

MULTI-POINT SURFACE USE AND OPERATIONS PLAN**MEWBOURNE OIL COMPANY**

Tamano "10" Fed Com #7H

2125' FNL & 455' FWL (SHL)

Sec 10-T18S-R31E

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. Exhibits #3-#3C are maps showing the location of the proposed well and access road.
- 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 (Southeast) and go 1.5 miles to lease road. Turn left (Northeast) and go 1.1 mile. Turn left (North) and go .25 mile then turn left (West) and go 1 mile. Turn right (North) and go 0.5 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. No new road construction 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 MOC Tamano "10" Fed Com #6H location. A 2 7/8" steel surface flowline (carrying all wellbore fluid) & a 3" surface polypipe line (carrying gas for gas lift operations), approx 3500', will follow route shown on Exhibit 3C. Electricity is already available at the well pad.
- 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. Archaeology is cleared by BLM MOA.

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

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 3rd day of Oct., 2011.

Name: NM Young

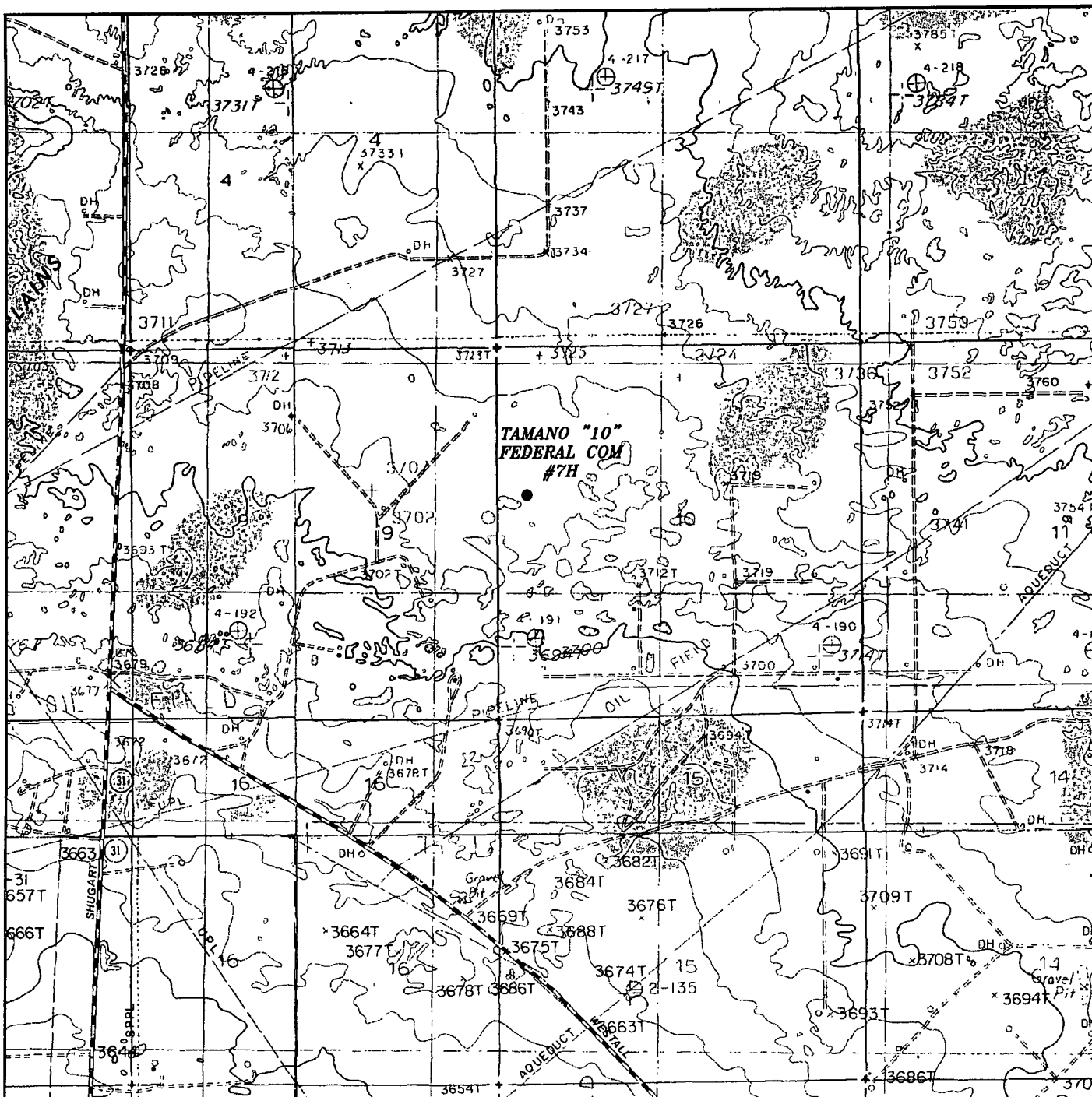
Signature: Brett Bedy for NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com



