

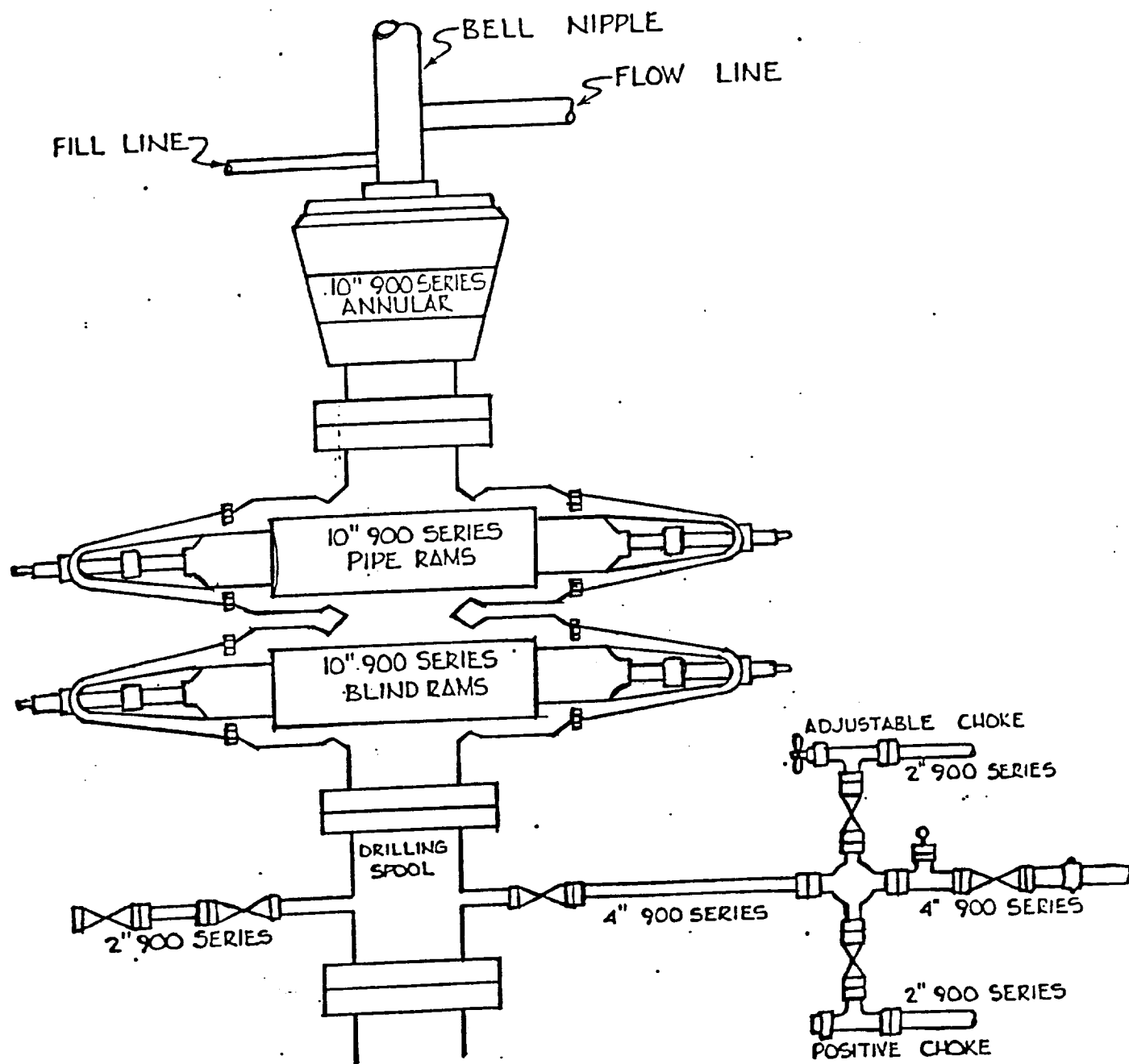


EXHIBIT "D"

MEWBOURNE OIL COMPANY
 CHALK BLUFF FEDERAL # 1
 LEASE # NM-0557371
 2250' FWL & 790' FSL
 SEC. 1-T18S-R27E
 EDDY COUNTY, NEW MEXICO

