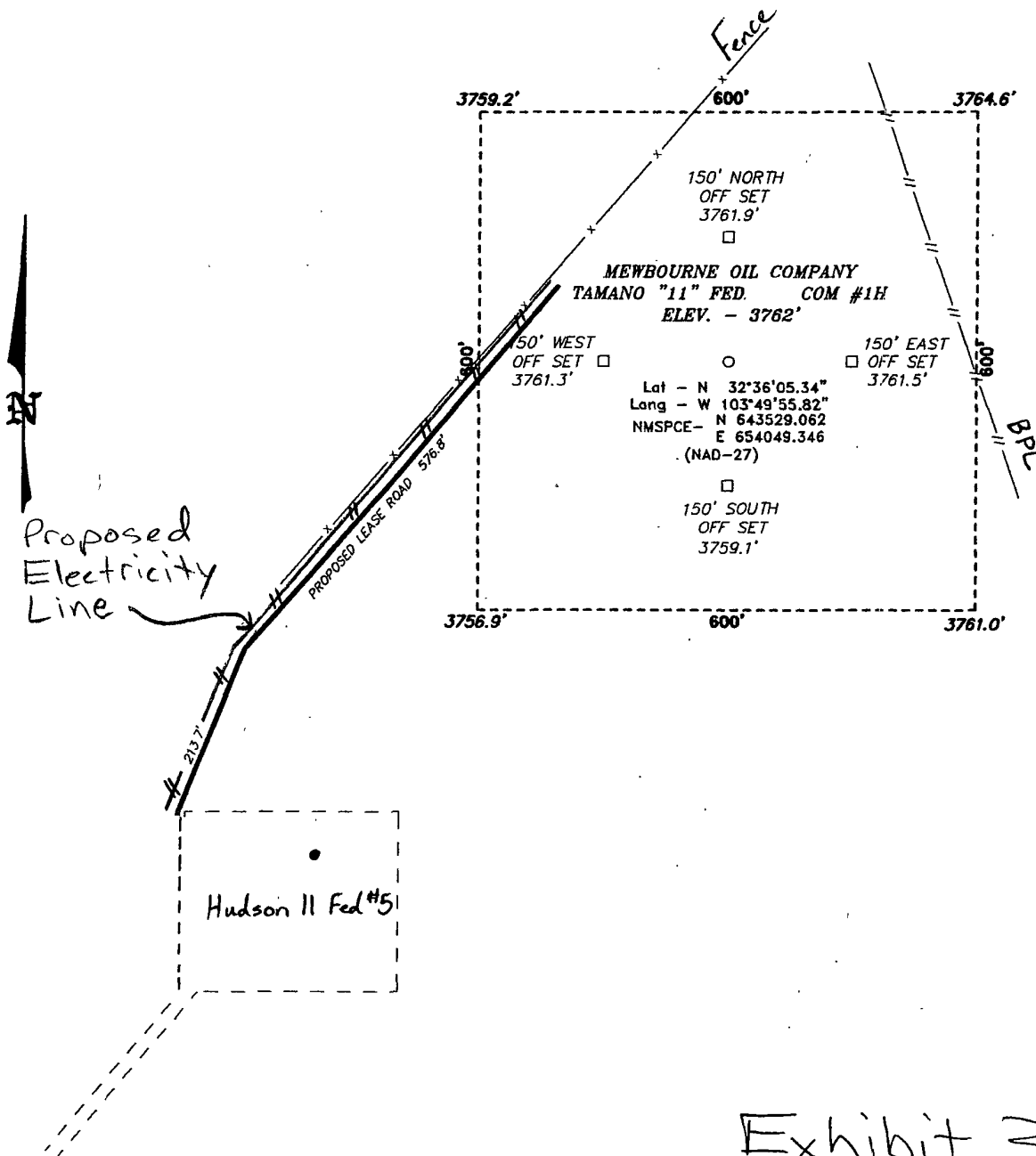
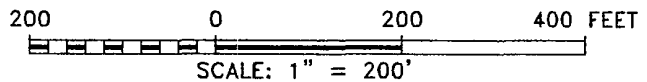


Exhibit 3



Directions to Location:

FROM THE JUNCTION OF SHUGART AND WESTALL, GO SOUTHEASTERLY ON WESTALL FOR 1.4 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTHEASTERLY 1.3 MILES TURNING NORTH FOR 0.9 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 0.5 MILES WINDING SOUTHEASTERLY WINDING BACK NORTHEASTERLY 0.5 MILES TO WELL PAD AND PROPOSED LEASE ROAD.

