

30-025-40391

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**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**MEWBOURNE OIL COMPANY**

Red Hills West "21" Fed Com #2H

150' FNL & 2350' FWL

Sec 21-T26S-R32E

Lea 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 and proposed roads are highlighted in black. Exhibits #3A-3C are area maps showing the location of the proposed well and access roads.
- B. Directions to location from Hobbs, NM: Go South on Eunice Hwy for 17.7 miles to Andrews Hwy & Texas Ave intersection. Turn West and go 2.1 miles to Main St (Co Rd 18). Turn South and go 2.5 miles to Delaware Basin Rd (Co Rd 21). Turn West and go 32.5 miles to Hwy 128. Turn West and go 9.4 miles to Orla Hwy (Co Rd 1). Turn South and go 12.5 miles to lease road. Turn East and go 0.75 mile and turn South 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 613' new road construction will be required on State land (Sec 16).
- 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 the MOC Red Hills West 22 Fed Com #1H location. A 2 7/8" buried steel flowline, carrying all wellbore fluids, will follow lease roads, as shown in Exhibit #3D. A 3" SDR7 surface polypipe flowline with 100 psi max working pressure, carrying dry gas, will be laid along the same path for Gas Lift Operations. Overhead electricity lines will follow the above stated route to a tie-in point in Sec 16. The length of both flowlines will be 4112' and the electric line will be 2863'.
- 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. The proposed location is arch cleared by BLM MOA.

**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 for the pad is owned by BLM. The surface for the new road construction is owned by the State of New Mexico.

**12. Other Information:**

- A. The primary use of the surface at the location is for grazing of livestock.
- B. Topography: Refer to the archaeological report for a detailed description of flora, fauna, soil characteristics, dwellings, and historical or cultural sites.

**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 9<sup>th</sup> day of Sept., 2011.

Name: NM Young

Signature: Beth Beery <sup>for</sup> NM Young

Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

E-mail: myoung@mewbourne.com

SECTION 21, TOWNSHIP 26 SOUTH, RANGE 32 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

