

N.M. Oil Cons. DIV-Dist. 2
301 W. Grand Avenue
Artesia, NM 88210

CISF

Form 3160-3
(December 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Give instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONES ☐

2. NAME OF OPERATOR

Fasken Oil and Ranch, Ltd.

151416

3. ADDRESS AND TELEPHONE NO.

303 W. Wall, Suite 1800, Midland, TX 79701 (915) 687-1777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

3287' FNL, 1780' FEL
At proposed prod. zone

Lot 26

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 miles north of Carlsbad

16. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

1780'

16. NO. OF ACRES IN LEASE

1,464.64

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

4700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3207' GR

22. APPROX. DATE WORK WILL START*

August 15, 2002

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8", H-40	48#	400'	440 sx Class C
12 1/4"	8 5/8", J-55	24#	2275'	1000 sx Class C
7 7/8"	5 1/2", K-55	15.5#	4700'	600 sx Super C Modified

The operator proposes to drill to a depth sufficient to test the Delaware formation. If productive, 5-1/2" casing will be set at TD and cemented back to approximately 2,000'. If non-commercial, the well will be plugged and abandoned in accordance with Federal regulations.

Drilling Program:

Surface Use and Operating Plan

Exhibit No. 1 - Area Maps

Exhibit No. 2 - One-Mile Radius Map

Exhibit No. 3 - Hydrogen Sulfide Drilling Operations Plan

Exhibit No. 4 - Well Site Layout

Exhibit No. 5 - Blowout Preventer Equipment+B8

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Carlsbad Controlled Water Basin

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Jimmy D. Carver

TITLE

Regulatory Affairs Coordinator

DATE

6/13/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/S/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

JUL 19 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76820	Pool Name Foster Draw - Delaware (Gas)
Property Code	Property Name EL PASO FEDERAL	Well Number 15
OGRID No. 151416	Operator Name FASKEN OIL & RANCH LTD.	Elevation 3207'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 26	1	21 S	26 E		3287	NORTH	1780	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jimmy D. Carlile</i> Signature Jimmy D. Carlile Printed Name Regulatory Affairs Coordinator Title June 5, 2002 Date</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>MAY 22, 2002 Date Surveyed Signature & Seal of Professional Surveyor W.D. No. 2520 Certificate No. Gary L. Jones 7977 PROFESSIONAL LAND SURVEYOR</p>					

SURFACE USE PLAN

Fasken Oil and Ranch, Ltd.
El Paso Federal No.15
3287' FNL & 1780' FEL
Sec. 1, T21S, R26E
Eddy County, New Mexico

1. EXISTING ROADS - Area map, Exhibit #1, is a reproduction of the U.S.G.S., Lake McMillian, South, N.M. Quadrangle 7.5 minute series. Existing and proposed roads are shown on the exhibit. All roads shall be maintained in a condition equal to that which existed prior to start of construction.
 - A. Exhibit #1 shows the proposed development well site as staked.
 - B. From Carlsbad, New Mexico, travel North on U.S. Highway 239 for 4.6 miles. Turn West on Black top (CR 34) and go 0.9 mile. Turn South on calchie road (CR 601) and go approximately 0.3 mile. Turn right to location.
2. PLANNED ACCESS ROADS – Approximatley 400' of existing two track road will be improved.
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS.
 - A. Water wells – Water well at the Bonneville Avalon Federal No. 1 location.
 - B. Disposal wells - None Known.
 - C. Drilling wells - None known.
 - D. Producing wells - As shown on Exhibit #2

Fasken Oil and Ranch, Ltd.:	El Paso Federal No. 3
Fasken Oil and Ranch, Ltd.:	El Paso Federal No. 5
Fasken Oil and Ranch, Ltd.:	El Paso Federal No. 11
Fasken Oil and Ranch, Ltd.:	El Paso Federal No. 12
Fasken Oil and Ranch, Ltd.:	Gulf Federal No. 1
Mewbourne	MWJ State No. 1
Bonneville	Avalon Federal No. 1
Bonneville	Avalon Federal No. 2
Bonneville	Avalon Federal No. 3
Bonneville	Avalon Federal No. 4
Merit Energy	L. P. Federal No. 1
Mobil	Federal State Com No. 1
Devon	Kurland Federal No. 1

E. Abandoned wells - As shown on Exhibit #2.

Yates	Avalon Federal No. 1
N.H. Willis:	Yates Federal No. 1
Devon	Kurland Federal No. 1A
Trigg	Avalon Federal No. 1
Dekalb	Federal No. 1

4. If, upon completion, the well is a producer Fasken Oil and Ranch, Ltd. will furnish maps or plats showing "On Well Pad Facilities" and "Off Well Pad Facilities" (if needed) on a Sundry Notice before construction of these facilities starts.