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

W.O. Number: 22656 Drawn By: J. SMALL

Date: 05-04-2010 Disk: JMS 22656

MEWBOURNE OIL COMPANY

REF: TAMANO "11" FEDERAL COM #1H / WELL PAD TOPO

THE TAMANO "11" FED' COM #1H LOCATED 400'

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

SECTION 11, TOWNSHIP 18 SOUTH, RANGE 31 EAST,

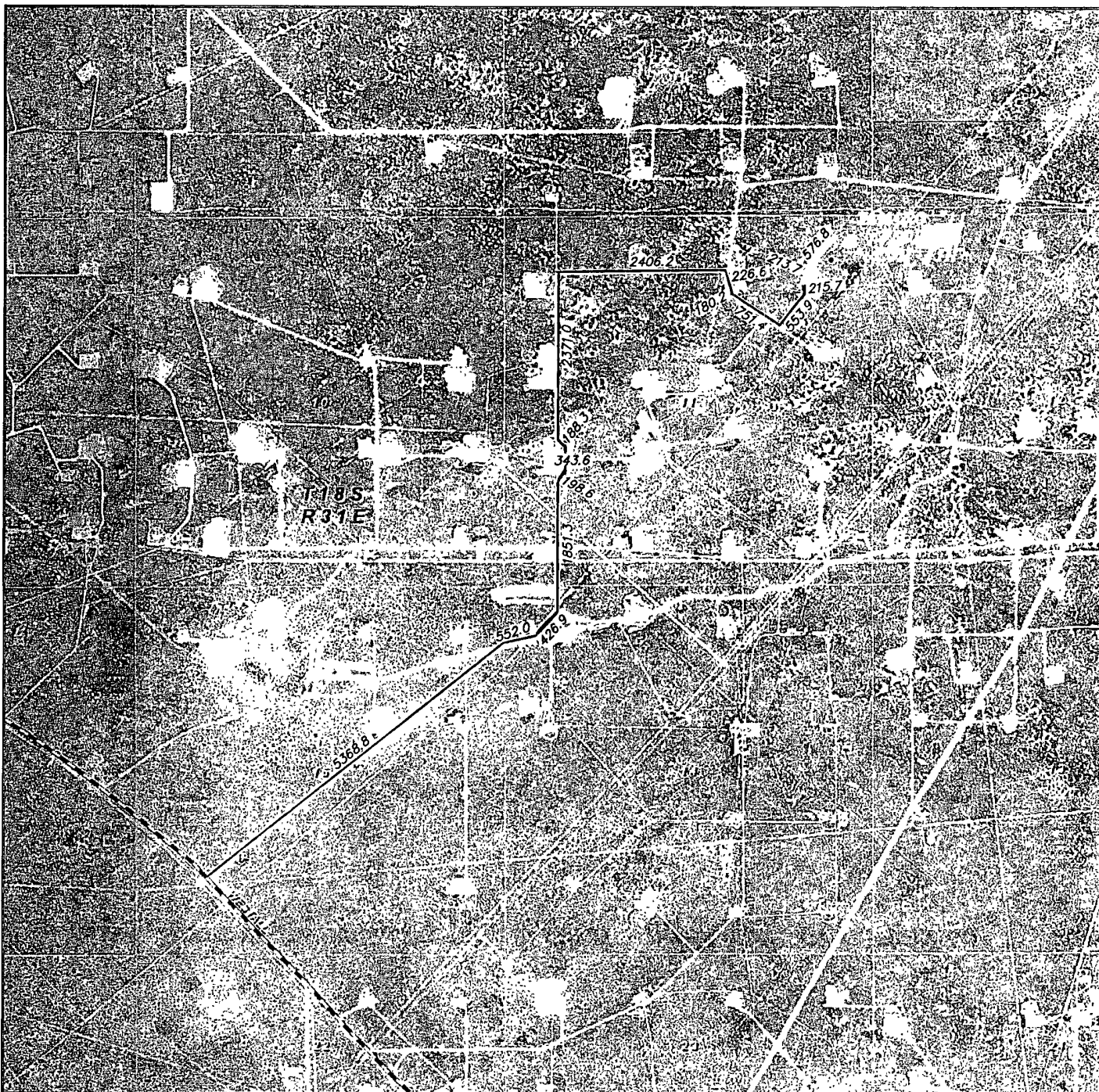
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 04-23-2010 Sheet 1 of 1 Sheets

