MULTI-POINT SURFACE USE AND OPERATIONS PLAN

MEWBOURNE OIL COMPANY

Querecho "24" Federal Com #1H 330' FNL & 500' FWL Sec 24-T18S-R32E Lea County, New Mexico RECEIVED
JUL 1 5 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 and proposed roads are highlighted in black. Exhibits #3A-3D are area maps showing the location of the proposed well and access roads.
- B. Directions to location from Maljamar, NM: Go south on CR 126 (Maljamar Rd.) 6.3 miles. Turn left (southeast) on lease road and continue on main road SE 3.9 miles. Turn left (northeast) 0.2 miles, then north ¼ mile, then east 0.4 miles, turn north into 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 200'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 east side of the well pad.
- 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 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.

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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 2 a day of March, 2011.

Name: NM Young

Signature:

Position Title: <u>Hobbs District Manager</u>

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

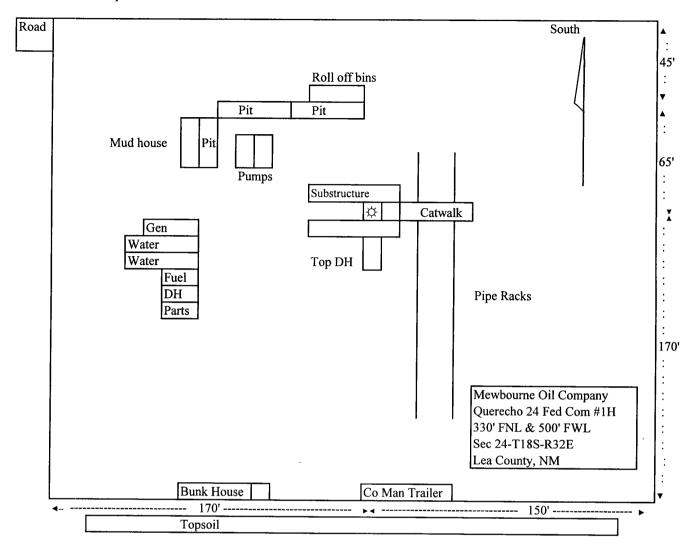
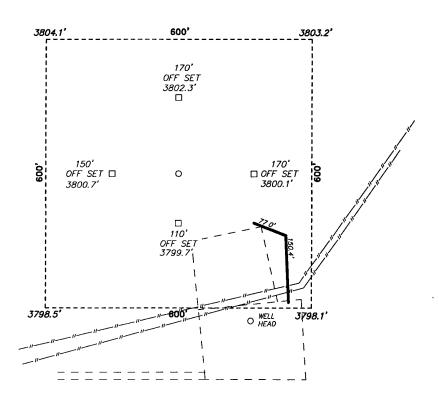


Exhibit 5

SECTION 27, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.



MEWBOURNE OIL COMPANY QUERECHO "24" FEDERAL COM #1H ELEV. - 3801'

Lat - N 32*44'21.05" Long - W 103*43'34.63" NMSPCE- N 633159.333 E 686657.856 (NAD-27)

Directions to Location:

FROM THE JUNCTION OF MALJAMAR AND JCT 529, GO SOUTH ON MALJAMAR FOR 20 MILES TO TO LEASE ROAD, ON LEASE ROAD GO SOUTHEASTERLY FOR 4.7 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTHEAST 0.1 MILES, THENCE NORTH 0.4 MILES, THENCE EAST 0.5 MILES TO PROPOSED LEASE ROAD.

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

W.O. Number: 24247 Drawn By: J. SMALL

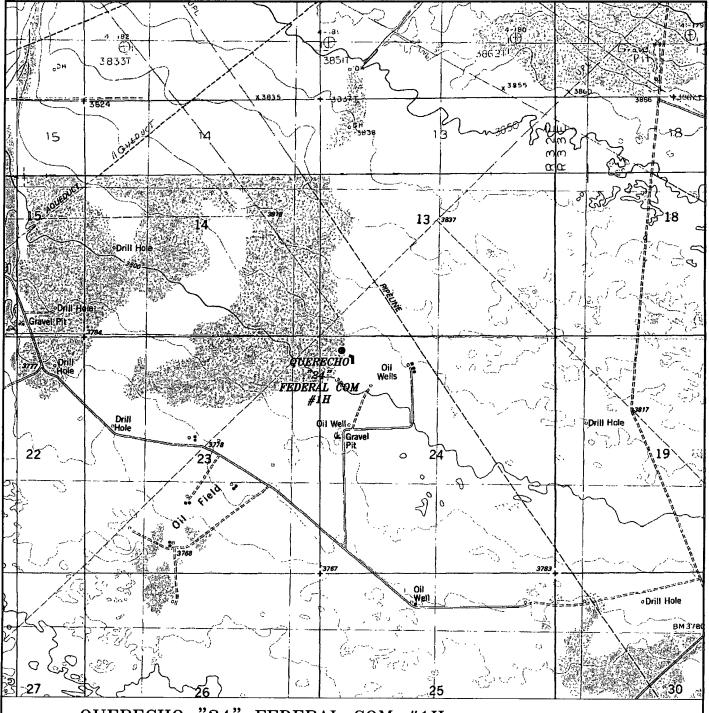
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Exhibit 3