MULTI-POINT SURFACE USE AND OPERATING PLAN

MEWBOURNE OIL COMPANY

CHALK BLUFF FEDERAL WELL NO. 1

2250' FWL & 790' FSL OF SEC. 1-T18S-R27E

EDDY COUNTY, NEW MEXICO

NEW MEXICO LEASE NO. NM-0557371

This plan is submitted with the Application for Permit to Drill (APD) the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan and the magnitude of necessary surface disturbance involved, so that a complete appraisal can be made of the enviromental effects associated with the operation. The surface to be disturbed is privately owned and a surface use agreement has been signed with the land owner.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a BLM map, 30 x 60 minute quadrangle; Artesia, New Mexico, showing the location of the proposed well as staked. From the junction of U.S. 82 and U.S. 285 Highways in Artesia, proceed east on U.S. 82 for 12 miles. Turn right (south) on Eddy County Road #206 (Illinois Camp Road) and proceed south for 1 3/4 miles. Turn northwest on Eddy County Road #204 and proceed northwest for .75 miles. Turn left and go west for .75 miles on existing caliche road. Turn left (south) for 1/2 mile. Turn west (right) for .25 miles. Turn right (north) for .25 miles into location.
- B. Culverts: None required.
- C. Cuts and Fills: A three foot cut will be required for construction of the location.
- D. Turn-Outs: None required.
- E. Gates and Cattleguards: None required.

2. LOCATION OF EXISTING WELLS:

- A. Existing wells in a 1 mile radius are shown of Exhibit "B".

3. LOCATION OF PROPOSED FACILITIES:

- A. If the well is productive, all production facilities will be constructed on the existing pad and no additional surface disturbance will occur.

4. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be purchased and trucked to the wellsite over the existing and proposed roads shown on Exhibits "A" and "AA".

5. SOURCE OF CONSTRUCTION MATERIALS:

- A. Caliche for surfacing the road and location hopefully will come from the construction site. In the event that unsuitable material is encountered, caliche will be taken from a BLM pit located in the NE4/NW4 of Section 12-T18S-R27E, which would be BLM pit # 18271203. This pit also extends into the SE4/SW4 of Section 1-T18S-R27E which would be BLM pit # 18270114. An alternate pit which may be used in the event BLM pit # 18271203 contains unsuitable material would be a BLM pit located in the SW4/NE4 of Section 1-T18S-R27E, which would be BLM pit # 18270107.

6. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human water will be complied with.
- E. All trash, junk and other waste material will be contained to prevent scattering and will be removed and deposited in an approved sanitary landfill.
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

7. ANCILLIARY FACILITIES:

- A. None required.

8. WELLSITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pit, trash pit, and location of major rig components.
- B. The pad and pit area has been staked and flagged.

9. PLANS AND RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations all equipment and other material not needed for operations will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing condition as possible.

10. OTHER INFORMATION:

A. The geologic surface formation is hard clay interspersed with sand and chert outcroppings. Vegetative cover is generally sparse and consist mostly of greasewood and bear grass.

B. The estimated tops of geologic markers are as follows:

Queen	1260'	Cisco	7740'
San Andres	2100'	Canyon	8350'
Glorieta	3720'	Strawn	8900'
Tubb	4930'	Atoka	9500'
Abo	5900'	Morrow	9600'
Wolfcamp	6900'	Mississippian	10100'

C. The estimated depths at which anticipated water, oil, or gas are expected to be encountered:

Water: Possible surface water between 100'-300'.

Oil: Penrose @ 1520'.

Gas: Wolfcamp @ 6900'.

D. Proposed Casing Program: See Form 9-331C.

E. Pressure Control Equipment: See Form 9-331C and Exhibit "D"

F. Mud Program: See Form 9-331C.

G. Auxiliary Equipment: Mud-gas seperator and PVT system from 6,000'-T.D.

H. Testing and Coring Program: Possibility of 4 DST's in the following zones:
Wolfcamp, Cisco, Strawn,
Morrow. No cores are planned at this time.

Logging: Gamma Ray - Spectral
Density - Dual Spaced Neutron Log; T.D. to surface
Gamma Ray - Dual Latero Log
Microguard Log; T.D. to Intermediate casing.

I. No abnormal pressures or temperatures are anticipated. In the event abnormal pressured are encountered the proposed mud program will be modified to increase the weight.