5. LOCATION AND TYPE OF WATER SUPPLY

Water will be purchased locally from a private source and trucked over the access roads.

6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill sites excavations or from a local source. These materials will be transported over the access roads as shown on Exhibit #1.

7. METHOD FOR HANDLING WASTE DISPOSAL

- A.
1. Drill cuttings will be disposed of in the reserve pit.
 2. Trash, waste paper, and garbage will be contained in a trash trailer and disposed of in an approved public landfill.
 3. All mud materials including salts will be picked up by the mud supplier and transported back to their warehouse facilities.
 4. Sewage from trailer houses will drain into hole with a minimum depth of 10'. A "Porta John" will be provided for the rig crews. This will be properly maintained and removed after drilling operations are completed.
 5. Chemicals remaining after completion of the well will be stored in the manufacturer containers and picked up by the supplier.
- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time, they will be transported by tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during the testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit #3 is the H₂S Drilling Operations Plan.
- B. Exhibit #4 (Scale 1" = 50') shows the proposed well site layout.
- C. This exhibit indicates the proposed location of reserve pit, trash trailer and living facilities.
- D. Mud pits in the active circulation system will be steel pits.
- E. The reserve pit will be lined with a polyethylene liner. The pit liner will be a minimum of 2' over the reserve pit walls where the liner will be anchored down.
- F. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion operations. The fourth side will be fenced after drilling has been completed. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location pad and surface facilities. After the area has been shaped and contoured, top soil from the spoil pile (if any) will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recontoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. OTHER INFORMATION

- A. The topography is of hilly terrain with vegetation of sagebrush and native grasses. The soils are silty and very shallow.
- B. The surface is used for livestock grazing. The surface is leased by Hart Greenwood, P.O. Box 104, Carlsbad, NM 88221
- C. An archeological study has been conducted for the location.
- D. There are no buildings of any kind in the area.

12. OPERATOR'S REPRESENTATIVE - Field representative for contact regarding compliance with the Surface Use Plan is:

Before, during & after Construction:

Tommy E. Taylor
303 W. Wall Ave., Suite 1900
Midland, Texas 79701-5116
(915) 687-1777

13. CERTIFICATION - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Fasken Oil and Ranch, Ltd. and its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

NAME: *Tommy E. Taylor*
DATE: *6/14/02*
TITLE: Drilling and Production Engineer

TET
(elpaso15.apd)

APPLICATION FOR PERMIT TO DRILL
FASKEN OIL AND RANCH, LTD.
EL PASO FEDERAL NO.15
3287' FNL & 1780' FEL
SEC. 1, T21S, R26E
EDDY COUNTY, NM

In conjunction with Form 3160-3, Application for Permit to Drill, Fasken Oil and Ranch, Ltd. submits the following items of pertinent information in accordance with Onshore Oil & Gas Order Nos. 1 & 2, and with all other applicable federal and state regulations.

1. The geologic surface formation is of Permian age.
2. Estimate tops of geologic markers are as follows:

Bell Canyon Sand	2375'
Cherry Canyon	2400'
Brushy Canyon	3575'
Bone Springs	4550'

3. The estimated depths at which water, oil or gas formation are expected to be encountered:

Delaware group	2375'	Oil/Gas
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* Groundwater to be protected by 13-3/8" surface casing with cement circulated to the surface.

** Potentially productive horizons to be protected by 5-1/2" production casing with cement tied back inside the intermediate casing at approximately 2000'.

4. Proposed Casing Program:

<u>String</u>	<u>Footage</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
Surface	400'	13-3/8"	48.00#	H-40	ST&C
Intermediate	2,275'	8-5/8"	24.00#	J-55	ST&C
Production	4,700'	5-1/2"	15.50#	K-55	ST&C
Tubing	4,600'	2-7/8"	6.50#	J-55	EUE 8rd

Proposed Cementing Program:

Cement 13-3/8" casing with 440 sx Class "C" cement with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 cuft/sx).