TAMANO "10" FEDERAL COM #7H
 Located 2125' FNL and 455' FWL
 Section 10, Township 18 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit 3A

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

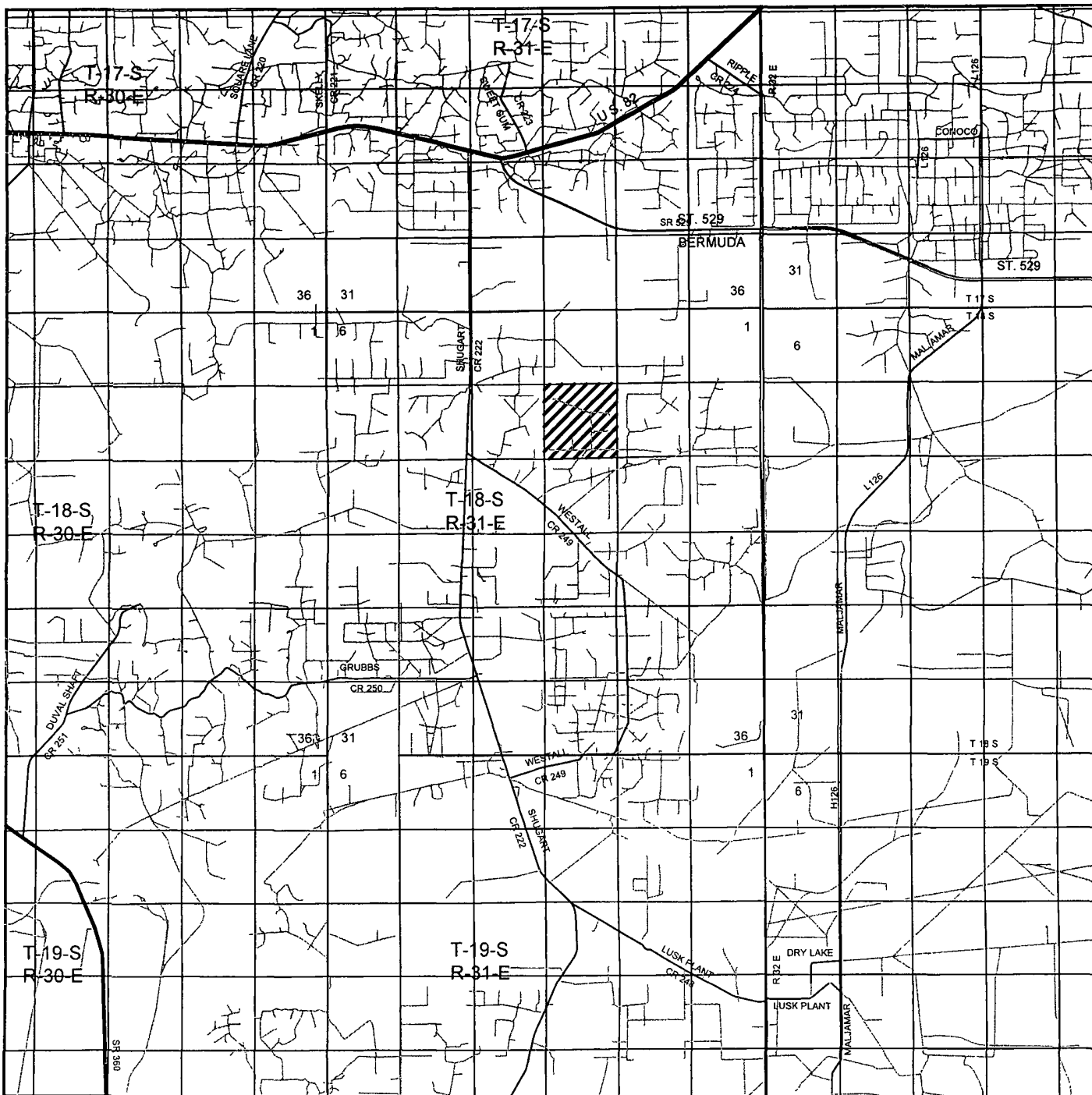
W.O. Number: JMS 25338

Survey Date: 09-23-2011

Scale: 1" = 2000'

Date: 09-26-2011

MEWBOURNE