J. Anticipated Starting Date: As soon as possible after BLM approval.

11. OPERATOR'S REPRESENTATIVE:

The field representatives responsible for assuring compliance with the approved surface use and operations plan are as follows:

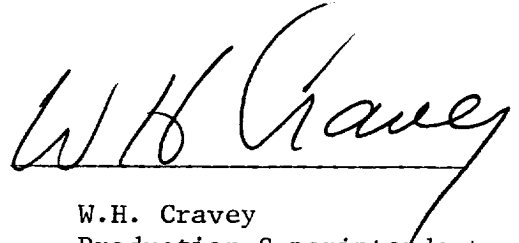
W.H. Cravey	(505) 393-5905	701 S. Cecil
Erick W. Nelson	24 Hr. Svc.	Hobbs, N.M.

12. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Mewbourne Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

November 8, 1990

Date


W.H. Cravey
Production Superintendent
Mewbourne Oil Company

Navajo Refinery
P.O. Box 159
Artesia, NM 88211-0159

October 25, 1990

Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88240

Dear Sir,

Mewbourne Oil Company has permission to extend their Chalk Bluff Federal #1 location over our 8" product line located 790' FSL, 2250' FWL, Section 1, T18S, R27E, Eddy County, New Mexico.

If you need further information, please contact me.

