

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Wyatt Draw "24/25" NF Federal Com #1H

1650' FSL & 2290' FWL (SHL)

Sec 24-T19S-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 and proposed road is highlighted in blue. Exhibit #3A is a topographic map showing the location of the proposed well and access road. Existing and proposed roads are highlighted.
- B. **Directions to location: From Artesia on US 285, south 12 miles to Rockin R Red Rd. Turn right (west) 3 miles to lease road. Turn left (south) 0.6 miles. Turn left (east) ½ mile then right (south) 0.1 mile 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. 2200' 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 at an existing facility in unit letter L of this section. An above ground, 65 psi polypipe flowline will be placed adjacent to the access road as shown on exhibit 3. If electricity is needed, it will follow the same route as the flowline.
- 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 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 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, and 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 Ross Ranch (JT Ross) P.O. Box 216, Lakewood, NM 88254. Phone # (575) 365-4797. A copy of this surface use plan has been sent to the above 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

**United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 E Greene Street
Carlsbad, 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 NMNM-118696

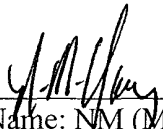
Legal Description of Land: Section 24, T-19S, R-25E Eddy County, New Mexico.
Location @ 1650' FSL & 2290' FWL.

Formation (if applicable): Yeso

Bond Coverage: \$150,000

BLM Bond File: NM1693, Nationwide

Authorized Signature: _____


Name: NM (Micky) Young
Title: District Manager
Date: 12/7/10

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 7th day of December 2010.

Name: NM Young

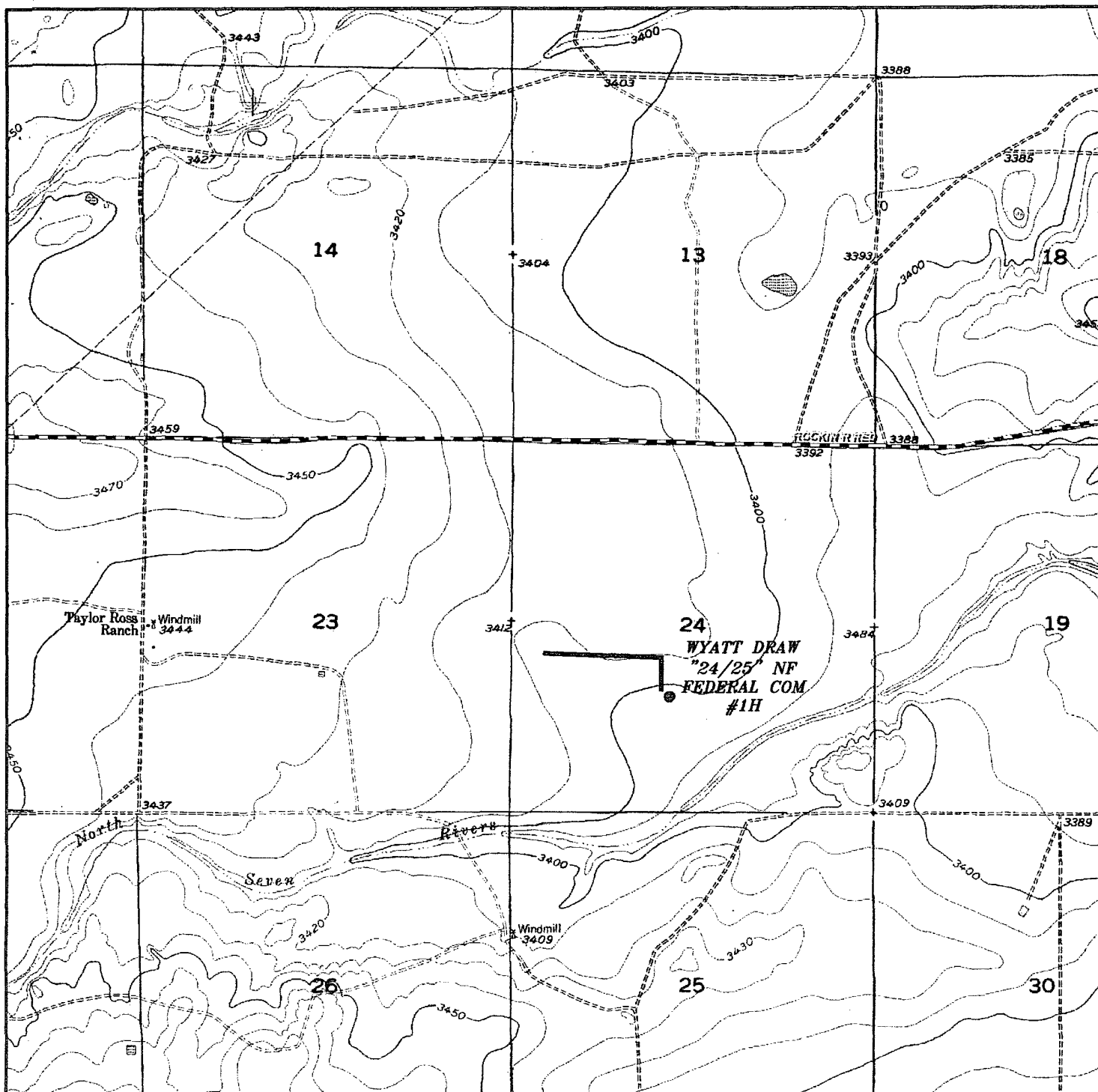
Signature: 

