

HOBBS OCD

SEP 29 2011

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

Marathon Road "14" Federal Com #2H

330' FSL & 510' FEL (SHL)

Sec 14-T20S-R34E

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-3D are area maps showing the location of the proposed well and access roads.
- B. Directions to location from Hobbs, NM: Go west on US 62-180 west 22 miles to Marathon road. Turn south on Marathon Road 4 ½ miles to lease road. Turn west ½ miles then south 1/4 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. Approx 400' 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 north side of an existing well pad approx 500' to the northwest. A 3 ½" SDR 7 surface polypipe flowline with 100 psi max working pressure will lay along northeast edge of lease road. Electricity line will tie into existing infrastructure approx 180' south of the wellpad. Electricity will require one span to tie into existing power and will not require any additional surface disturbance.
- 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 Kenneth Smith, 267 Smith Ranch Rd., Hobbs, NM 88240. Phone # (575) 887-3374. A copy of the surface use plans has been sent to this address. A surface access agreement between the surface owner and Mewbourne Oil Co. has been reached.

12. Other Information:

- A. The primary use of the surface at the location is for grazing of livestock.
- B. Arch survey is supplied by MOA.

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 20 day of March, 2011.

Name: NM Young

Signature: 

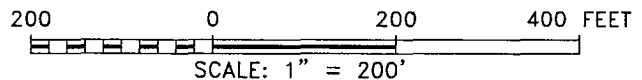
Position Title: Hobbs District Manager

Address: PO Box 5270, Hobbs NM 88241

Telephone: 575-393-5905

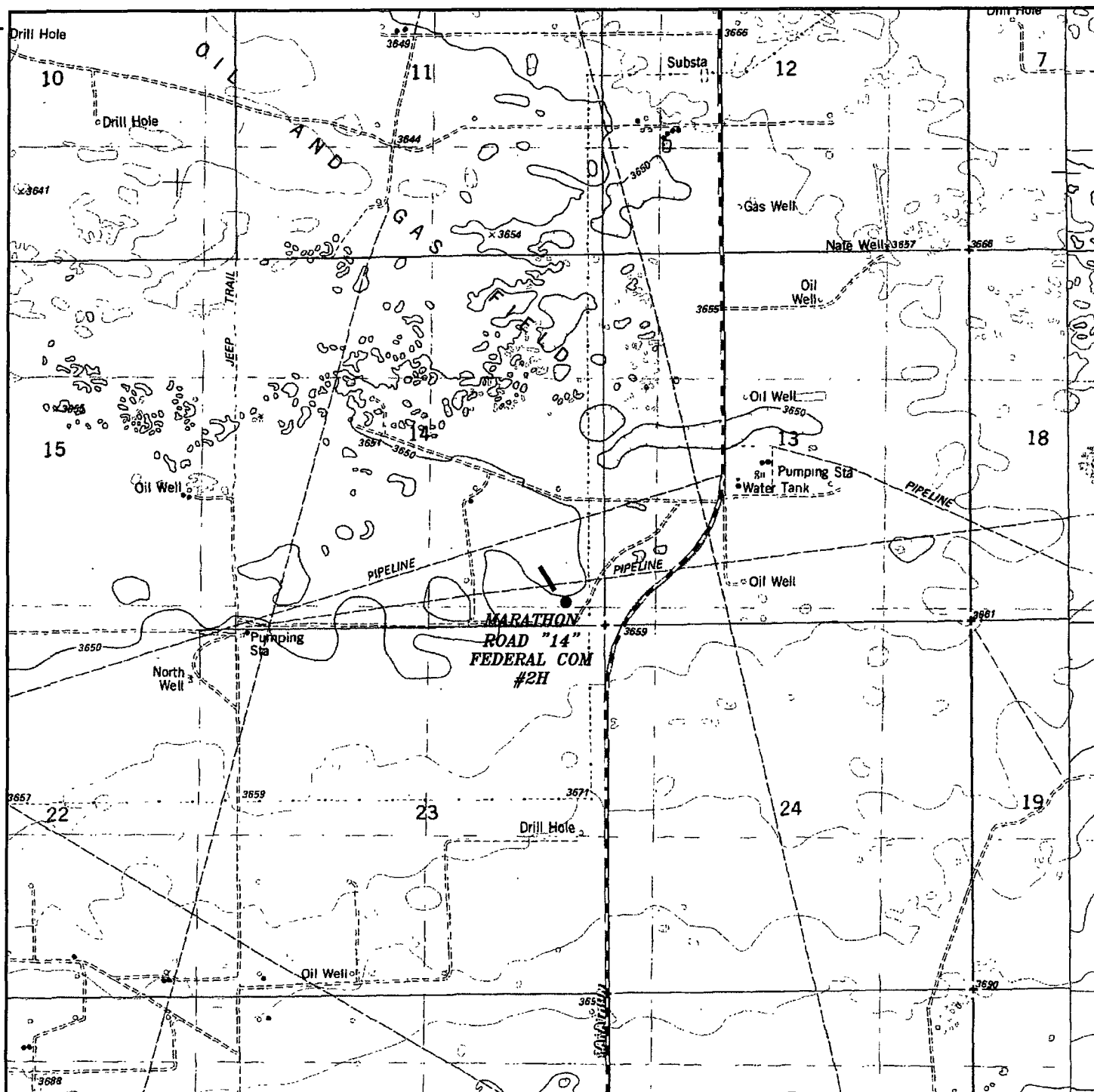
E-mail: myoung@mewbourne.com

Exhibit 3



FROM MILE MARKER 82 OF HWY 62-180, GO WEST
0.5 MILES TO MARATHON ROAD, GO SOUTH ON
MARATHON ROAD 4.4 MILES TO LEASE ROAD, ON
LEASE ROAD GO WEST 0.4 MILES TURNING SOUTH
0.1 MILES TO WELL PAD AND PROPOSED LEASE
ROAD

Survey Date: 01-31-2011	Sheet 1 of 1 Sheets
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MARATHON ROAD "14" FEDERAL COM #2H