Cement 8-5/8" casing with 800 sx Class "C" with 4% gel and 2% CaCl₂, s.w. 13.51 ppg, yield 1.74 ft³/sx, plus 200 sx Class "C" with 2% CaCl₂; s.w. 14.8 ppg, yield 1.32 ft³/sx.

Cement 5-1/2" production casing (resin coated and centralized through pay zones) with Estimate 600 sx Super "C" Modified (15 #/sx Poz A and 11 #/sx CSE), 1% Salt, 1.1% FL-25 (s.w. 14.2 ppg, yield 1.35 ft³/sx).

5. Pressure Control Equipment: BOP's to be pressure test with the rig pump prior to drilling out the intermediate. See Exhibit #5 for BOP diagram. Use 13-5/8" 3000# annular preventor only to drill intermediate hole.

6. Mud Program:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Waterloss</u>
0-400'	Fresh Water	8.5	40	N.C.
400'-2275'	Fresh Water	8.5	26	N.C.
2275'-4700'	Cut Brine	9.5	26	N.C.

7. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve.

8. Testing Logging and Coring Programs:

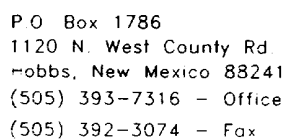
- Logging: 2-man Mudlogging unit from 2275' to T.D.
- Electric Logs: Platform Express with CNL-LDT, DLL-MSFL, GR and Caliper.
- Coring: Rotary Sidewall between 2275' and 4700'.

9. Abnormal Pressure, Temperatures or Other Hazards: Lost circulation is anticipated in the surface. Maximum bottomhole pressure is estimated to be 2000 psig.

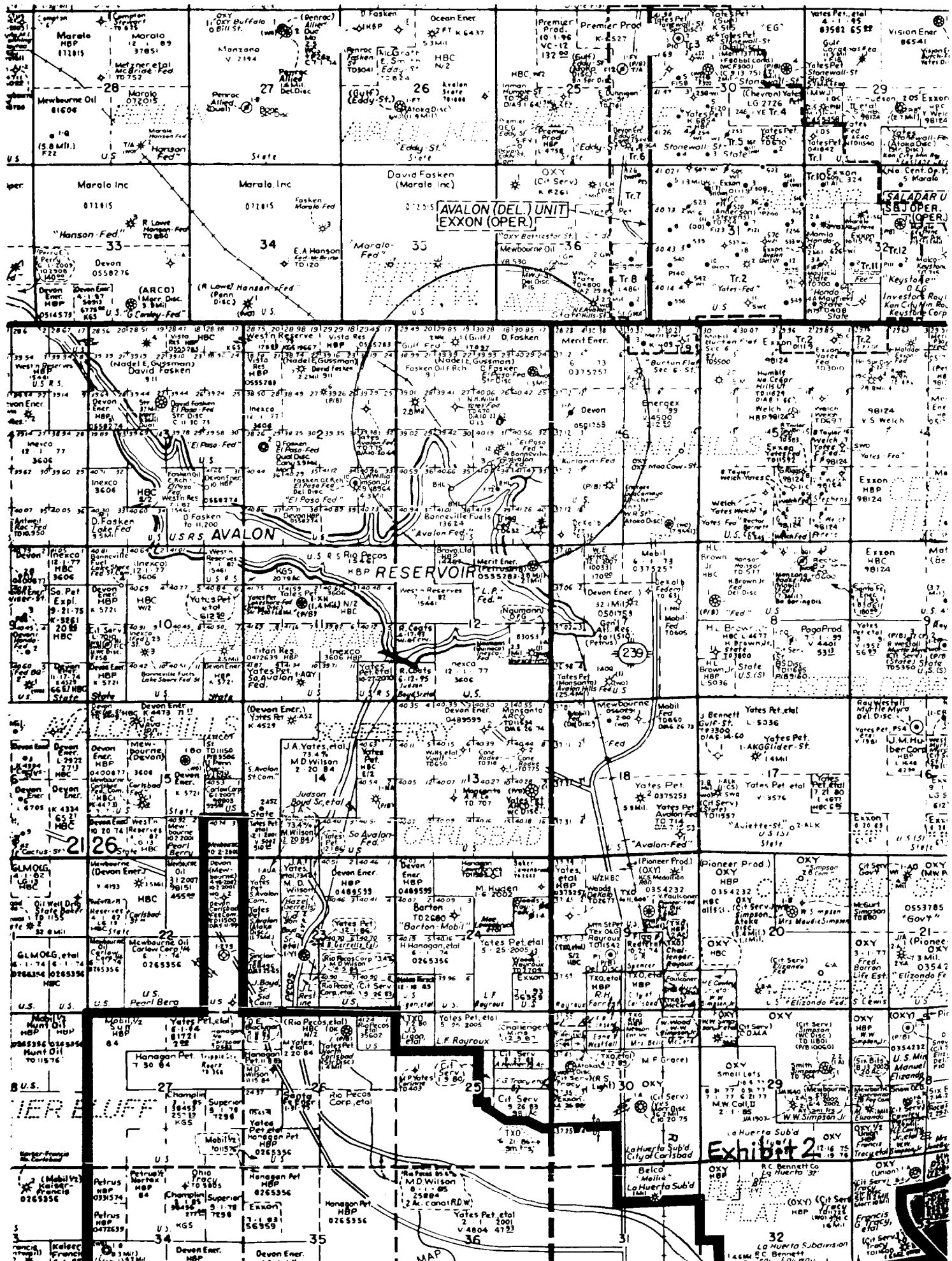
10. Anticipated Starting Date: August 15, 2002.



