Form 3160-3
(August 1999)

FEB 2001
RECEIVED
OCD - ARTESIA

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-14847

6. If Indian, Allottee or Tribe Name

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

8. Lease Name and Well No. 26582
PHILLIPS-19-FEDERAL #10

2. Name of Operator
CLAYTON WILLIAMS ENERGY, INC. 25706

9. API Well No.
30-015- 31614

3a. Address
SIX DESTA DR., #3000, MIDLAND TX 79705

3b. Phone No. *(include area code)*
(915) 682-6324

10. Field and Pool, or Exploratory
EMPIRE, EAST (YESO)

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **530' FNL & 1225' FWL; UL C**
At proposed prod. zone

11. Sec., T., R., M., or Blk. and Survey or Area
SECT. 19; T-17S; R-29E

14. Distance in miles and direction from nearest town or post office*
7 miles west from Loco Hills

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
530'

16. No. of Acres in lease
294.64

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
802' from Phillips-19-Federal #9 & 11 wells

19. Proposed Depth
5000'

20. BLM/BIA Bond No. on file
NM2787

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3707' GL

22. Approximate date work will start*
upon approval

23. Estimated duration
°10 days

24. Attachments **POTASH CONTROLLED WATER BASIN**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature
Betsy Luna
Name *(Printed/Typed)*
BETSY LUNA
Date
corrected 12/4/00

Title
ENGINEERING TECHNICIAN

Approved by *(Signature)*
Name *(Printed/Typed)*
Date

Title
Acting Field Manager,
Office

Application approval does not warrant or certify the 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS &
SPECIAL STIPULATIONS
ATTACHED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-	96610	EMPIRE, EAST (YESO)

Property Code	Property Name	Well Number
26582	PHILLIPS "19" FEDERAL	10

OGRID No.	Operator Name	Elevation
25706	CLAYTON WILLIAMS ENERGY, INC.	3707

Surface Location

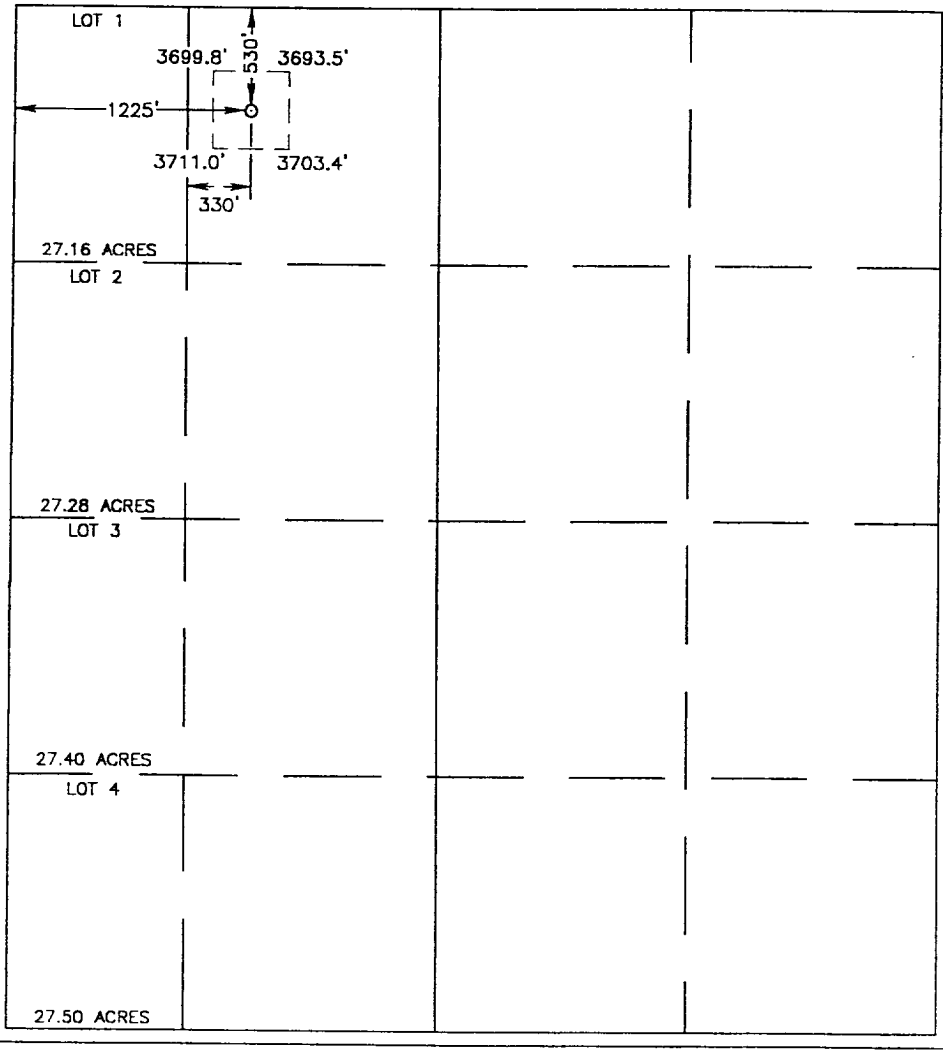
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	17 S	29E		530	NORTH	1225	WEST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Betsy Luna