 OIL COMPANY



TAMANO "10" FEDERAL COM #7H
 Located 2125' FNL and 455' FWL
 Section 10, Township 18 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit 3B

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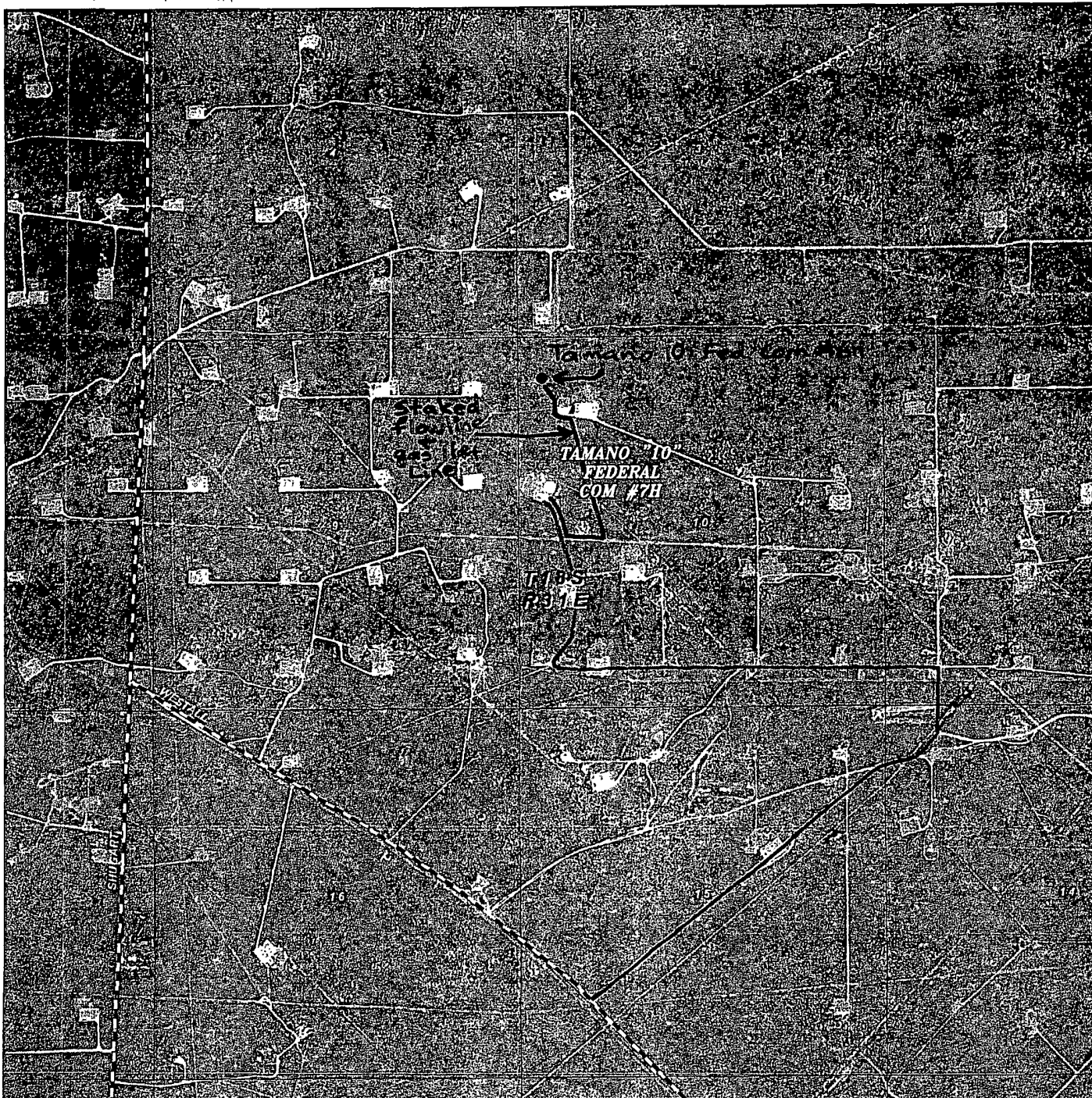
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Survey Date: 09-23-2011