TEN
6/8/11



MEWBOURNE
OIL COMPANY



TAMANO "11" FED. COM #1H
 Located 400' FNL and 330' FEL
 Section 11, Township 18 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico. Exhibit 3C

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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

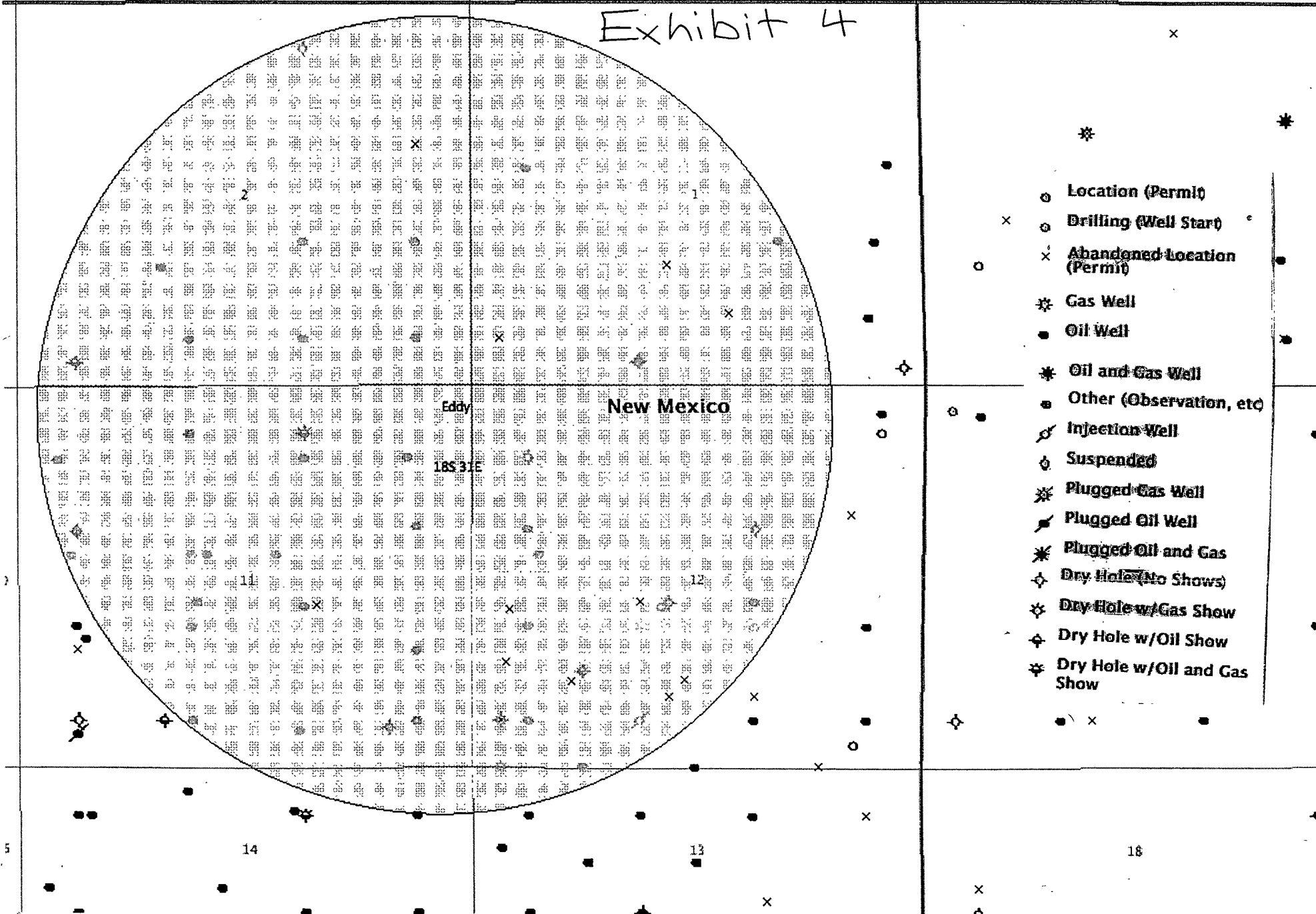
W.O. Number: JMS 22656

Scale: 1" = 2000'