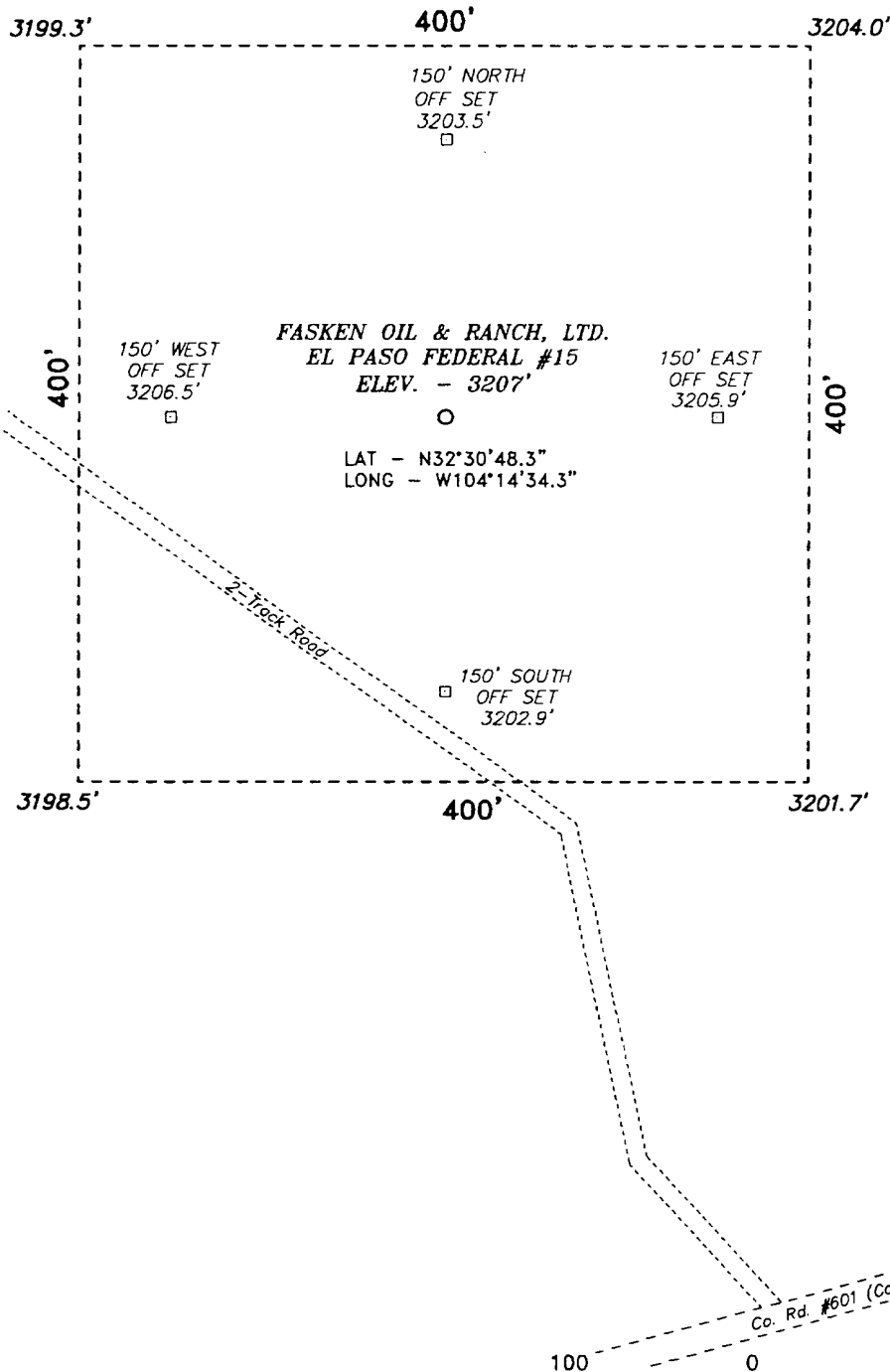
Exhibit 1

[illegible]

FASKEN OIL
AND RANCH,
LTD

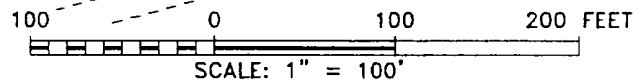


SECTION 1, TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 206 AND CO. RD. 34,
GO NORTHWEST ON CO. RD. 34 FOR 0.9 MILES TO CO.
RD. 601 (CALICHE RD.); THENCE WESTERLY ON CO. RD.
601 FOR APPROX. 0.3 MILE TO A 2-TRACK ROAD;
THENCE NORTHERLY ON 2-TRACK FOR APPROX. 0.1
MILE TO A POINT ON THE PROPOSED WELL PAD.



Basin Surveys P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 2520 Drawn By: K. GOAD

Fasken Oil & Ranch Ltd.

REF: EL PASO FEDERAL No. 15 / Well Pad Topo

THE EL PASO FEDERAL No. 15 LOCATED 3287' FROM
THE NORTH LINE AND 1780' FROM THE EAST LINE OF
SECTION 1, TOWNSHIP 21 SOUTH, RANGE 26 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Exhibit 2A

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

EXHIBIT #3
FASKEN OIL AND RANCH, LTD.
EL PASO FEDERAL NO.15
3287' FNL & 1780' FEL
SEC. 1, T21S, R26E
EDDY COUNTY, NM

I. Hydrogen sulfide Training.

All personnel, whether regularly assigned, contracted or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques of first aid and rescue procedures.

In addition the supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S Safety Equipment and Systems.

NOTE: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetration the first zone containing or reasonable expected to contain H₂S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment to include: annular preventer

2. Protective equipment for essential personnel:

- A. 5-minute escape units located in the dog house and 30-minute air units at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. 3 - portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.
- B. 1 - portable SO2 monitor positioned near flare line during H2S flaring operations.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be a readable distance from the immediate location.

5. Mud program:

The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight safe drilling practices and the use of H2S scavengers when necessary will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

