

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Dorado "34" Federal Com #1H

1850' FSL & 620' FEL

Sec 34-T18S-R30E

Eddy County, New Mexico

30-015-38984

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-C vicinity maps showing the location of the proposed well and access roads. Existing and proposed roads are highlighted.
- B. Directions to location from Carlsbad, NM: Go NE on Hwy 62/180 for 15 miles to Hwy 360. Turn North and go 13 miles to Grubbs Rd (CR 250). Turn right. Continue on CR 250 3.4 miles. Turn right (south) on lease road ¼ mile. Turn left (east) 500' to location.

2. Proposed Access Road:

- A. Approx 500' 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 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 southwest side of the well pad. There are no plans for electric power at this time.
- C. All production vessels left on location will be painted to conform with 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 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. Upon cessation of the proposed operations, if the well is abandoned, 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 using stockpiled top soil. All trash and garbage will be hauled to appropriate disposal to assure the location is aesthetically pleasing as reasonable possible. All restoration work will be completed within 180 days of cessation of activities.
- B. The disturbed area will be restored by re-seeding during the proper growing season.
- C. Any additional caliche required for production facilities will be obtained from the area shown in exhibit #6 as interim reclamation.
- D. 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.

11. Surface Ownership:

The surface is owned by BLM.

12. Other Information:

A. 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

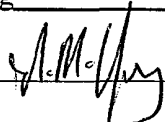
Mewbourne Oil Company

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 1 day of Feb., 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

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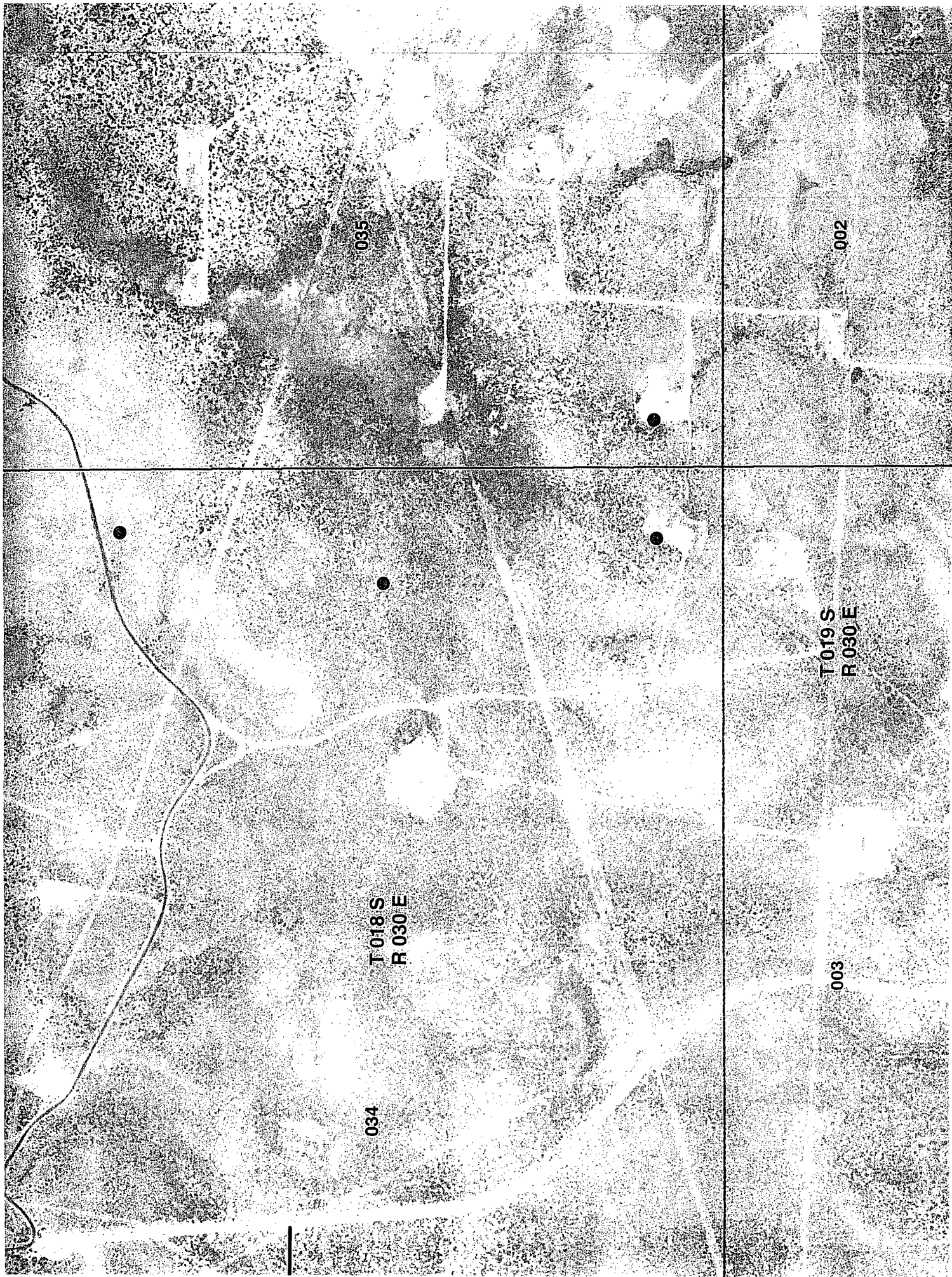
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T 018 S
R 030 E