Scale: 1" = 2 Miles

Date: 09-26-2011

MEWBOURNE
 OIL COMPANY



TAMANO "10" FEDERAL COM #7H
 Located 2125' FNL and 455' FWL
 Section 10, Township 18 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

Exhibit 3C

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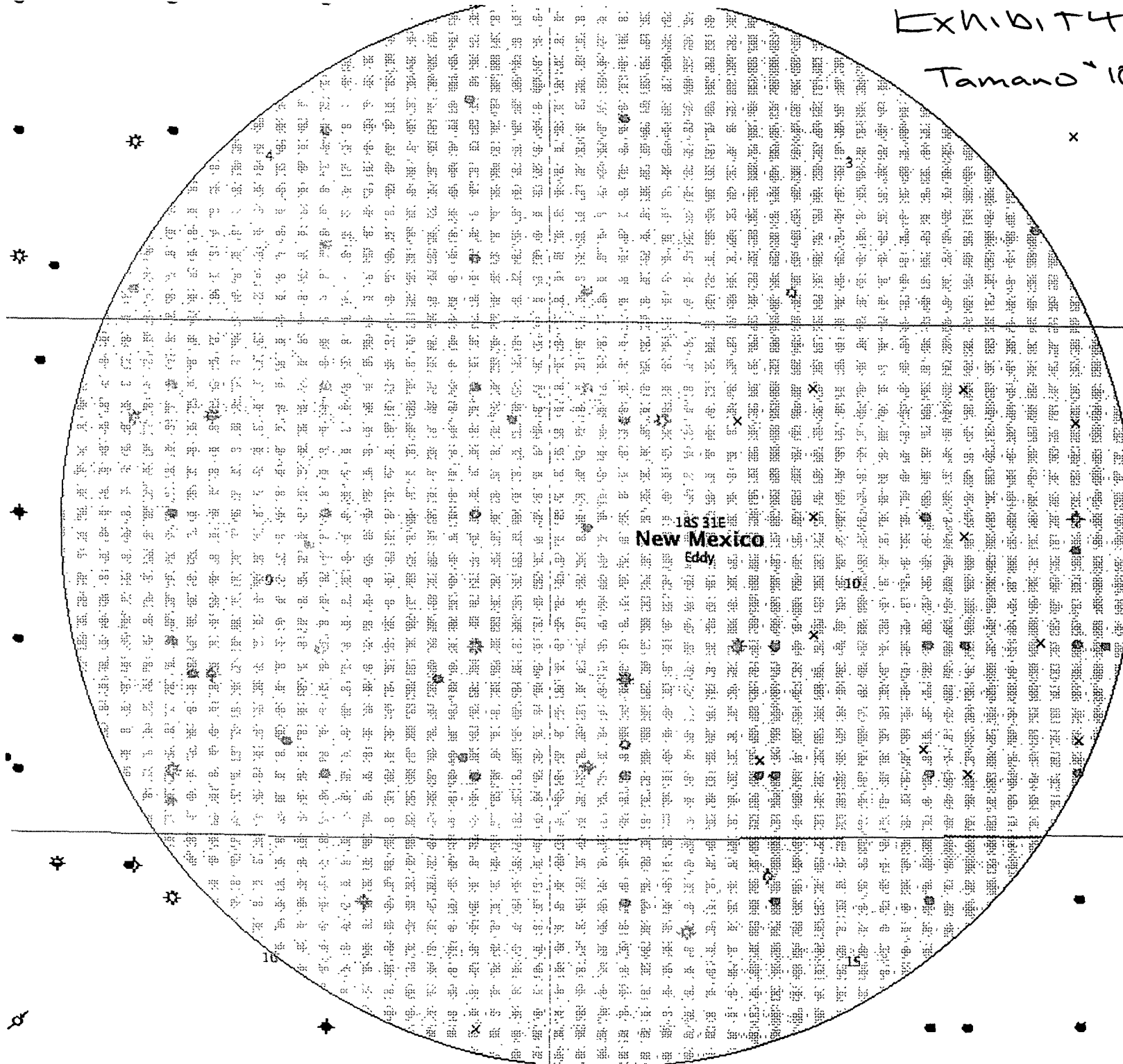
Scale: 1" = 2000'