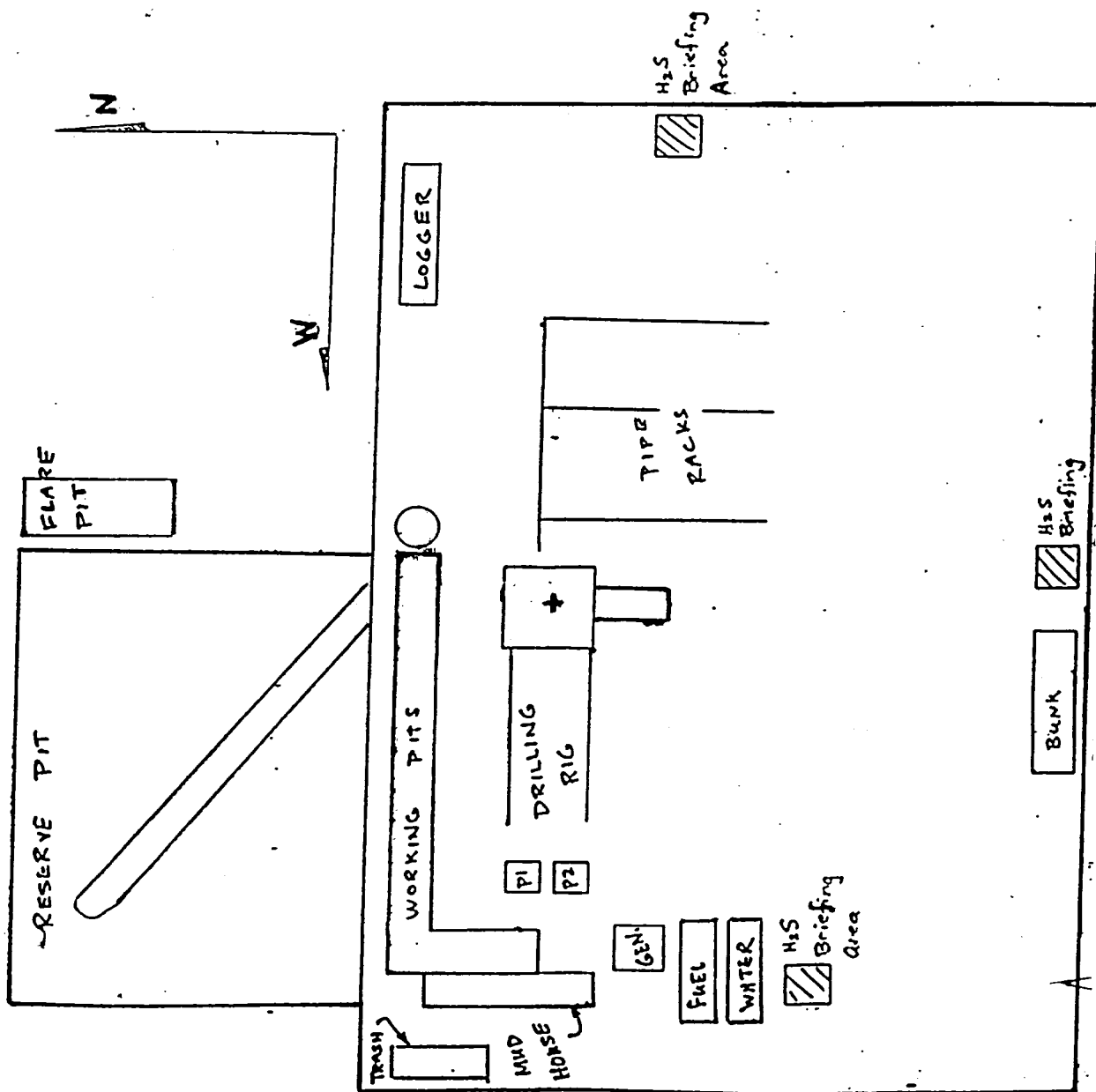
- A. All drill strings, casings, tubing, wellhead, blowout preventors, drilling spools kill lines, choke manifold and lines valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trimmed.

7. Communications:

A. Radio communications will be available in company vehicles and rig dog house.

8. Well testing:

A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing of any known formation that contains H₂S will be conducted during daylight hours.



El Paso Federal No. 15
FASKEN OIL & RANCH, LTD.

Exhibit #4

Scale: 1 inch = 50 feet

**TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CARLSBAD FIELD OFFICE**

BLM/CFO

1. BLM Report No.:	2. (ACCEPTED) (REJECTED)	3. NMCRIS No.: 79138
4. Title of Report (Project Title): Survey for the El Paso Federal No. 15 Well Pad, Pipeline, and Access Road		5. Project Date(s): May 21, 2002
7. Consultant Name & Address Direct Charge: Sean Simpson Name: Mesa Field Services Address: P.O. Box 3072 Carlsbad, NM 88221-3072 Author's Name: Willi Hermann Field Personnel Names: Willi Hermann Phone: (505) 628-8885		6. Report Date: June 6, 2002