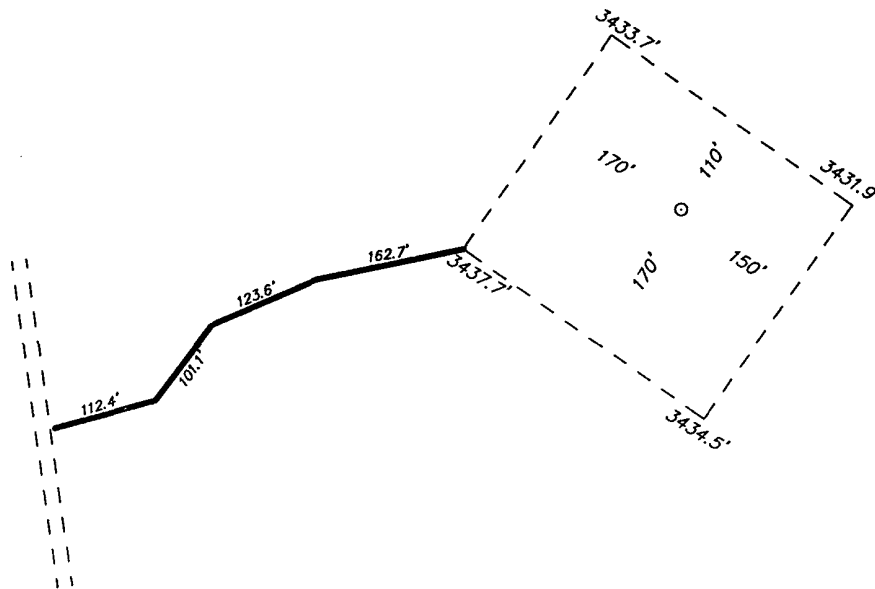
T 019 S
R 030 E

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SECTION 1, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY
 DORADO "34" FEDERAL #1H
 ELEV. - 3435'

Lat - N 32°42'05.86"
 Long - W 103°57'09.83"
 NMSPC - N 619173.312
 E 617078.202
 (NAD-27)

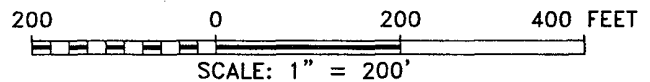


Exhibit 3

Directions to Location:

FROM THE JUNCTION OF DUVAL SHAFT AND GRUBBS,
 GO EAST ON GRUBBS FOR 1.1 MILES TO LEASE
 ROAD, ON LEASE ROAD GO SOUTH 0.3 MILES TO
 PROPOSED LEASE ROAD.