BETSY LUNA
Printed Name

ENGINEERING TECHNICIAN
Title

11/21/00
Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

OCTOBER 23, 2000
Date Surveyed LMP

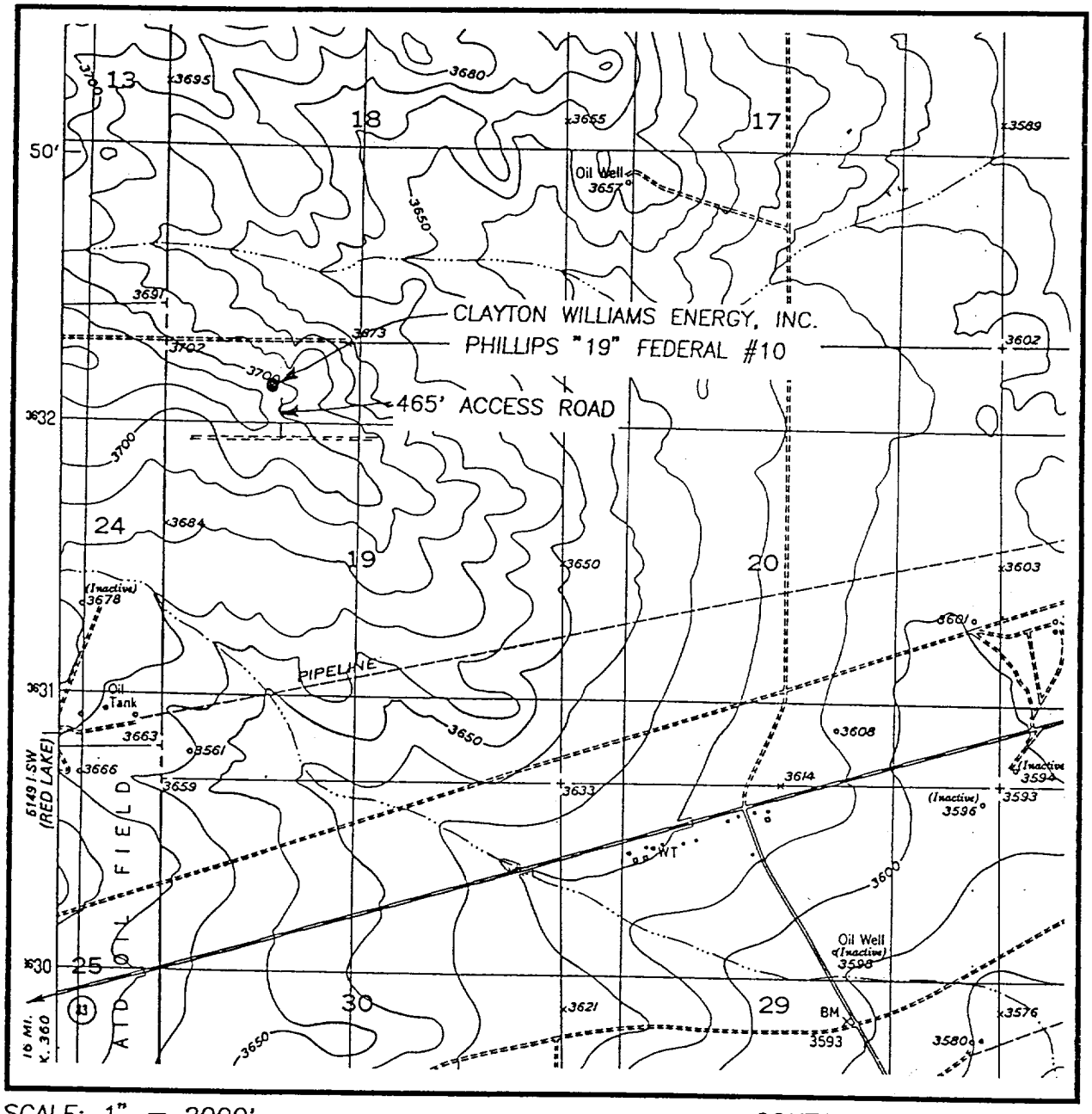
Signature & Seal of Professional Surveyor