		8. Permit No.: 153-2920-02-K
10. Sponsor Name and Address Individual Responsible: Tommy Taylor Name: Fasken Oil and Ranch, Ltd. Address: 303 W. Wall Ave. Midland, TX 79701 Phone: (915) 687-1777		9. Consultant Report No.: MFS – 670
		11. For BLM use only
12. Acreage Total acres surveyed: 6.41 Per Surface Ownership Federal: 6.41 State: 0 Private: 0		
13. Location & Area (maps attached if negative survey) a. State: New Mexico b. County: Eddy c. BLM Field Office: Carlsbad d. Nearest City or town: Carlsbad, New Mexico Location: T 21 S, R 26 E, Section 1: E½ NW¼ SE¼, SW¼ NW¼ SE¼, N½ SW¼ SE¼ (irregular section, template anchored in NW corner) Well Pad Footages: 3287 ft FNL; 1780 ft FEL 7.5' Map Name(s) and Code Number(s): Angel Draw, New Mexico, Provisional Edition 1985 (32104-E2) g. Area Block: Impact: 400 ft x 400 ft Surveyed: 400 ft x 400 ft Linear: Impact: 692.2 ft x 50 ft, Access: 500 ft x 35 ft Surveyed: 1192.2 ft x 100 ft		
14. a. Records Search Location: Bureau of Land Management - Carlsbad Field Office (BLM-CFO) and the Archaeological Records Management Section (ARMS) of the New Mexico Historic Preservation Division (HPD) via modem		