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

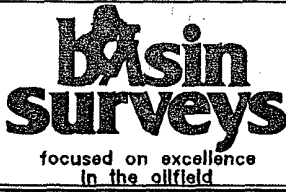
W.O. Number: 23743 Drawn By: J. SMALL

Date: 02-25-2011 Disk: JMS 23743

MEWBOURNE OIL COMPANY	
REF: DORADO "34" FEDERAL #1H / WELL PAD TOPO	
THE DORADO "34" FEDERAL #1H LOCATED 1850' FROM THE SOUTH LINE AND 620' FROM THE EAST LINE OF SECTION 34, TOWNSHIP 18 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 02-18-2011	Sheet 1 of 1 Sheets



DORADO "34" FEDERAL #1H *Exhibit 3A*
 Located 1850' FSL and 620' FEL
 Section 34, Township 18 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

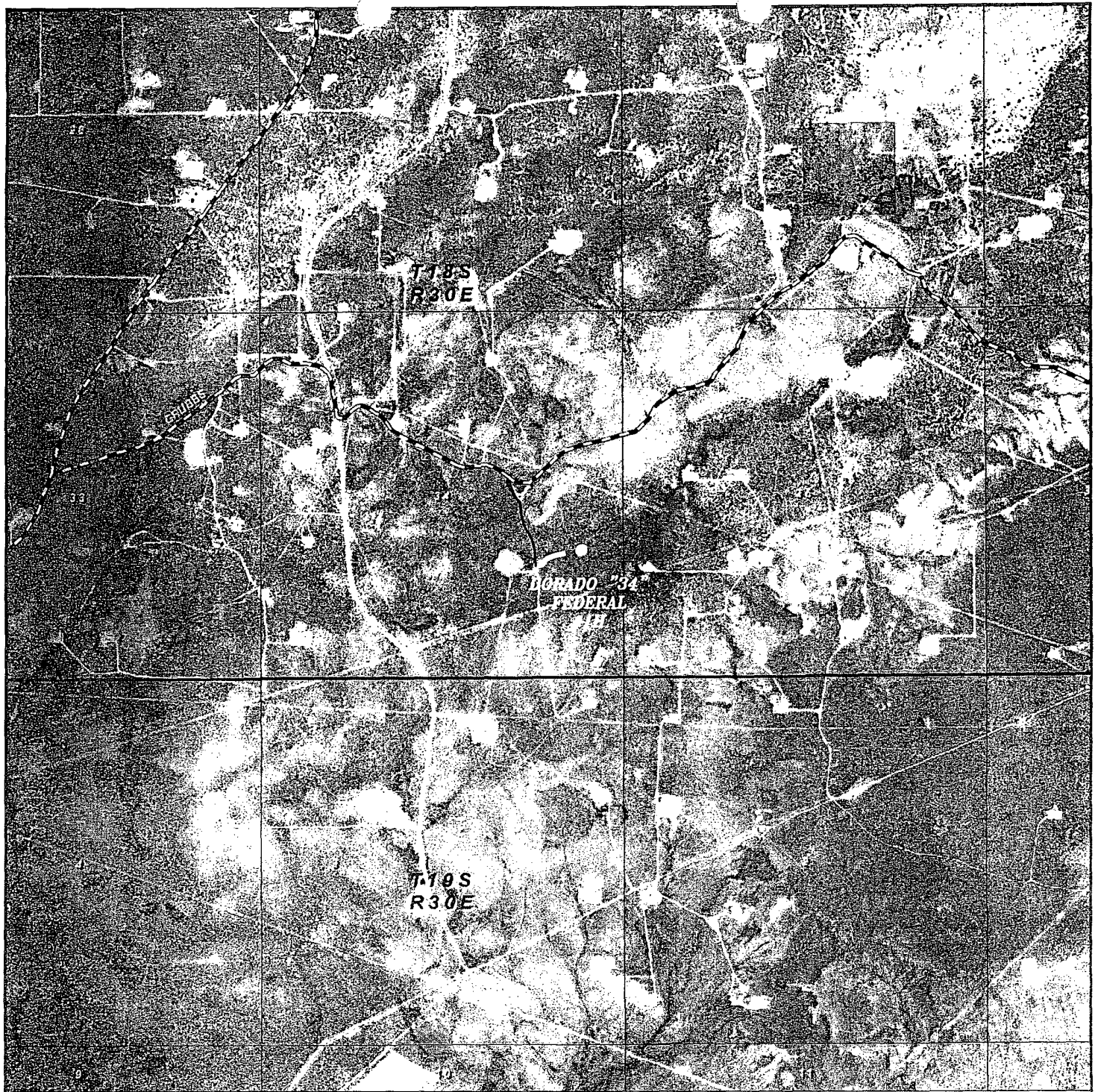


P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 23743
 Survey Date: 02-18-2011
 Scale: 1" = 2000'
 Date: 02-25-2011