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com



WYATT DRAW "24/25" NF FEDERAL COM #1H *Exhibit 3A*
 Located 2290' FSL and 1650' FWL
 Section 24, Township 19 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

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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: JMS 23248

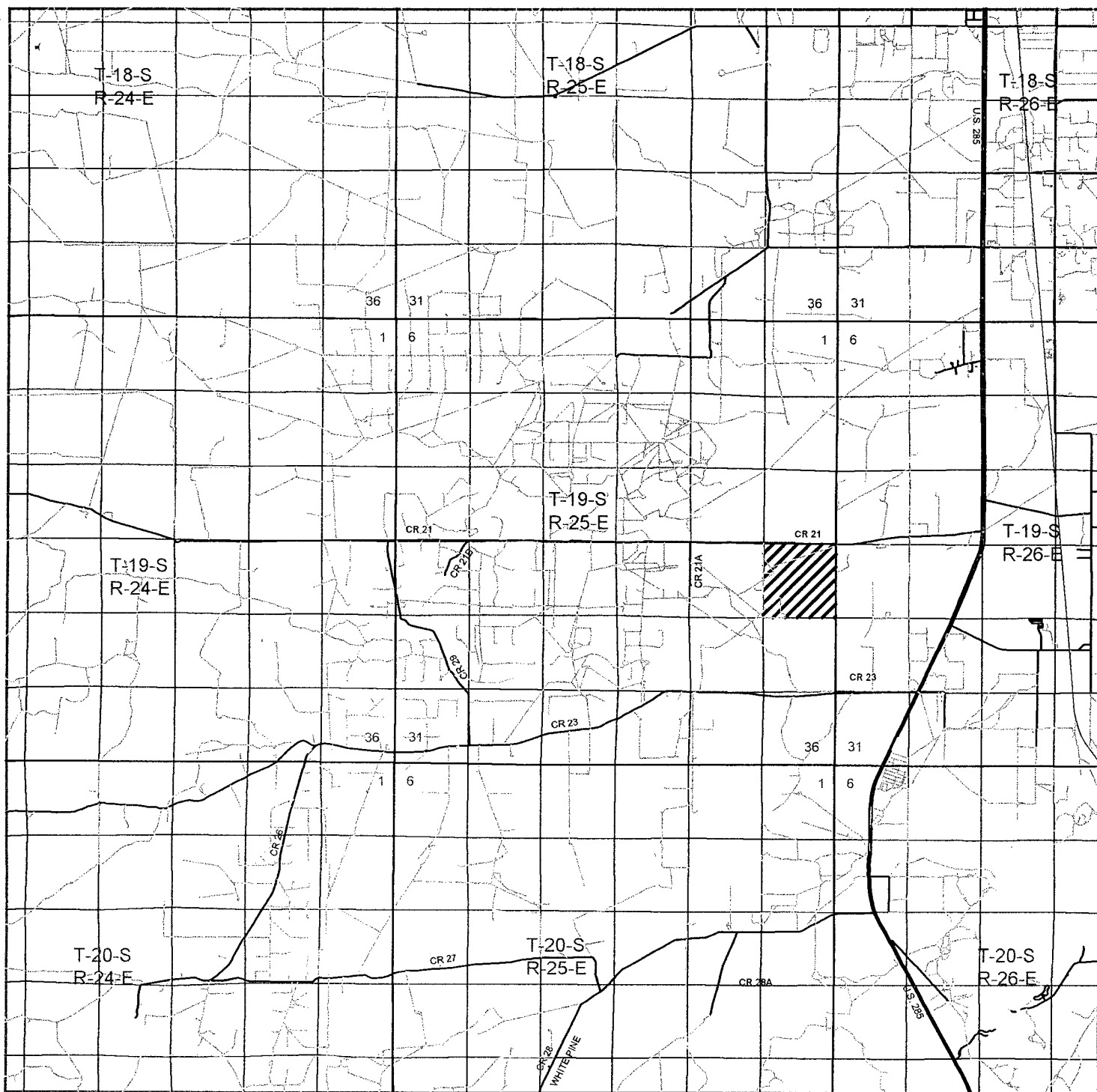
Survey Date: 08-16-2010

Scale: 1" = 2000'

Date: 09-01-2010



MEWBOURNE
 OIL COMPANY



WYATT DRAW "24/25" NF FEDERAL COM #1H *Exhibit 3B*
 Located 2290' FSL and 1650' FWL
 Section 24, Township 19 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 23248