Located 330' FSL and 510' FEL

Section 14, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

Exhibit 3A

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

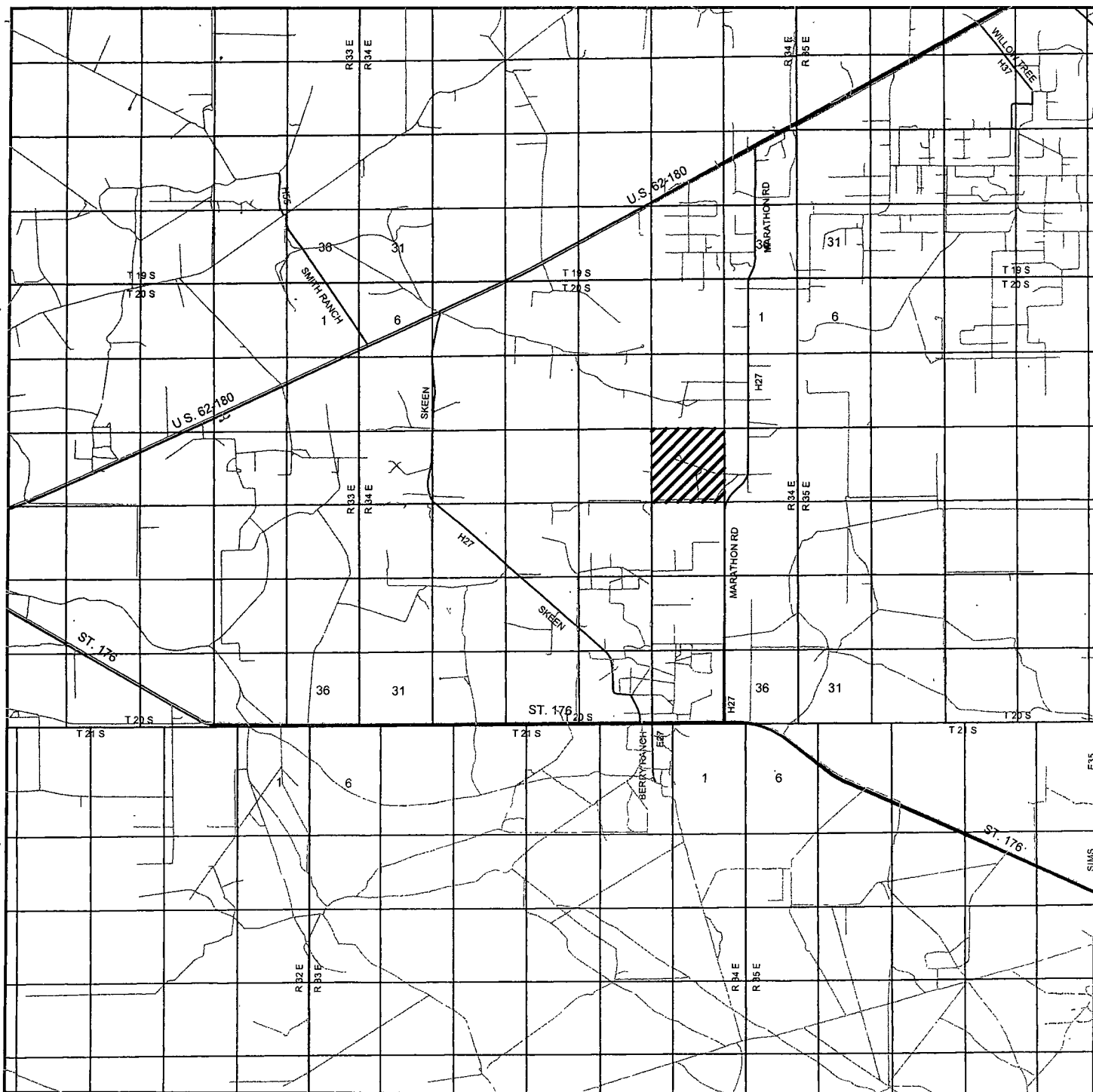
W.O. Number: JMS 24063

Survey Date: 01-31-2011

Scale: 1" = 2000'

Date: 02-09-2011

MEWBOURNE
OIL COMPANY



MARATHON ROAD "14" FEDERAL COM #2H. *Exhibit 3B*
 Located 330' FSL and 510' FEL
 Section 14, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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W.O. Number: JMS 24063