**MEWBOURNE
 OIL COMPANY**



DORADO "34" FEDERAL #1H

Exhibit 3C

Located 1850' FSL and 620' FEL

Section 34, Township 18 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

**basin
surveys**

focused on excellence
in the oilfield

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Scale: 1" = 2000'

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



**MEWBOURNE
OIL COMPANY**

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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

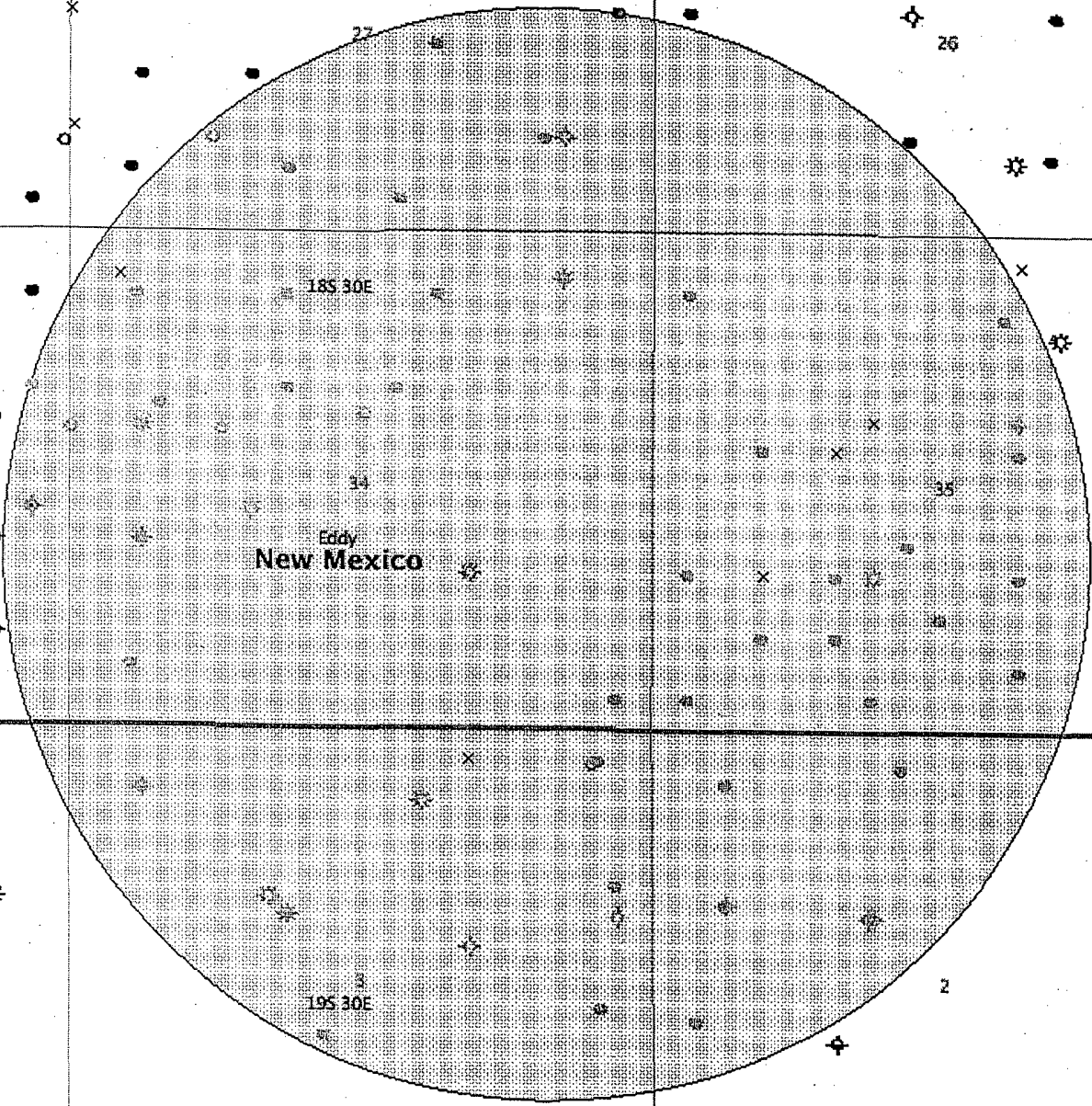
Eddy
New Mexico

18S 30E

19S 30E

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Closed Loop Pad Dimensions 280' x 320'