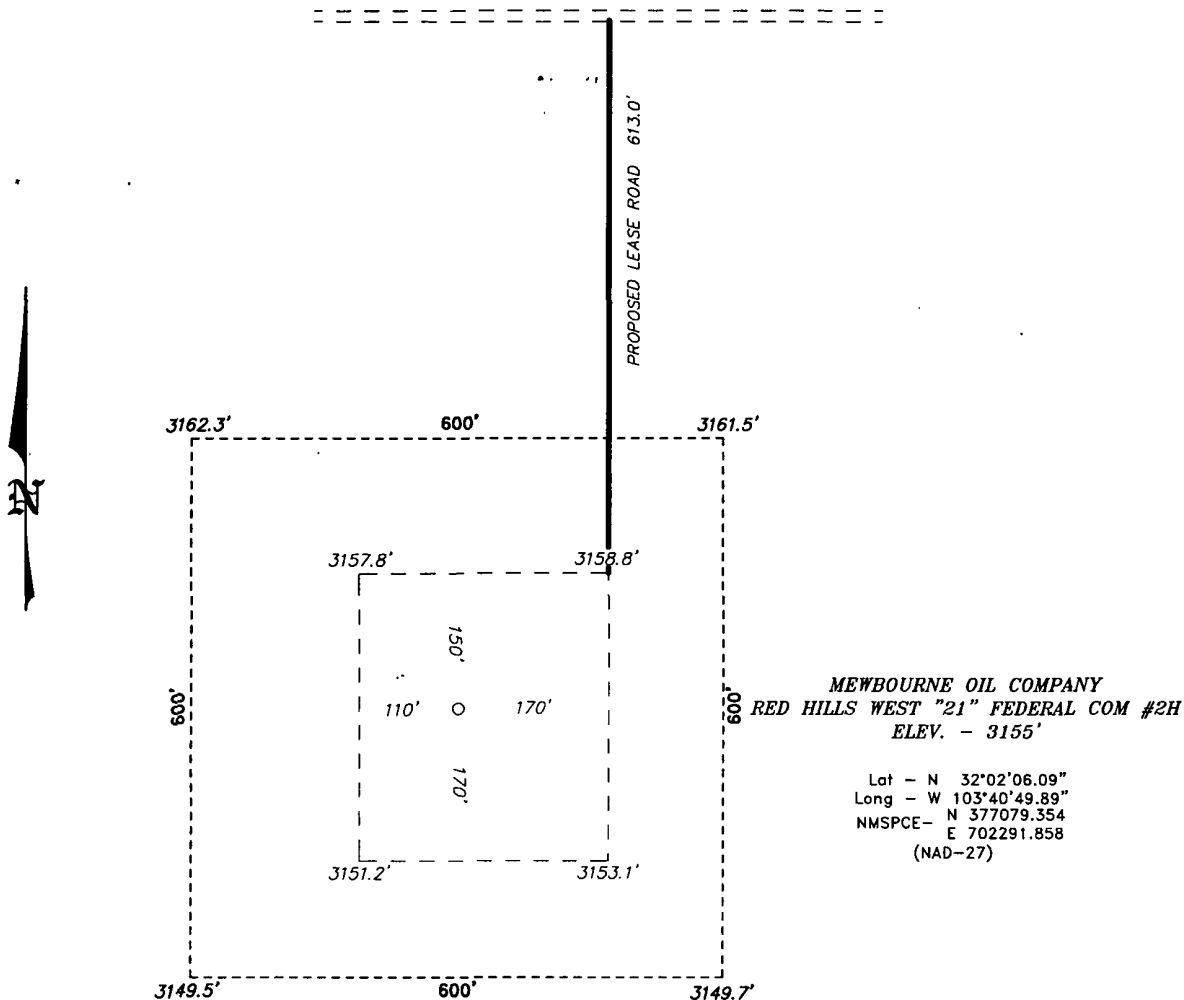
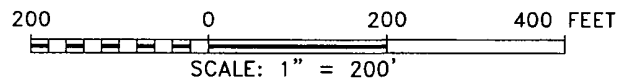


Exhibit 3



Directions to Location:

FROM THE JUNCTION OF BATTLE AXE AND ORLA, GO  
NORTH ON ORLA FOR 1.2 MILES TO LEASE ROAD,  
ON LEASE ROAD GO EASTERLY 0.8 MILES TO LEASE  
ROAD, ON LEASE ROAD GO SOUTHEAST 0.2 MILES TO  
PROPOSED LEASE ROAD.

**MEWBOURNE OIL COMPANY**

REF: RED HILLS WEST "21" FEDERAL COM #2H / WELL PAD TOPO

THE RED HILLS WEST "21" FEDERAL COM #2H LOCATED 150'