Date: May 17, 2002 by David McCray and May 21, 2002 by Theresa Straight.

List by LA # all sites within 0.25 miles of the project (those sites within 500' are to be shown on the project map): There are no previously recorded sites plotted within 0.25 miles of the project area. The access road follows close to a previously surveyed line. Rose Marie Havel, BLM-CFO archaeologists was consulted concerning this on June 6, 2002. She said the access road was to be surveyed.

b. Description of Undertaking (client's activities): Fasken Oil and Ranch, LTD. is proposing to install the EL Paso Federal No. 15 well pad, pipeline, and access road. The proposed well pad will measure 400 ft by 400 ft. The proposed access road will extend approximately 500 ft south along an existing two-track road to County Road 601. The proposed pipeline will begin on the southwest corner of the proposed well pad and extend 692.2 ft south to the EL Paso Federal Nos. 11 and 12 well and battery pad.

The project area is on Bureau of Reclamation Land (BOR). The BOR issued a letter in 1997 that states the BLM is the lead agency for projects that involve drilling for federal minerals. This includes any associated access roads, pipelines, or utility line corridors submitted as a package with the well.

c. Environmental Setting (NRCS soil designation, vegetative community, etc.): The proposed project is located approximately 7 miles north of Carlsbad, New Mexico. Soils are composed of loamy deep sands of the Simona-Pajarito soil association as defined by the Soil Conservation Service of the U.S. Department of Agriculture. The average elevation of the project area is 3,200 ft above mean sea level. Vegetation is characteristic of Chihuahuan Desert Scrub and includes honey mesquite, white thorn acacia, creosote, crucifix thorn, and various grasses. Due to the vegetative ground cover, surface visibility ranged between 40 and 60 percent at the time of the survey.

d. Field Methods

Transect Intervals: 15 m

Crew Size: 1

Time in Field: 2 hours

Collections: None

15. Cultural Resource Findings: Three isolated manifestations (IMs) were encountered within the project area. **Identification and Description (location shown on project map):** IM 1 consists of a purple quartzite flake of undetermined type. It has no cortex, no platform, and is a size 2 (Zone 13: E 571061/ N 3597456).

IM 2 is a tan chert tested core, and is a size 9 (Zone 13: E 571150/ N 3597456).

IM 3 consists of 50 small pieces of burned caliche within a 1 m diameter. One 10 cm trowel test revealed no subsurface cultural materials (Zone 13: E 571170/ N 3597386).

16. Management Summary (recommendations): Since no significant cultural resources were encountered within the project area, archaeological clearance is recommended for the undertaking as staked. If any cultural resources are encountered during construction activities, work at that location should stop immediately and archaeologists with the BLM-CFO and HPD should be notified.

I certify that the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature

Date June 7, 02

THE ABOVE COMPLETES A NEGATIVE REPORT. IF ELIGIBLE OR POTENTIALLY ELIGIBLE PROPERTIES ARE INVOLVED, THEN THE ABOVE WILL BE THE TITLE PAGE AND ABSTRACT FOR A COMPLETE REPORT.