Ronald J. Eidson 11/29/00

00-11-1071

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
MACON McDONALD 12185

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL – 10'

SEC. 19 TWP. 17–S RGE. 29–E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 530' FNL & 1225' FWL

ELEVATION 3707

OPERATOR CLAYTON WILLIAMS ENERGY, INC.

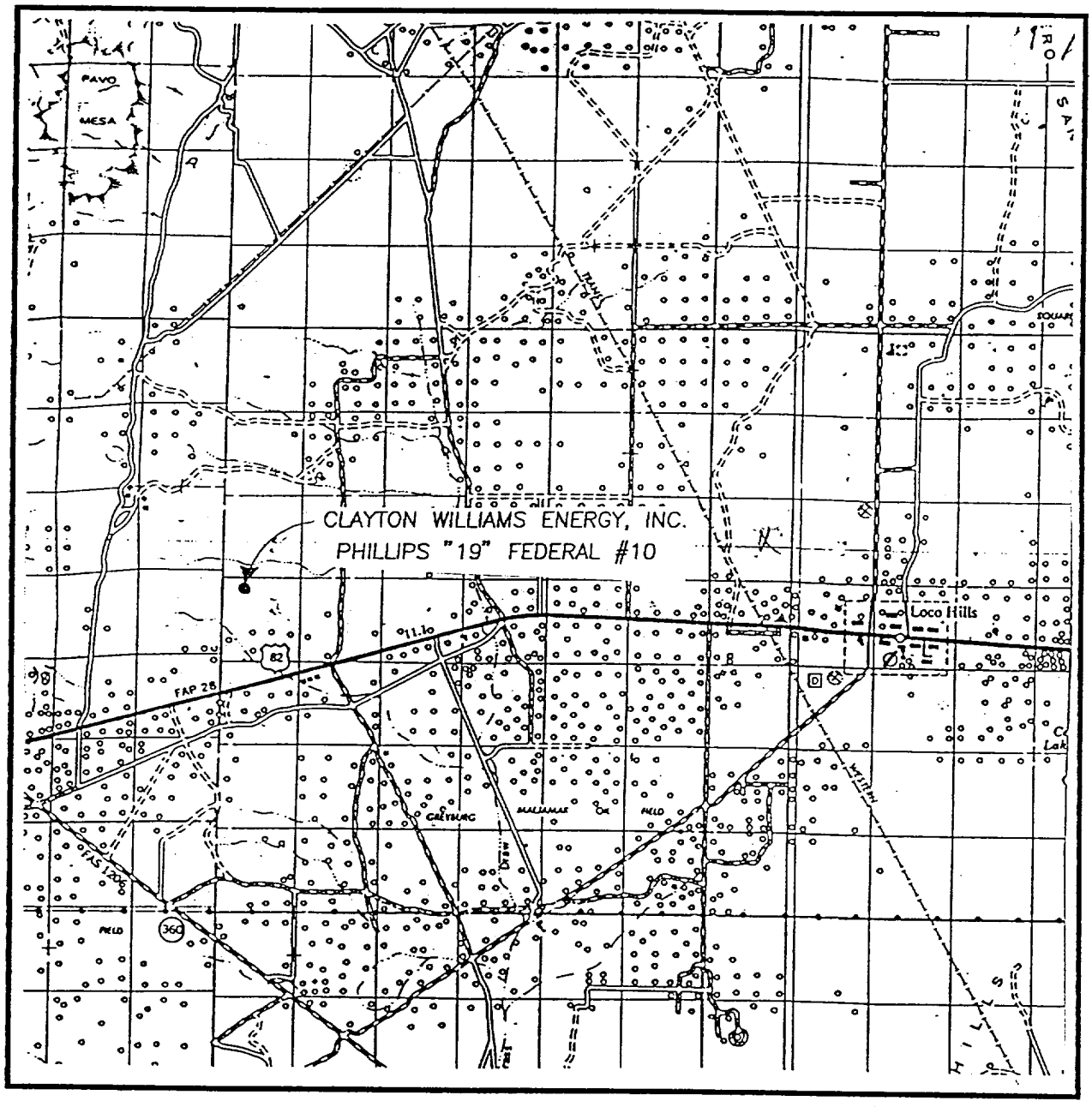
LEASE PHILLIPS "19" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