FROM THE NORTH LINE AND 2350' FROM THE WEST LINE OF

SECTION 21, TOWNSHIP 26 SOUTH, RANGE 32 EAST,

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

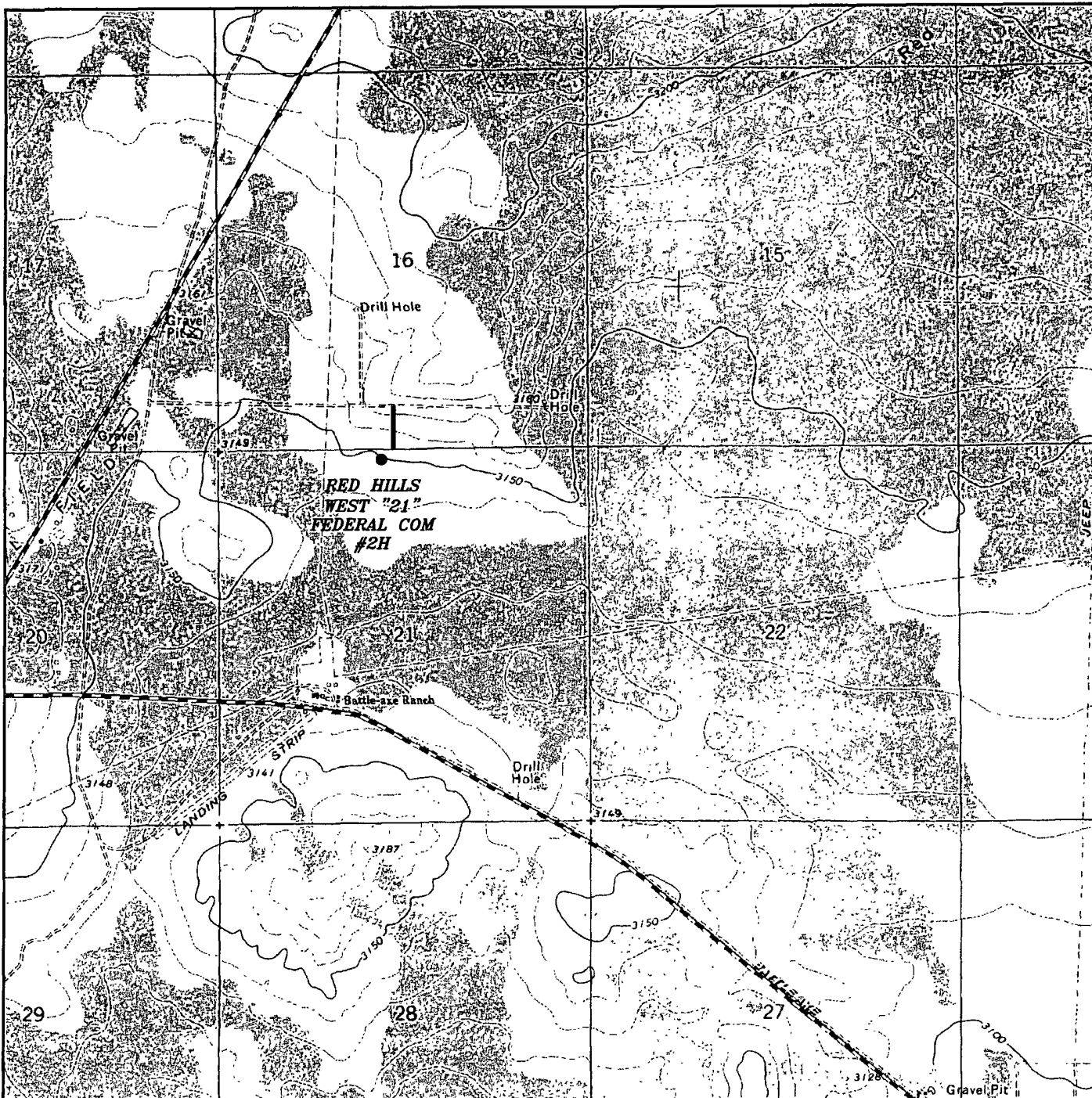
**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 25051 Drawn By: J. SMALL

Date: 08-17-2011 Disk: JMS 25051

Survey Date: 08-15-2011

Sheet 1 of 1 Sheets



RED HILLS WEST "21" FEDERAL COM #2H  
 Located 150' FNL and 2350' FWL  
 Section 21, Township 26 South, Range 32 East,  
 N.M.P.M., Lea 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