Survey Date: 01-31-2011

Scale: 1" = 2 Miles

Date: 02-09-2011

MEWBOURNE
OIL COMPANY

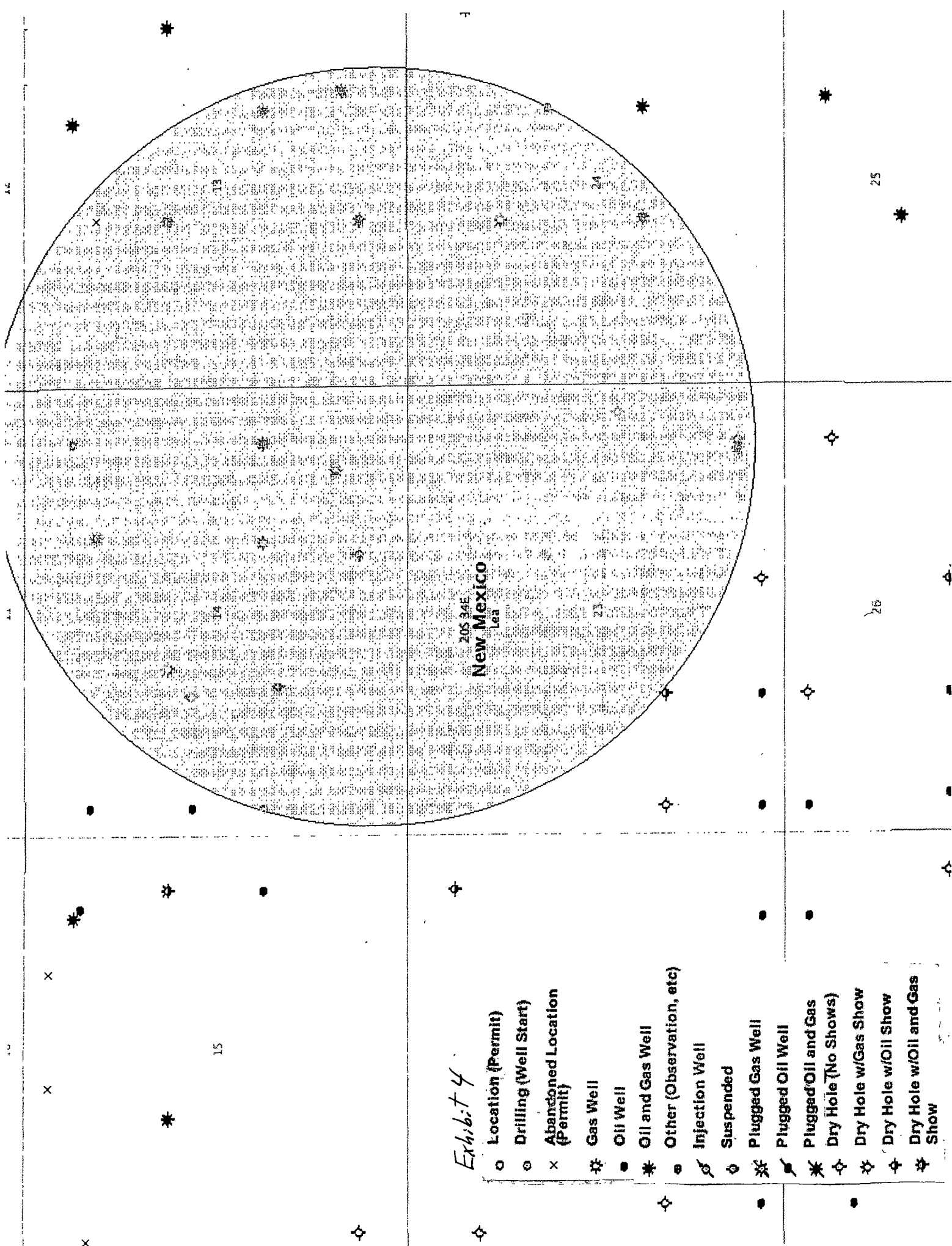
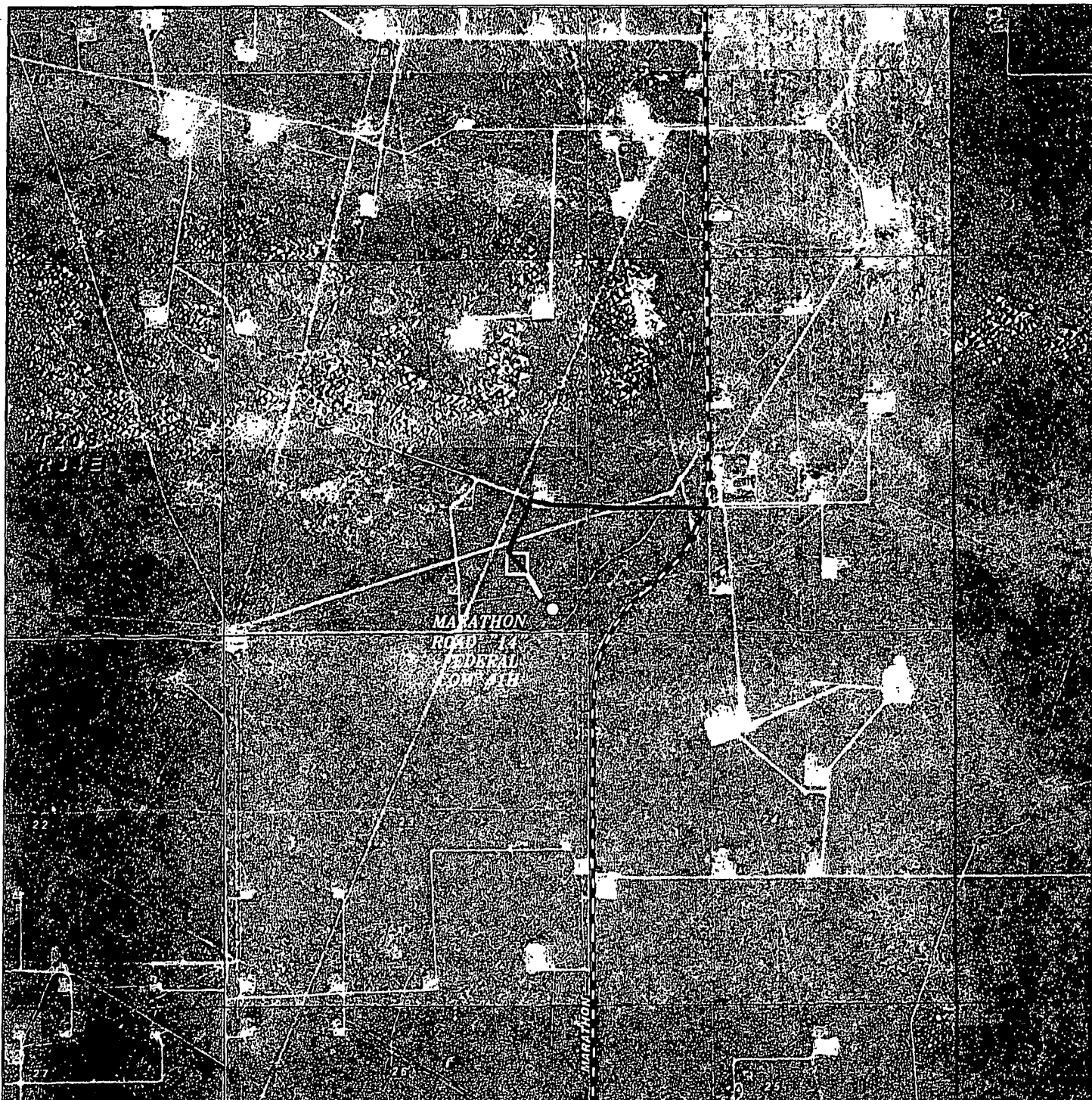


Exhibit 4

- 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/Oil Show
- ⊛ Dry Hole w/Oil and Gas Show



MARATHON ROAD "14" FEDERAL COM #2H

Located 330' FSL and 510' FEL

Section 14, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

Exhibit 3C

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W.O. Number: JMS 24063

Scale: 1" = 2000'

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



MEWBOURNE
OIL COMPANY