Survey Date: 08-16-2010

Scale: 1" = 2 Miles

Date: 09-01-2010



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24

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20S 25E

Eddy
New Mexico

20S 26E

26

25

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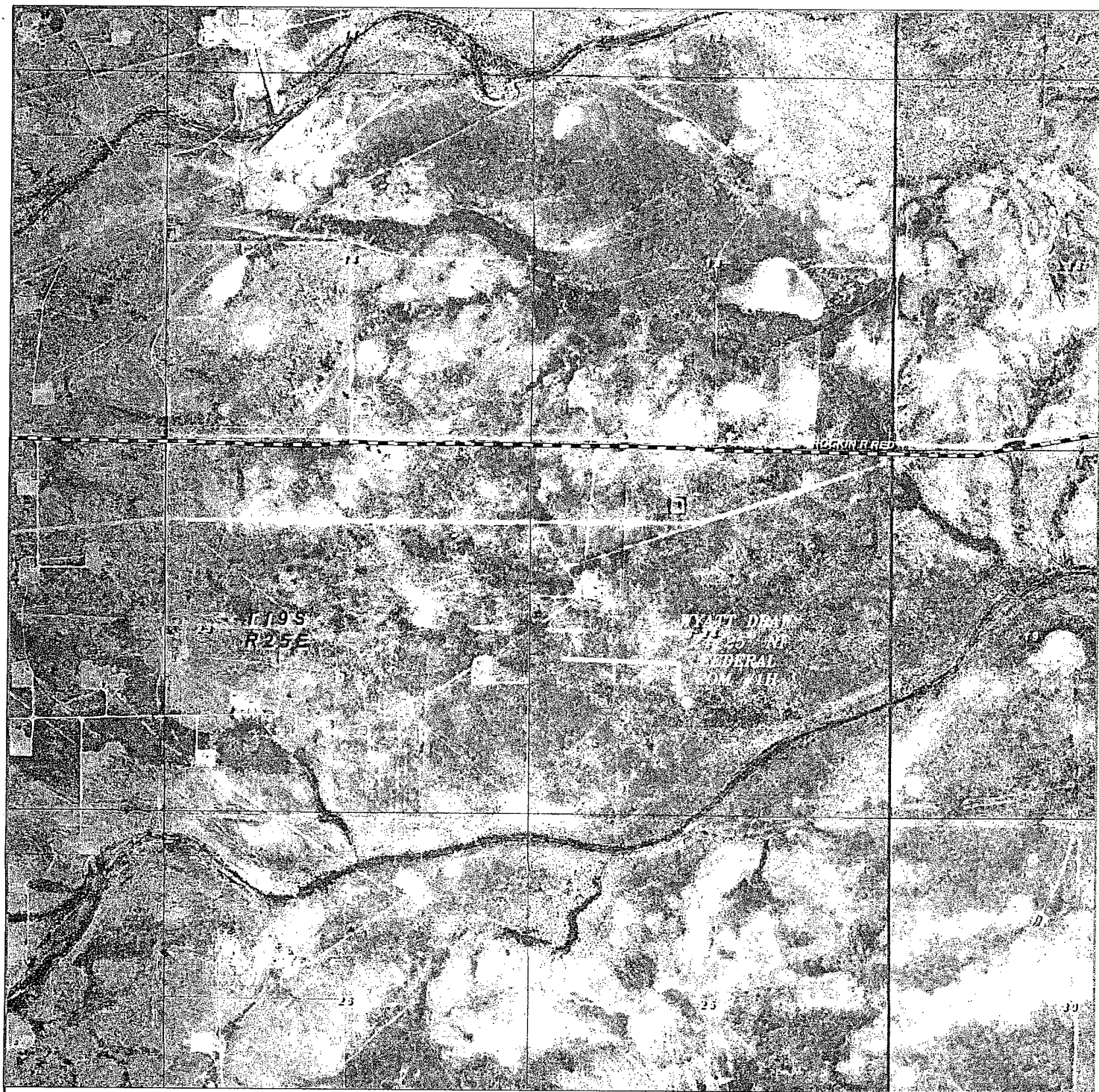
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Exhibit 4

- Location (Permit)
- Drilling (Well Start)
- x 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



WYATT DRAW "24/25" NF FEDERAL COM #1H *Exhibit 3C*
 Located 2290' FSL and 1550' FWL
 Section 24, Township 19 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.

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 Hobbs, New Mexico 88241
 (575) 393-7315 - Office
 (575) 392-2206 - Fax
 basin-surveys.com

Well Number: WNS 25248

Scale: 1" = 200'