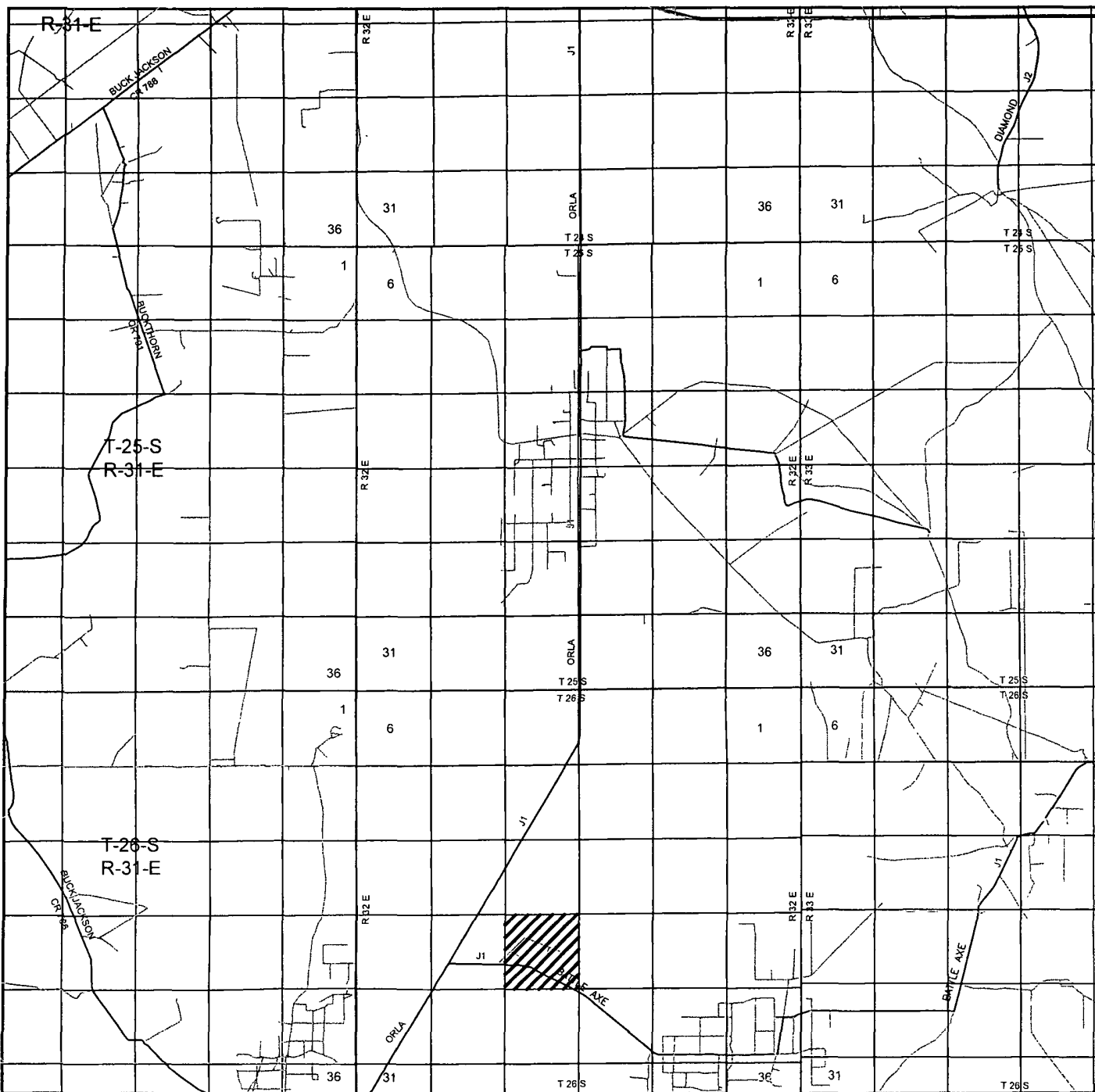
W.O. Number: JMS 25051

Survey Date: 08-15-2011

Scale: 1" = 2000'

Date: 08-17-2011

**MEWBOURNE**  
**OIL COMPANY**



RED HILLS WEST "21" FEDERAL COM #2H Exhibit 3B  
 Located 150' FNL and 2350' FWL  
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 N.M.P.M., Lea County, New Mexico.