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

MEWBOURNE
 OIL COMPANY

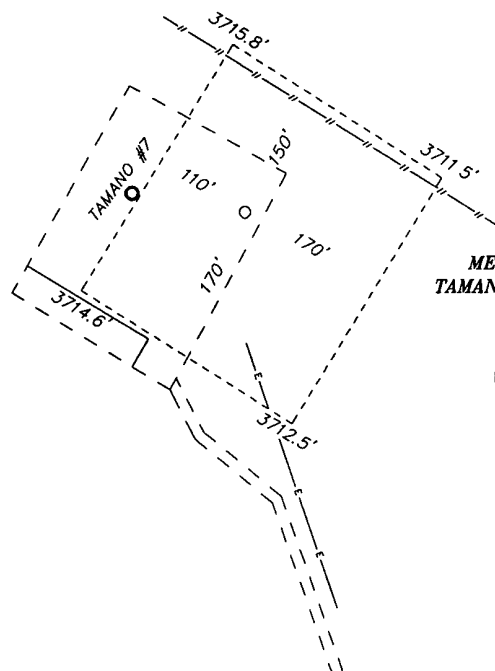
Exhibit 4

Tamano "10" Fed Com #7H



- 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

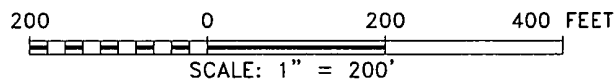
SECTION 10, TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY
TAMANO "10" FEDERAL COM #7H
ELEV. - 3714'

Lat - N 32°45'47.94"
Long - W 103°51'50.31"
NMSPCE - N 641725.201
E 644281.099
(NAD-27)

Exhibit 3



Directions to Location:

FROM THE JUNCTION OF WESTALL AND SHUGART, GO
SOUTHEAST ON WESTALL FOR 1.3 MILES TO LEASE
ROAD, ON LEASE ROAD GO NORTHEAST 1.1 MILES TO
LEASE ROAD, ON LEASE ROAD GO NORTH 0.2 MILES
TURNING WEST 1.1 MILES TURNING NORTH FOR 0.5
MILES TO PROPOSED LOCATION.

MEWBOURNE OIL COMPANY

REF: TAMANO "10" FEDERAL COM #7H / WELL PAD TOPO

THE TAMANO "10" FEDERAL COM #7H LOCATED 2125'

FROM THE NORTH LINE AND 455' FROM THE WEST LINE OF

SECTION 10, TOWNSHIP 18 SOUTH, RANGE 31 EAST,

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

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

W.O. Number: 25338 Drawn By: J. SMALL

Date: 09-26-2011 Disk: JMS 25338

Survey Date: 09-23-2011 Sheet 1 of 1 Sheets