Sincerely,


Jack Clayton
Navajo Refinery

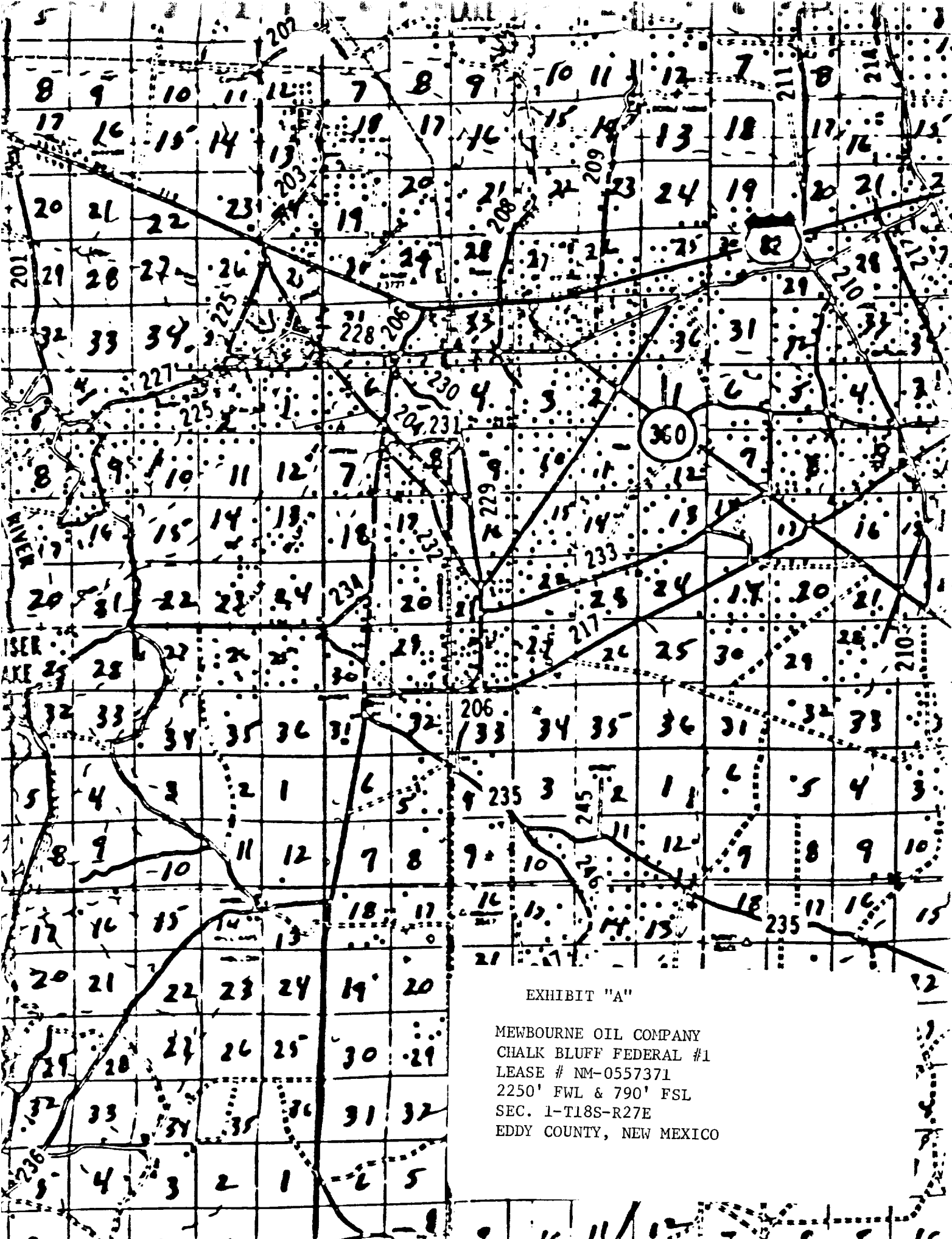


EXHIBIT "A"

MEWBOURNE OIL COMPANY
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LEASE # NM-0557371
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EDDY COUNTY, NEW MEXICO