RED LAKE SE, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 19 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 530' FNL & 1225' FWL

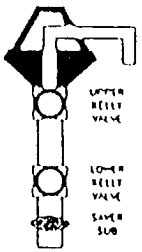
ELEVATION 3707

OPERATOR CLAYTON WILLIAMS ENERGY, INC.

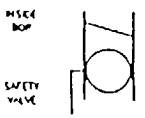
LEASE PHILLIPS "19" FEDERAL

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

DRILLSTRING CONTROL DEVICES

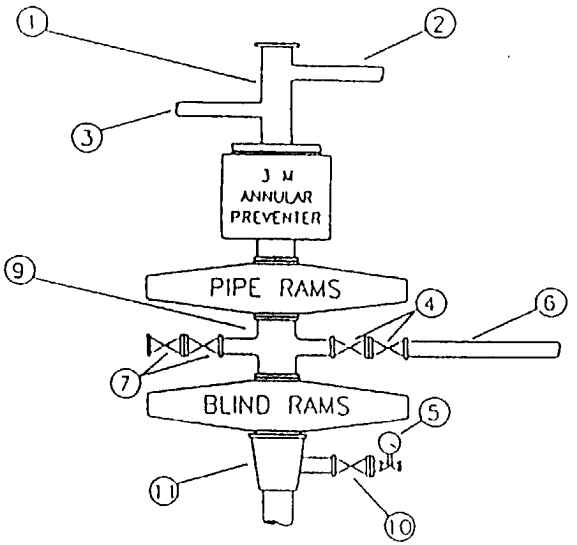


ON DRILL FLOOR



FULL OPENING

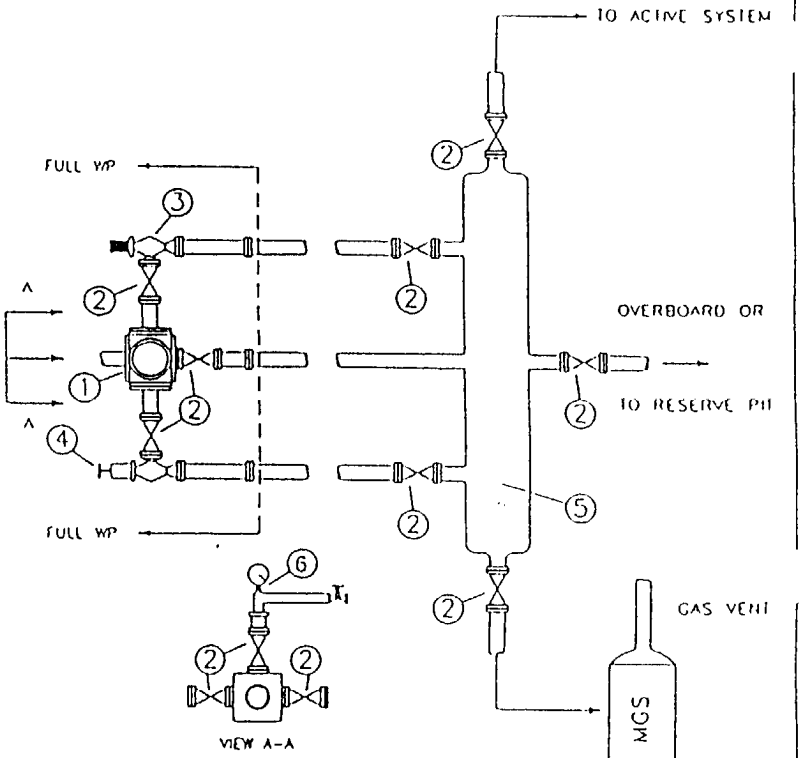
BOP STACK



1 BELL NIPPLE
2 FLOW LINE
3 FILL-UP LINE
4 3" FE PRESSURE-OPERATED CHOKE LINE VALVE
5 PRESSURE GAUGE
6 3" CHOKE LINE TO CHOKE MANIFOLD
7 3" FE GATE OR PLUG VALVES
8 2" KILL LINE
9 DRILLING SPOOL
10 2" SE OR FE GATE VALVE WITH NEEDLE VALVE
11 CASING HEAD HOUSING