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

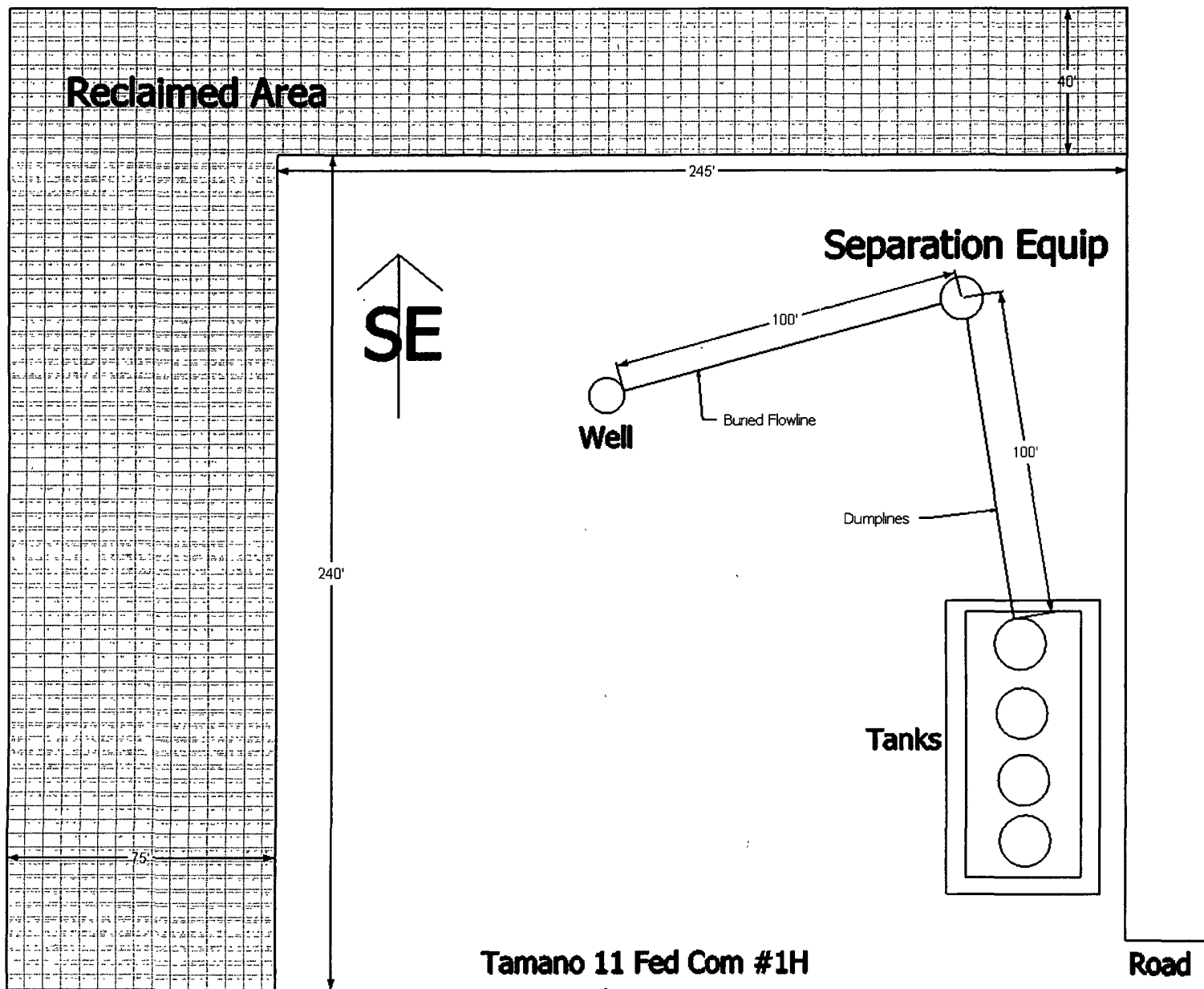
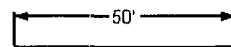
MEWBOURNE
 OIL COMPANY