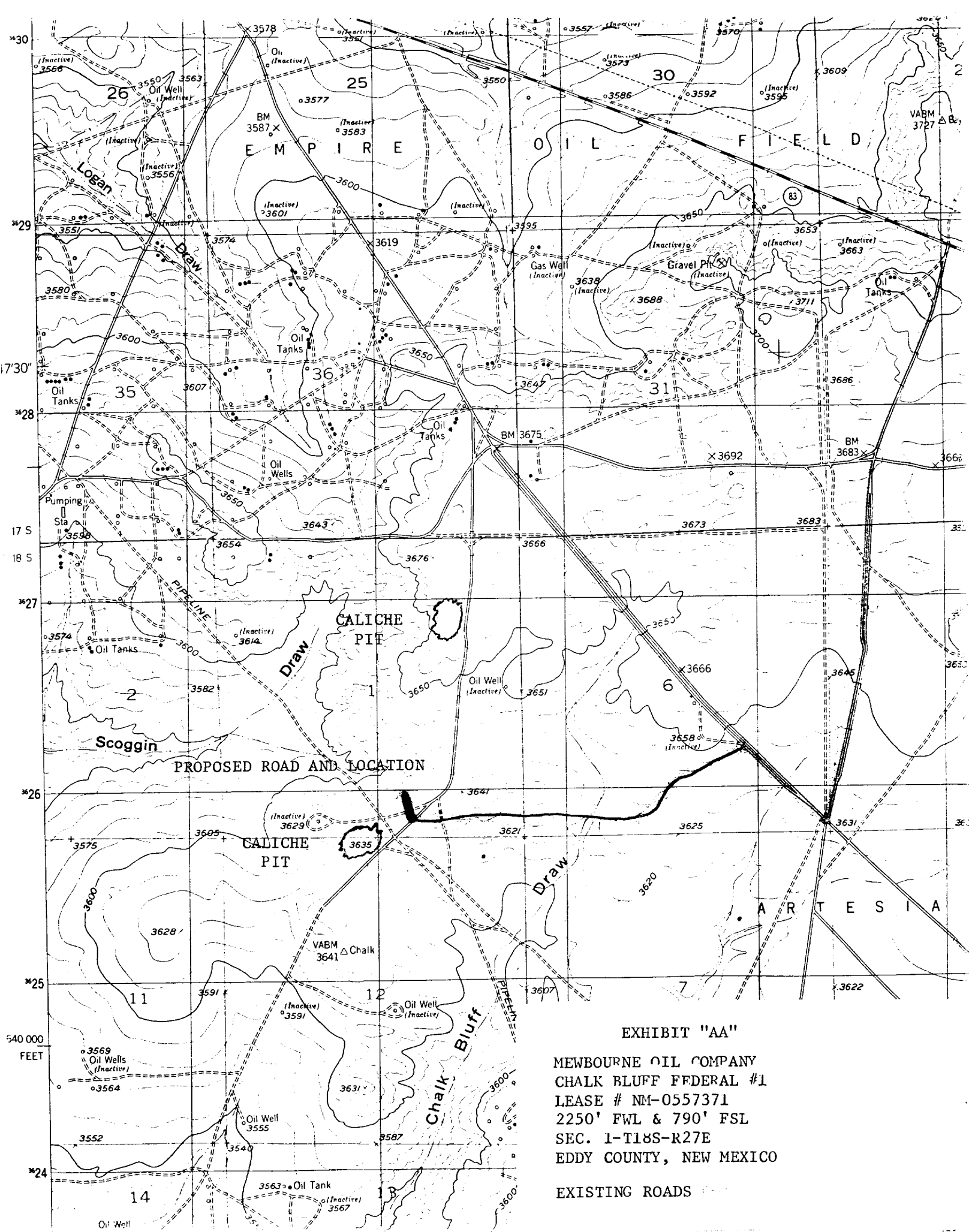
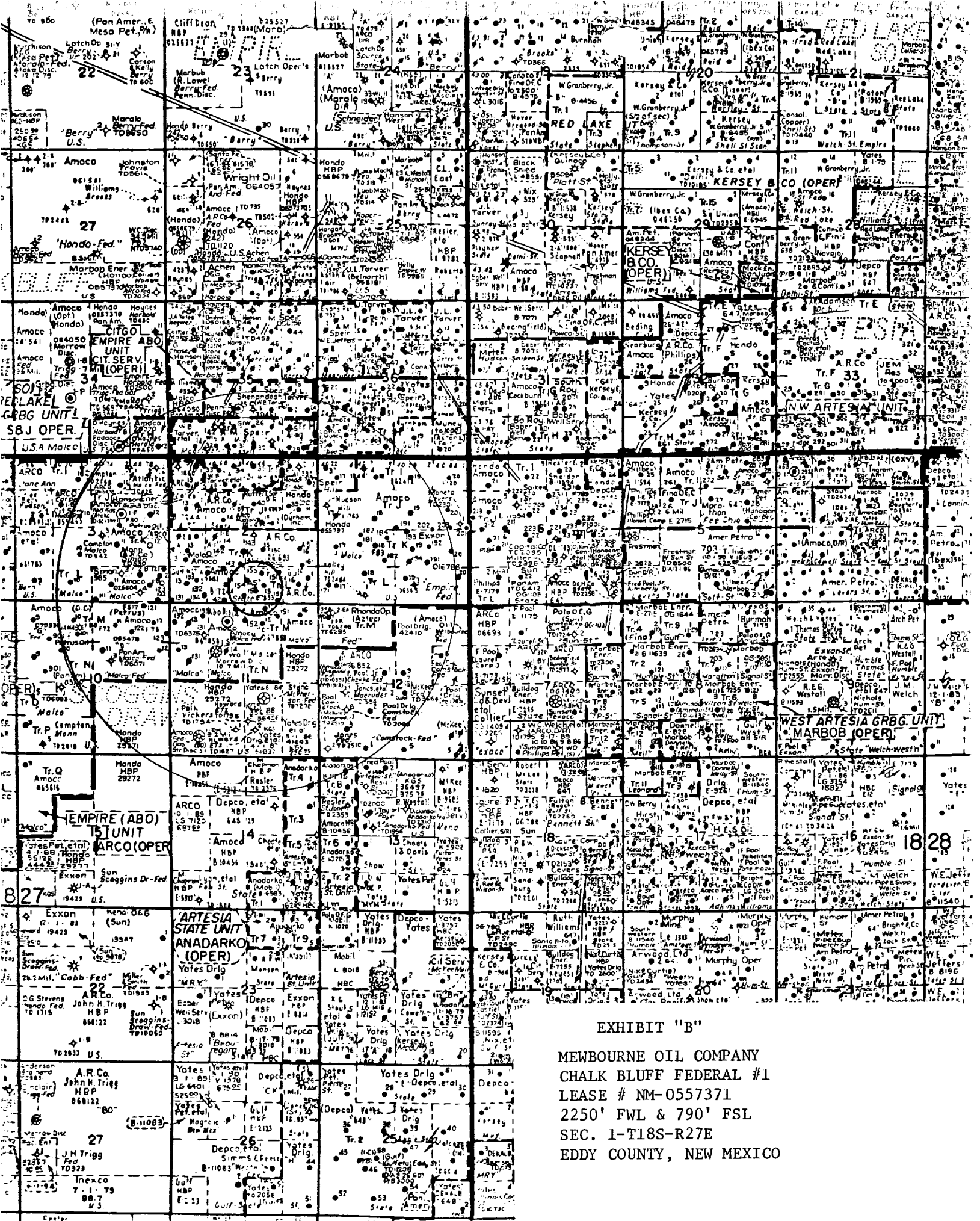