CHOKE MANIFOLD

DISCHARGE MANIFOLD OPTIONAL FOR LAND RIGS



1 CROSS
2 GATE OR PLUG VALVE
3 CHOKE (ADJUSTABLE ONLY)
4 MANUAL ADJUSTABLE CHOKE
5 BUFFER CHAMBER/DISCHARGE MANIFOLD
6 NEEDLE VALVE AND PRESSURE GAUGE

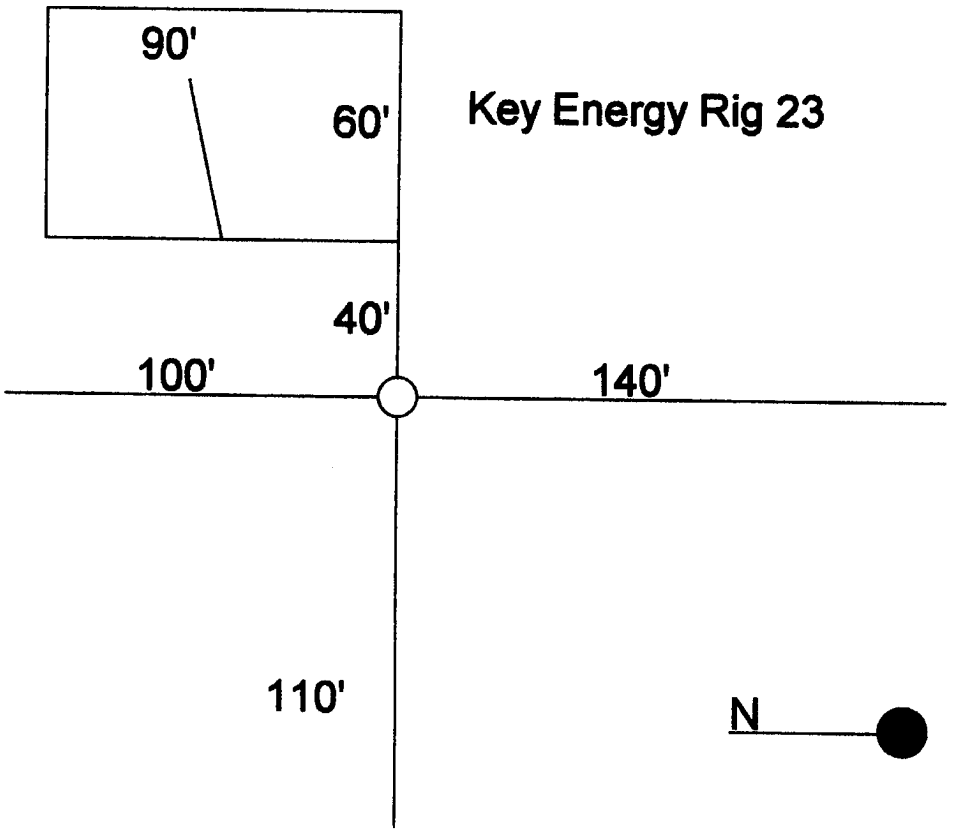
BOP and Choke Manifold

Clayton Williams Energy, Inc.

Phillips 19 Fed No. 10

Sec. 19 - T17S - R29E

Eddy County, NM



CLAYTON WILLIAMS ENERGY, INC.
DRILLING PROGRAM

Attached to BLM form 3160-3

Lease Name: Phillips –19-Federal
Well No.: 10
Location: 530' FNL & 1225' FWL, UL D
Sec. 19, T-17-S, R-29-E
Eddy Co., NM

1. Geological name of surface location: Triassic

2. Estimated tops of important geological markers:

Name	Depth
Yates	825'
Seven Rivers	1090'
Queen	1666'
Grayburg	2045'
San Andres	2353'
Glorieta	3794'

3. Estimated name of anticipated fresh water, oil, and gas:

Formation	Depth	Fresh Water/Oil/Gas
Seven Rivers	1090'	Oil
Queen	1666'	Oil
Grayburg	2045'	Oil
San Andres	2353'	Oil
Glorieta	3794'	Oil

4. CASING PROGRAM

Hole Size	Interval	OD Csg	Weight, Grade, Type.
11"	385' ~~300~~	8-5/8	24#, J-55, ST&C
7-7/8"	5000'	5-1/2"	17#, J-55, LT&C