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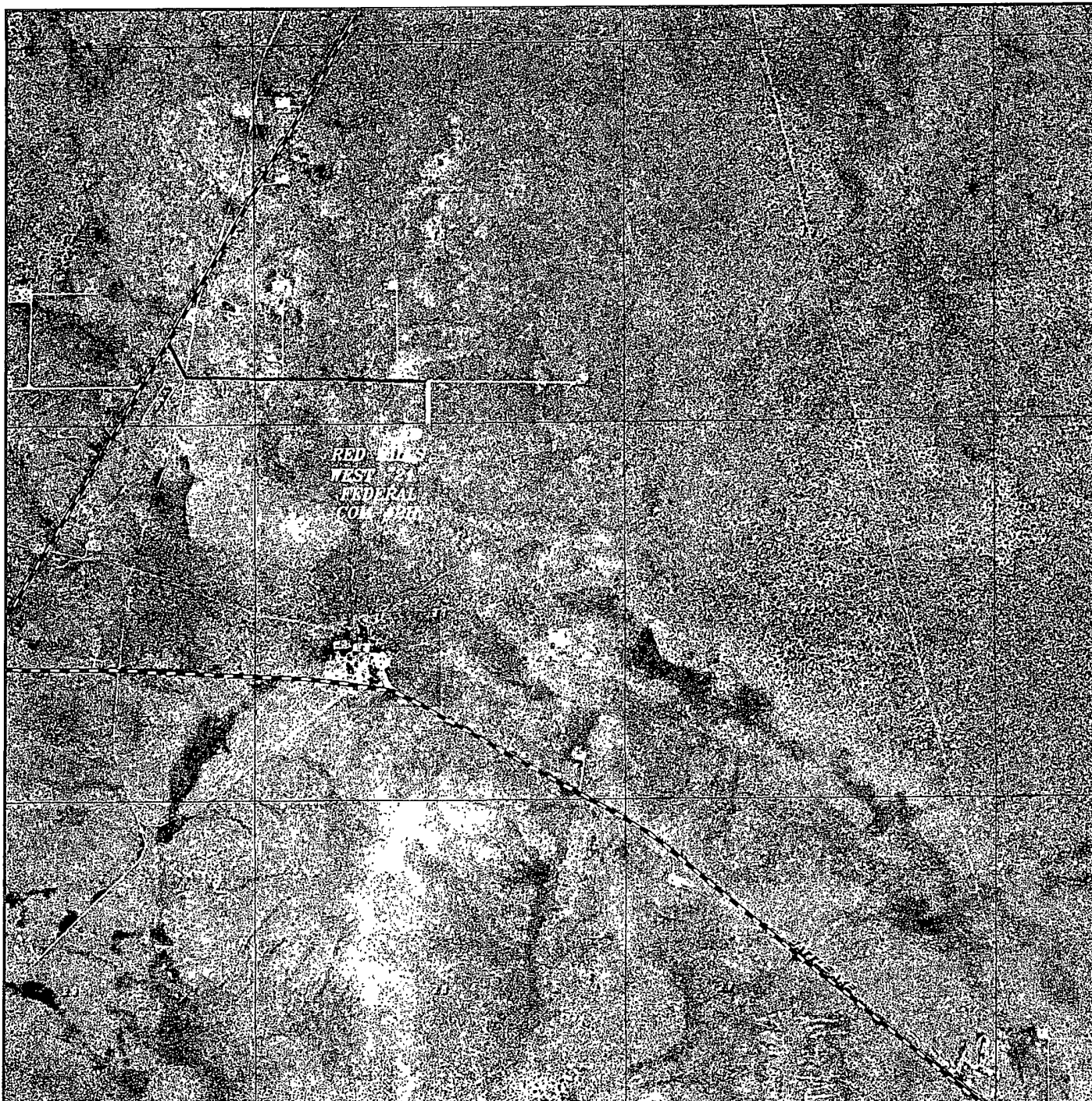
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Survey Date: 08-15-2011

Scale: 1" = 2 Miles

Date: 08-17-2011

**MEWBOURNE**  
**OIL COMPANY**



RED HILLS WEST "21" FEDERAL COM #2H *Exhibit 3C*  
 Located 150' FNL and 2350' FWL  
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 N.M.P.M., Lea County, New Mexico.