EXHIBIT "AA"

MEWBOURNE OIL COMPANY
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EXISTING ROADS



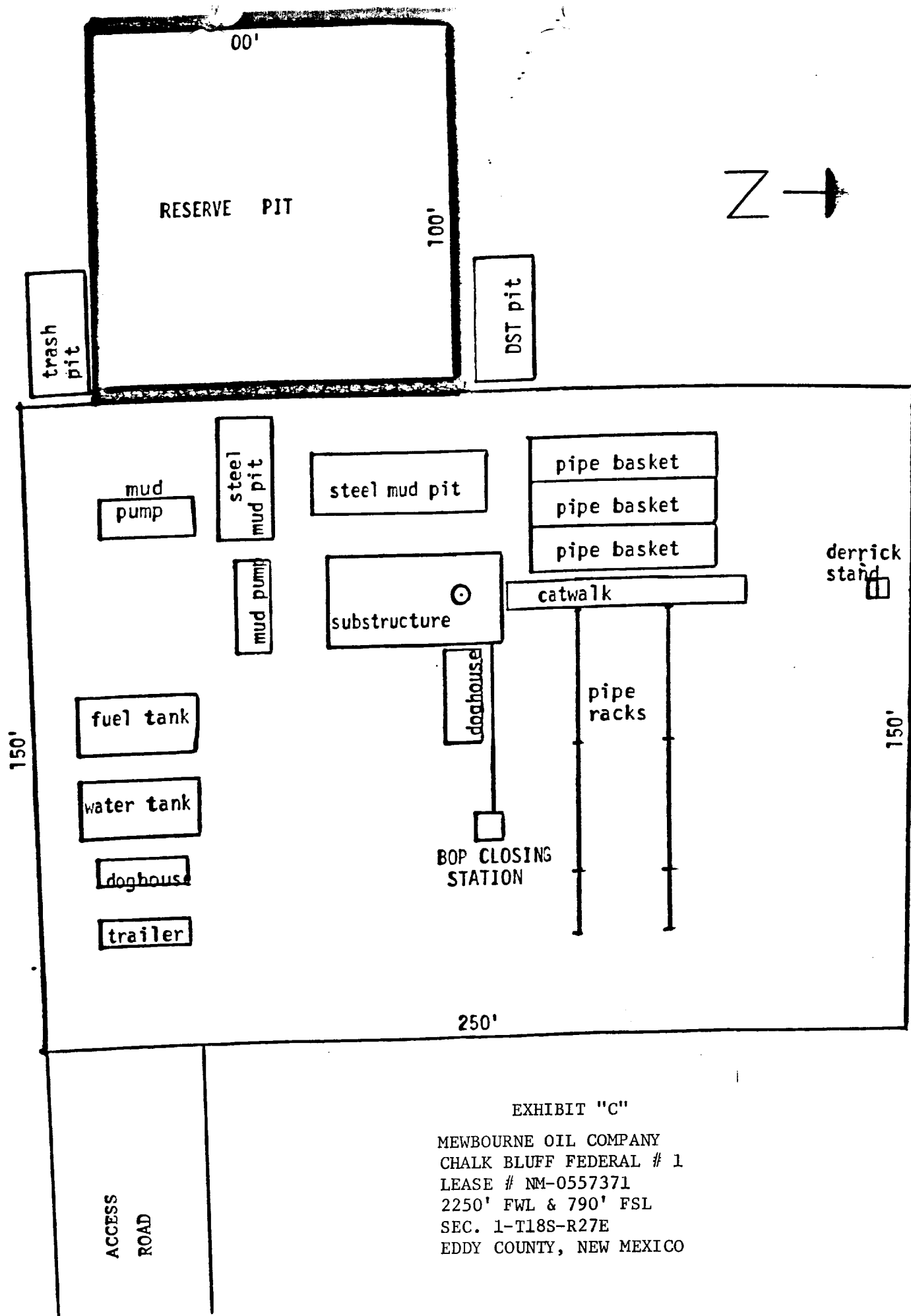


EXHIBIT "C"

MEWBOURNE OIL COMPANY
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