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 Show

Exhibit 6



Closed Loop Pad Dimensions 280' x 320'

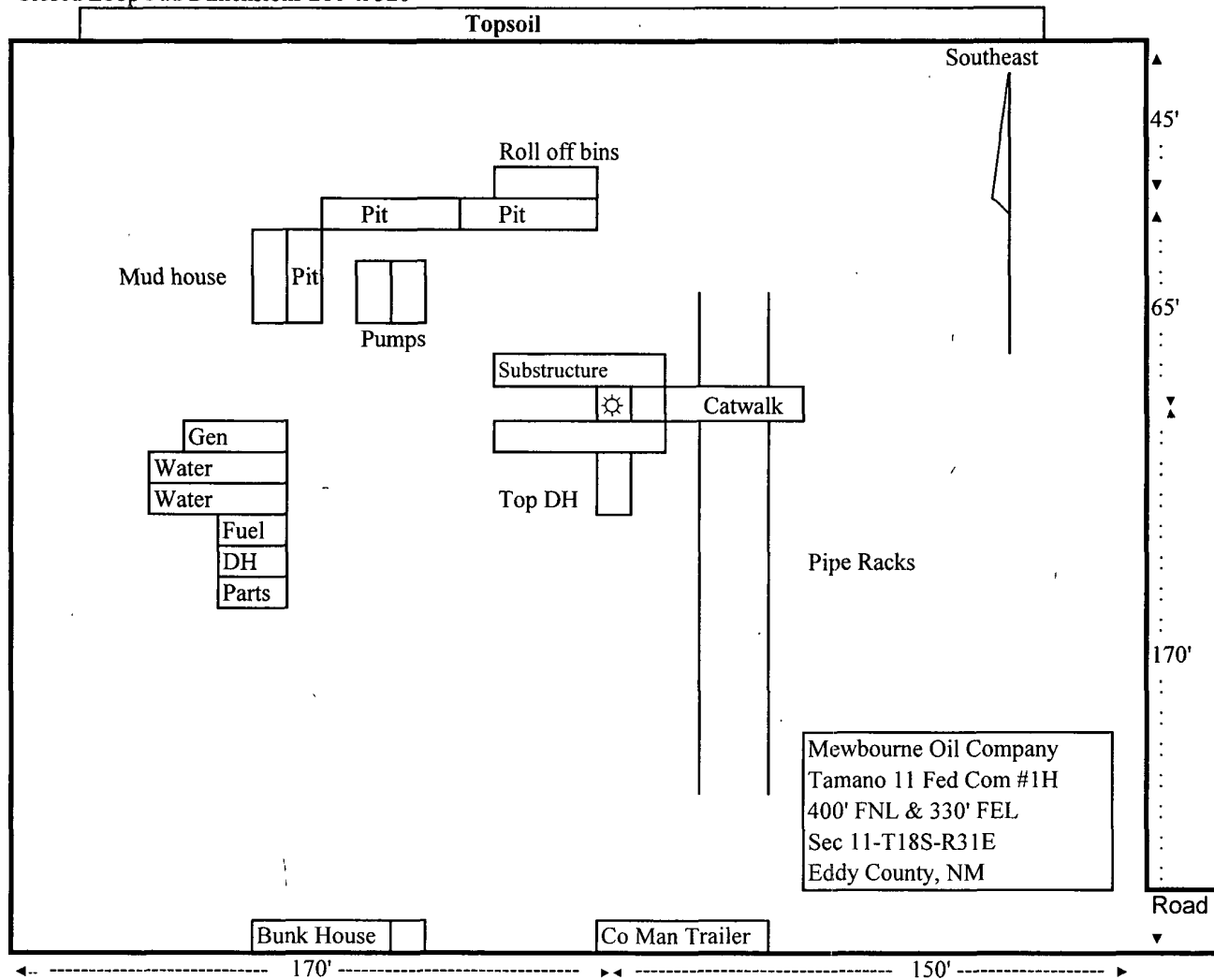


Exhibit 5