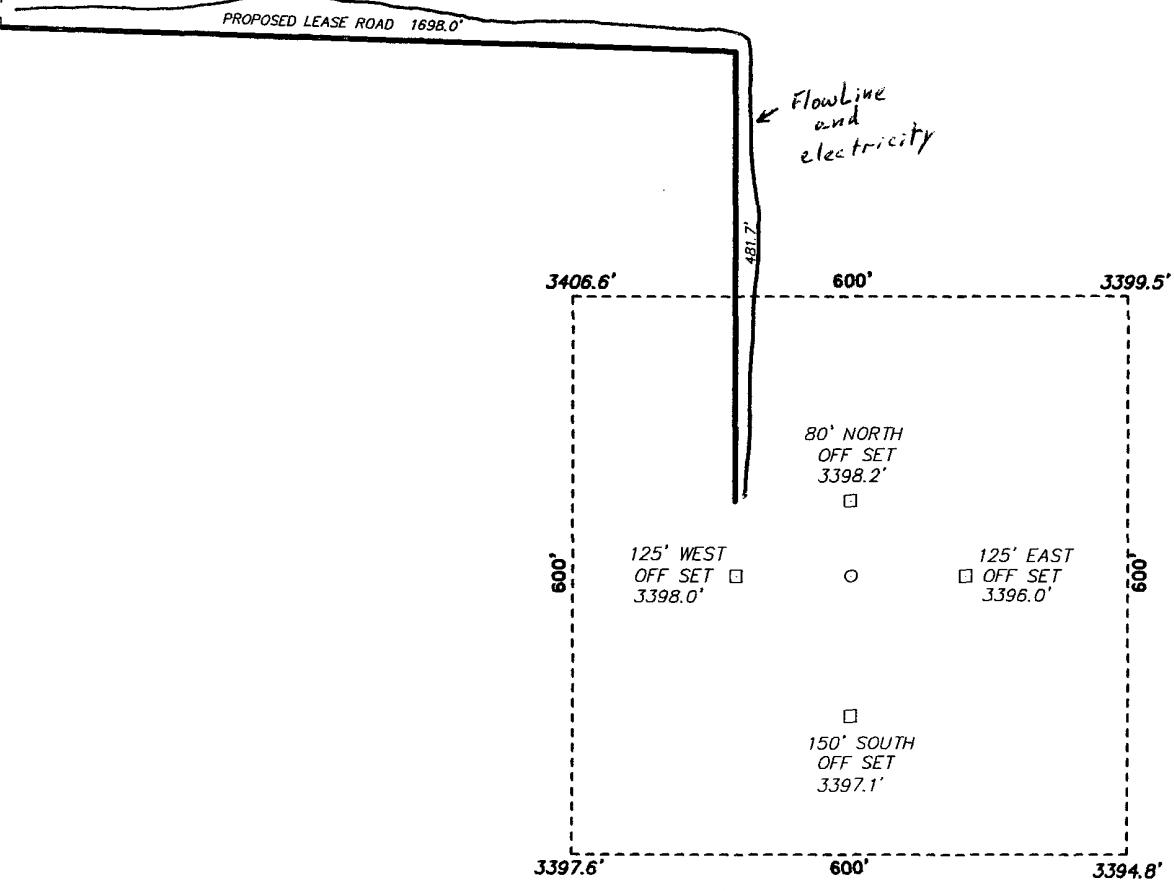
YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



MEWBOURNE
 OIL COMPANY

SECTION 24, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

WYATT
24
L#1



MEWBOURNE OIL COMPANY
WYATT DRAW "24/25" NF FEDERAL COM #1H
ELEV. - 3397'

Lat - N 32°38'35.97"
Long - W 104°26'19.72"
NMSPCE- N 597769.494
E 467532.786
(NAD-27)

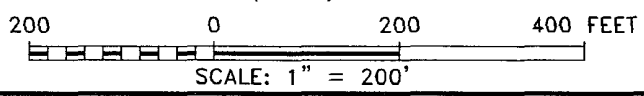


Exhibit 3

Directions to Location:

FROM THE JUNCTION OF HWY 285 AND ROCKIN R RED, GO WEST ON RED FOR 3.0.9 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTH 0.6 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 0.1 MILES TO WELL PAD AND PROPOSED LEASE ROAD.

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

W.O. Number: 23248 Drawn By: J. SMALL
Date: 09-01-2010 Disk: JMS 23248

MEWBOURNE OIL COMPANY

REF: WYATT DRAW "24/25" NF FEDERAL COM #1H / WELL PAD TOPO
THE WYATT DRAW "24/25" NF FEDERAL COM #1H LOCATED 2290
FROM THE SOUTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 24, TOWNSHIP 19 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.
Survey Date: 08-16-2010 Sheet 1 of 1 Sheets

Closed Loop Pad Dimensions 280' x 320'