Survey for the EL Paso Federal No. 16 Well, Pipeline and Access Road

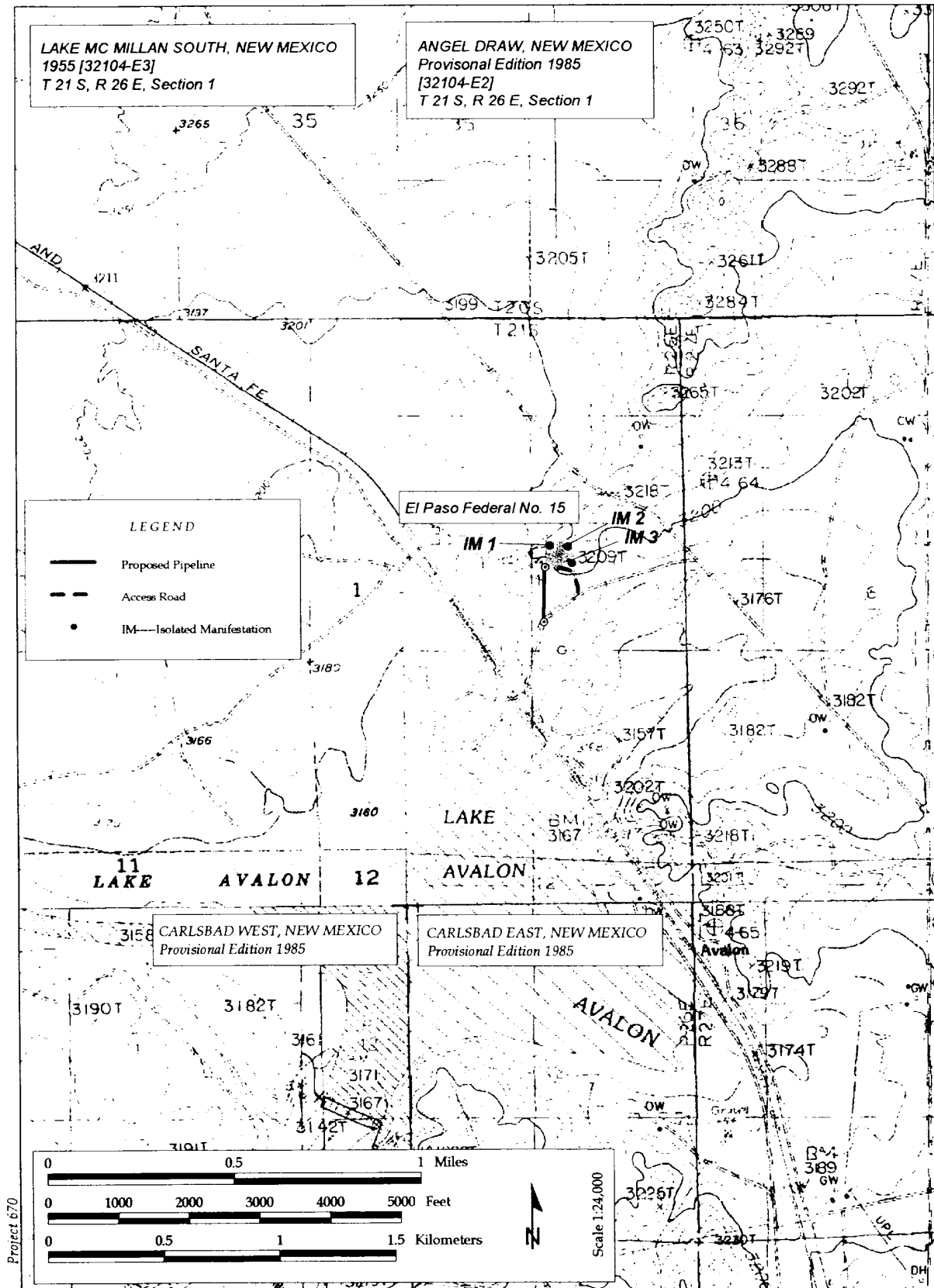


Figure 1: Project Area Map

Mesa Field Services

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Fasken Oil and Ranch, Ltd. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: NM-911

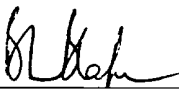
LEGAL DESCRIPTION: T-21-S, R-26-E, Sec.1: Lots 21-28, 31, 32.
Sec.2: Lots 22, 23, 25-27, 29-32, 34-36. Sec.3: Lots 19-27, 29, 30. Sec.4: Lots 17-21.

FORMATION(S): Surface to the base of the Barnett Shale.


BOND COVERAGE: \$25,000

BLM BOND FILE: NM0152

Fasken Oil and Ranch, Ltd.
by: Fasken Management, LLC
Its General Partner



Benjamin L. Blake
Vice-President



Date: 6/13/02