CEMENT PROGRAM

Conductor Casing: N/A

8-5/8" Surface Casing:
300 SX CI "C" + 2% $CaCl_2$ + ¼#/sx Flocele

5-1/2" Production Casing:
Stage tool @ +/- 2600'
1st Stage: 400 sx. 35:65 Poz:C + 6% gel + 2% $CaCl_2$ + 1/4 pps Cello-flake
150 sx. Class "C" Neat

2nd Stage: Lead: 800 sx 61:15:11 Lite + 1 pps salt + 4 pps Kolite + 0.2% D-65 + 0.3# D-167 + 0.2% D-46 + 0.25% D-13

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) schematic attached will consist of a double ram-type (3000 psi WP) preventer and/or a bag-type (hydril) preventer (3000 psi WP). BOP will be hydraulically operated and the ram-type preventer will be equipped with blind rams and appropriate pipe rams. The BOP will be nipped up on the surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 3000 psi and the hydril to 50% of rated working pressure (1500 psi). Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be attached to a drilling spool or BOP side outlets. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

6. Type & Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of Fresh Water Gel/Brine System.

The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Water Loss (cc)
385' ~~300~~	FW Gel	8.6-9.0	34-45	N/C
5000'	Brine	9.8-10.1	28-30	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

7. Auxiliary Well Control and Monitoring Equipment:

A. A Kelly cock will be kept in the drill string at all times.

B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

C. The drilling fluids system will be visually monitored at all times.

D. A mudlogging unit will be continuously monitoring drilling penetration rate and hydrocarbon shows from surface casing to TD.

E. A fixed electronic H2S monitoring system, including alarms with monitors at the shaker and the bell nipple, will be in operation from surface to TD.

8. Logging, Testing, & Coring Program:

A. Drill stem tests: None anticipated

B. Electronic logging program: DSN, MSFL, DLL, FMI (optional)

C. Coring: None

9. Abnormal Conditions, Pressures, Temperatures & Potentials Hazards:

Possible sulfur water in flow in the Queen/Grayburg intervals

10. Anticipated Starting Date & Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is upon approval of APD. Once commenced, the drilling operations should be finished within approximately 10 days. If the well is productive, an additional 10 days will be required for completion and testing.

CLAYTON WILLIAMS ENERGY, INC.
HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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 for first aid and rescue procedures.

In addition, 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 and the Public Protection 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, and the Public Protection 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 penetrating the first zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:
   A. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
   B. Auxiliary equipment to include: annular preventer
2. Protective Equipment for Essential Personnel:

   Five – 30 minute self – contained breathing apparatuses (Scott).
3. H2S Detection and Monitoring Equipment:
   A. Fixed electronic monitoring system and alarms with two monitors: one at shaker and one at bell nipple.

CLAYTON WILLIAMS ENERGY, INC.
SURFACE USE PLAN

Attached to form 3160-3

Lease Name: Phillips –19-Federal
Well No.: 10
Location: 530' FNL & 1225' FWL, UL D
Sec. 19, T-17-S, R-29-E
Eddy Co., NM

1. **Existing Roads:**

A. The well site and elevation for the proposed well are shown on the attached plat.

B. Existing roads are indicated on attached map. Existing roads are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling well will be done when necessary as determined during the onsite inspection.

C. Direction to location:
Phillips-19-Federal wells: On Hwy. 82 approximately 6 miles West of Loco Hills, NM, turn North 1.5 mile on Old Loco Hills Rd. Turn left 1/2 mile to enter lease.
Phillips-17-Federal Wells: On Hwy. 82 approximately 6 miles West of Loco Hills, NM, turn North 1/2 mile on Old Loco Hills Rd.

D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. **Proposed access Roads:**

Attached map indicates the proposed new access road to be constructed. The road will be constructed as follows:

A. The maximum width of the running surface will be 20'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be 3.1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.

B. The average grade will be less than 1%

C. No turnouts are planned

D. Culverts, cattle guards, low-water crossing, fence cuts:

E. Surface material will consist of native caliche. Caliche will be obtained from nearest BLM approved pit. Any additional materials required will be purchased from the dirt contractor.