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W.O. Number: JMS 25051

Scale: 1" = 2000'

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

MEWBOURNE  
 OIL COMPANY



Red Hills West 21 Fed Com #2H

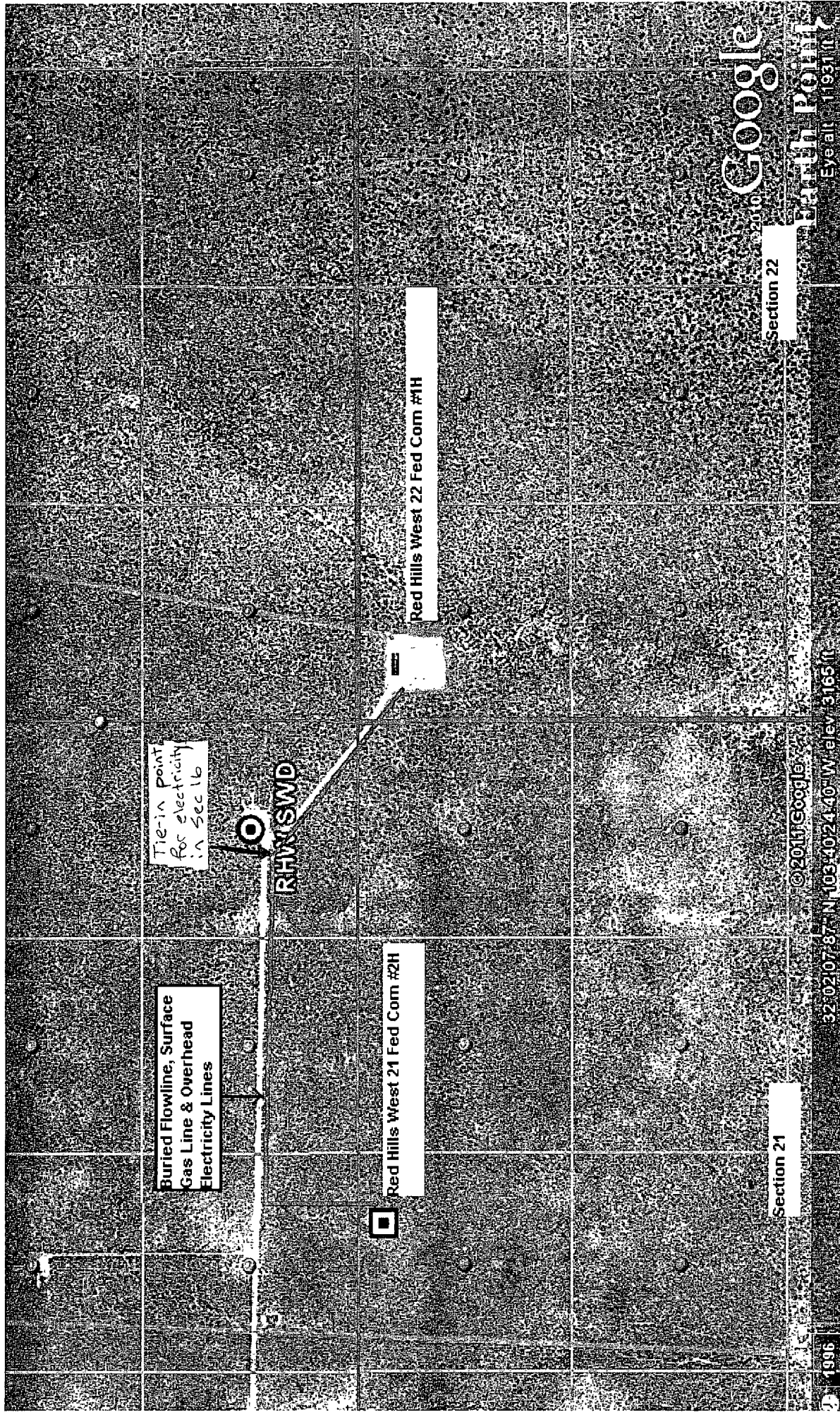


Exhibit 3D

- 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

Exhibit 4

Red Hills West 21 Fed  
Com #21