	SCALE: 1"	' = 200'	
	SCALE: 1" WBOURNE		45 4 4 4 4
200 ===================================	0 1 	200	400 FEET

QUERECHO "24" FEDERAL COM #1H / WELL PAD TOPO THE QUERECHO "24" FEDERAL COM #1H LOCATED 330' FROM THE NORTH LINE AND 500' FROM THE WEST LINE OF SECTION 22, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 03-03-2011 Sheet Sheets



QUERECHO "24" FEDERAL COM #1H
Located 330' FNL and 500' FWL
Section 24, Township 18 South, Range 32 East,
N.M.P.M., Lea County, New Mexico.



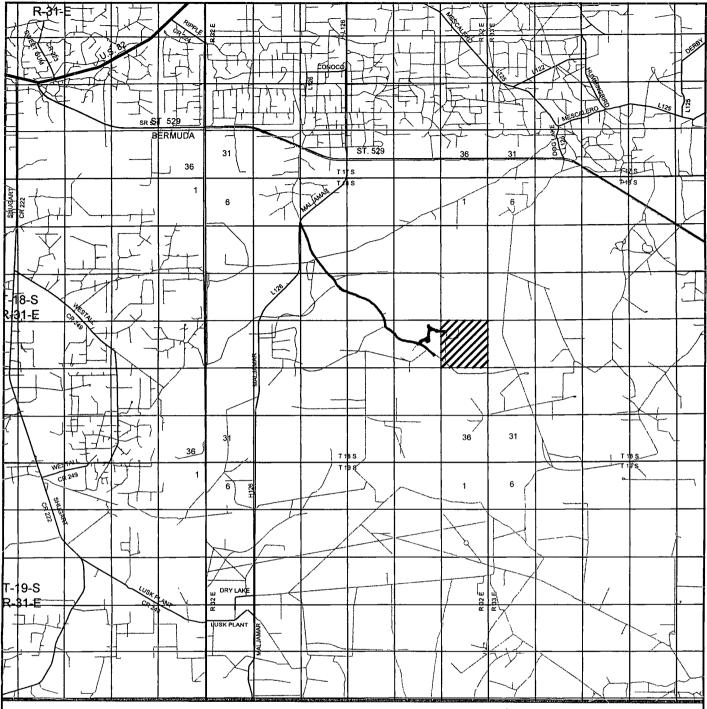
P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 — Office (575) 392-2206 — Fax basinsurveys.com W.O. Number: JMS 24247

Survey Date: 03-03-2011

Scale: 1" = 2000'

Date: 03-08-2011

MEWBOURNE OIL COMPANY



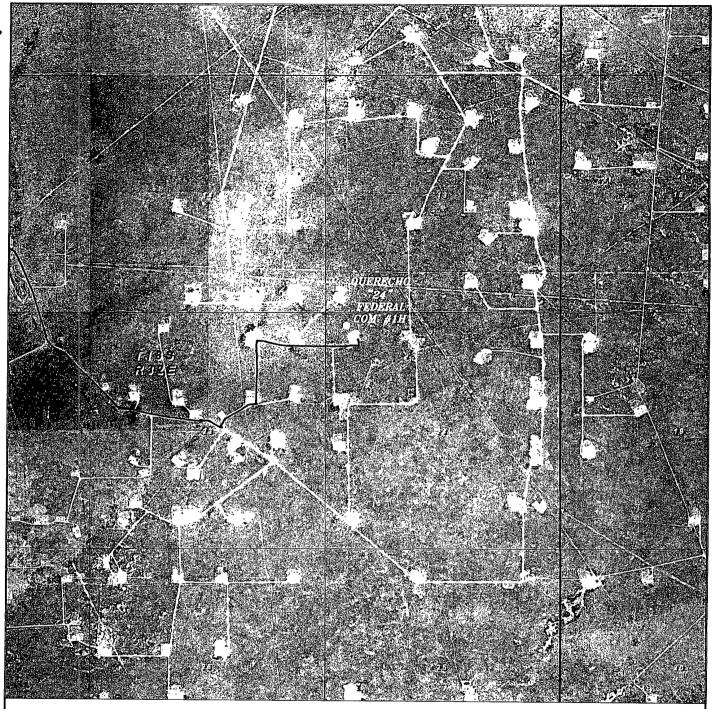
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Survey Date: 03-03-2011 Scale: 1" = 2 Miles
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Date: 03-08-2011

MEWBOURNE OIL COMPANY



QUERECHO "24" FEDERAL COM #1H Located 330' FNL and 500' FWL Exhibit 3C Section 24, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico.



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