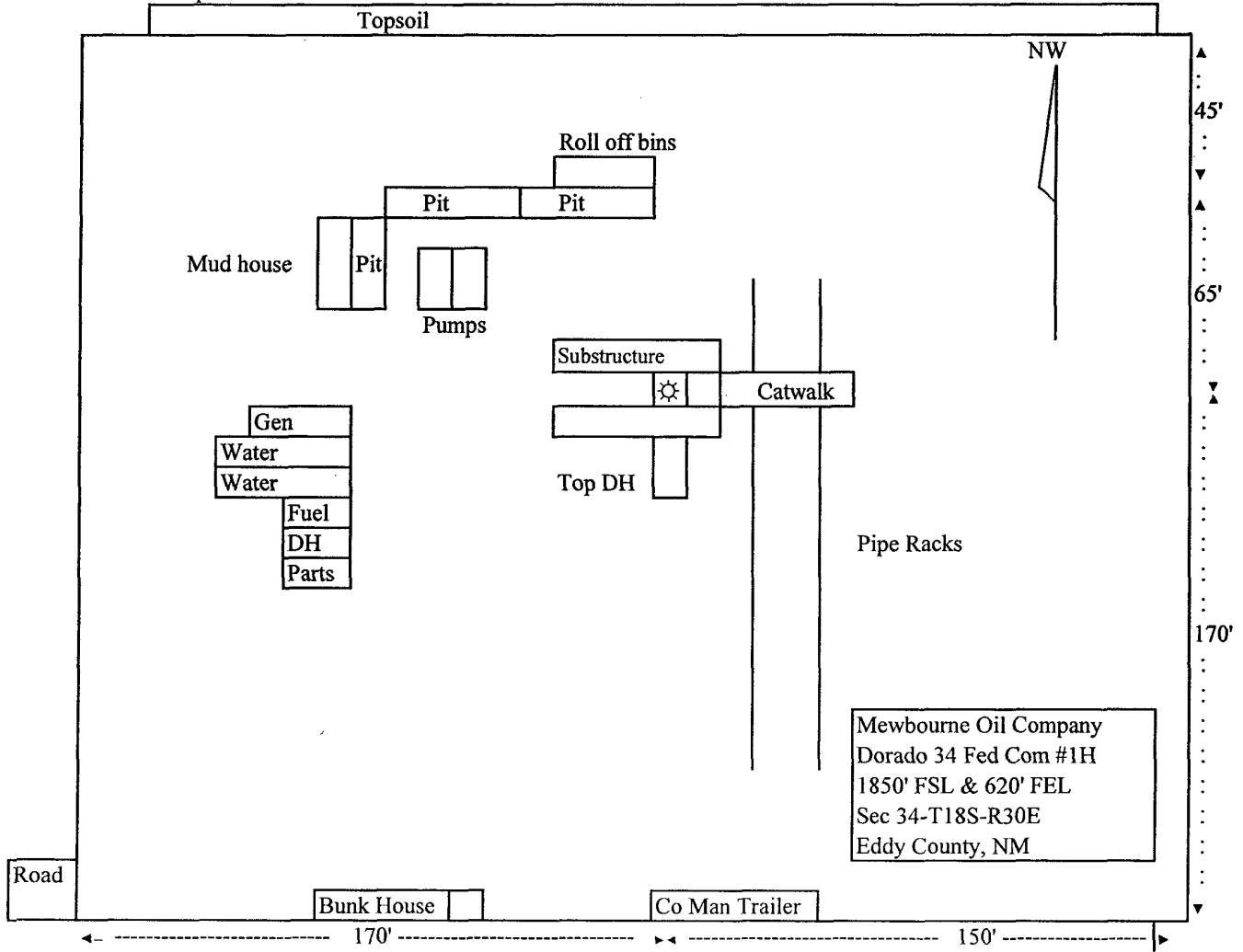
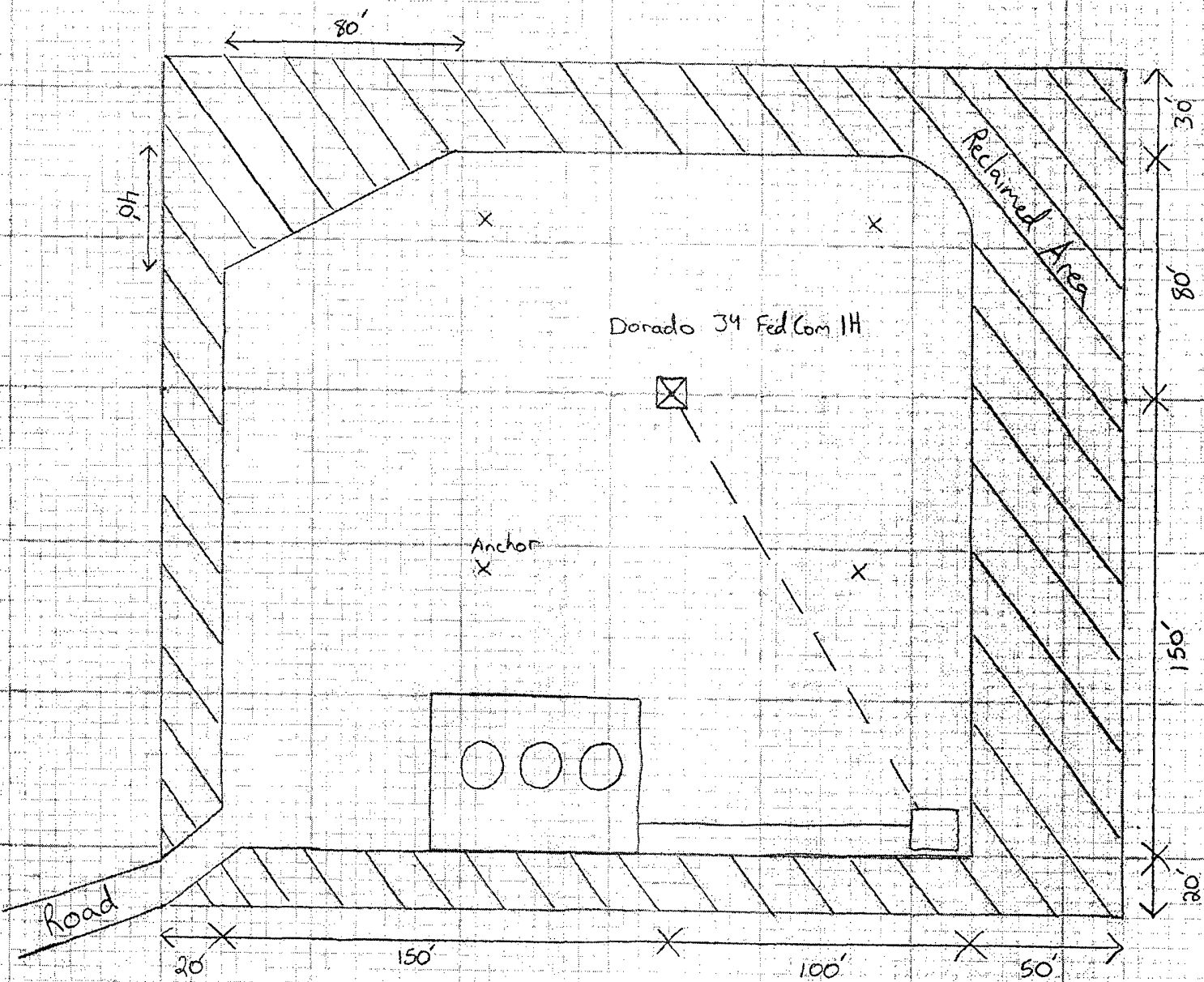


Exhibit 5



Scale
 □ = 5'x5'

North ↑

Production Facility Layout