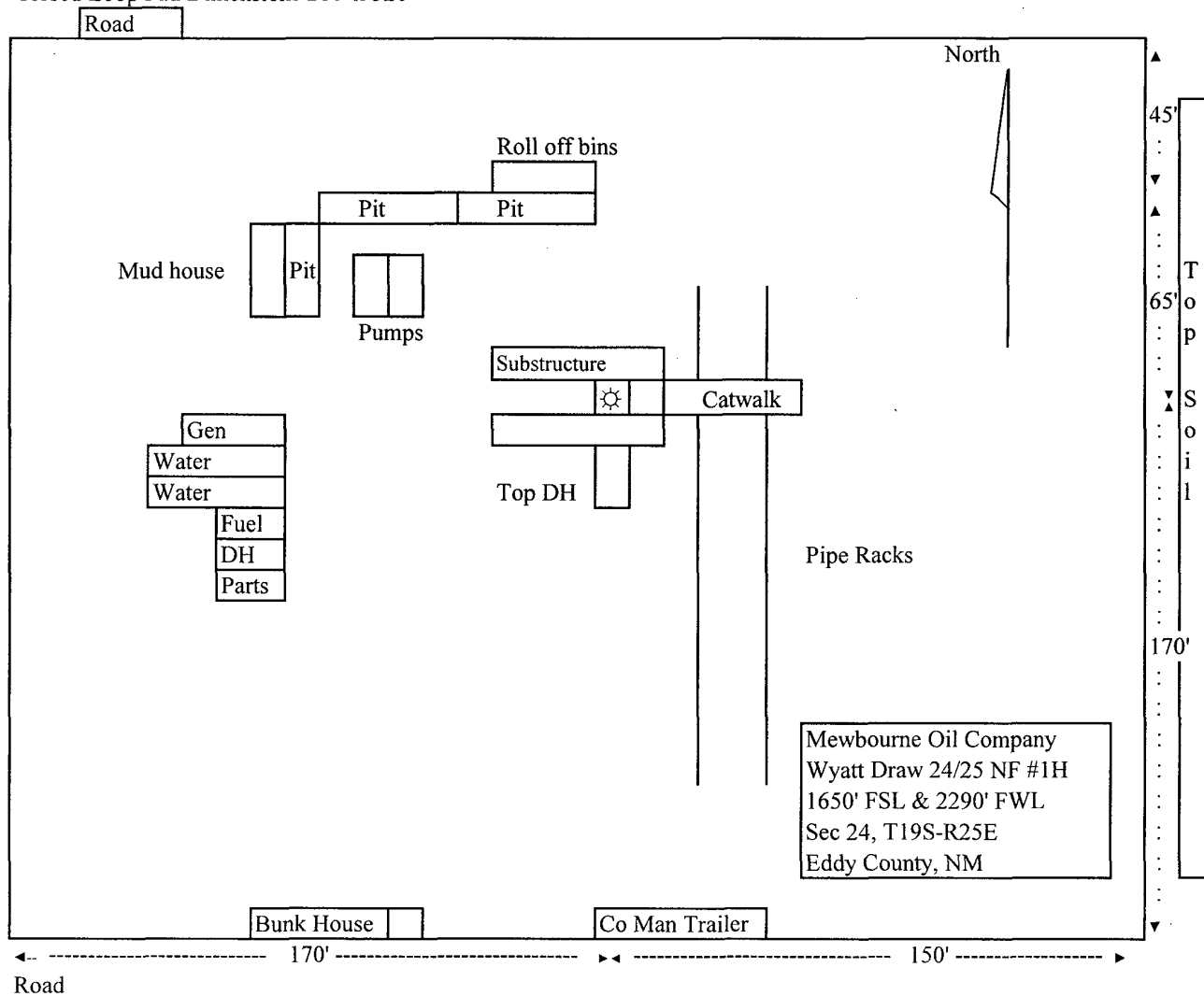


Exhibit 5