F. The proposed access road will be centerlined flagged.

3. **Location of Existing Wells :**

Phillips-17-Federal, well #1: Sec. 17, T-17-S, R-29-E, UL P, 990' FSL & 990' FEL
Phillips-17-Federal, well #2: Sec. 17, T-17-S, R-29-E, UL O, 990' FSL & 2310' FEL
Phillips-19-Federal, well #1: Sec. 19, T-17-S, R-29-E, UL A, 990' FNL & 330' FEL
Phillips-19-Federal, well #2: Sec. 19, T-17-S, R-29-E, UL H, 2310' FNL & 330' FEL
Phillips-19-Federal, well #5: Sec. 19, T-17-S, R-29-E, UL B, 990' FNL & 1650' FEL
Phillips-19-Federal, well #6: Sec. 19, T-17-S, R-29-E, UL G, 2310' FNL & 1650' FEL

4. Visual Warning Systems:

   A. Two windsocks with frames and extension poles.

   B. One entrance sign with flags (with "CAUTION" and present well condition).

   C. Two briefing area signs.

5. Mud Program:

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

6. Metallurgy:

   A. All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

7. Communication:

   A. Cellular telephones in Company vehicles and at rig.

8. Well Testing:

   A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which is necessary to safely and adequately conduct the test. All drill stem testing operations conducted in an H2S environment will use the closed chamber method of testing.

4. **Location of Existing Wells and/or Proposed Facilities:**

A. **Tank Battery:**
Sec. 19 wells: Sec. 19, T-17-S, R-29-E, UL G, 1980' FNL & 2310' FEL (Green B Federal #9 location)
Sec. 17 wells: Sec. 17, T-17-S, R-29-E, UL P, 990' FSL & 990' FEL

B. **Flowlines:** See attached Property Line & Road Diagram.

5. **Location and type of Water Supply:** To be hauled by contract company.

6. **Source of Construction Materials:**

All caliche required for construction of the drill pad and the proposed new access road will be obtained from a BLM approved caliche pit.

7. **Methods of Handling Waste Disposal:**

A. Drill cuttings not retained for evaluation purposes will be disposed of into the reserve pit.

B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess drilling fluids or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 60'X 90'X10' deep and fences on three sides prior to drilling. It will be fenced on on the fourth side immediately following rig removal. The reserve will be plastic-lined to minimize loss of drilling fluids and saturations of the ground with brine water.

C. Water produced from the well during completion may be disposed into the reserve pit or steel tank. After the well is permanently placed on production, produced water will be collected in tanks until hauled by transport to an approved disposal system or separate disposal application will be submitted for appropriate approval. Produced oil will be collected in steel tanks until sold.

D. A portable chemical toilet will be provided on the location for human waste during the drilling and completion operations.

E. Garbage and trash produced during drilling and completion will be put in trash trailer. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. All waste material will be contained to prevent scattering by the wind. No toxic waste or hazardous chemicals will be produced by this operation.

F. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on the location. The reserve pit will be completely fenced and kept closed until it has dried. When the reserve pit is dry enough to break out and fill and, as weather permits, the unused portion of the well site will be leveled and re-seeded as per BLM specifications. Only the part of the pad required for production will be kept in use. In the event of a dry hole, only a dry hole marker will remain.

8. **Ancillary Facilities:**

No airstrip, campsite, or other facilities will be built as a result of the operations of this well.

9. **Well Site Layout:**

A. **Drill pad:** Per attached plat.

B. Attached plat shows planned orientation for the rig and associated drilling equipment, reserve pit, pipe racks, turnaround and parking areas, and access road. No permanent living facilities are planned, but a temporary foreman/tool pusher's trailer will be on location during the drilling operations.

C. The reserve pit will be lined with high-quality plastic sheeting.

10. **Plans for Restoration of the Surface:**

A. Upon completion of the proposed operations, if the well is to be abandoned, the caliche will be removed from the location and road and returned to the pit from which it was taken. The pit area, after allowing to dry; will be broken out and leveled. The original topsoil will be returned to the entire location, which will be leveled and contoured to as nearly to the original topography as possible.

All trash, garbage, and pit lining will be buried or hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 120 days after abandonment.

B. The disturbed area will be re-vegetated by re-seeding during the proper growing season with a seed mixture of native grasses as recommended by the BLM.

C. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time the rig is removed; the reserve pit will be fenced on the rig (fourth) side to prevent livestock or wildlife from being entrapped.

The fencing will remain in place until the pit area is cleaned up and leveled. No oil will be left on the surface of the fluid in the pit. The entire reserve pit will be netted until the fluid has completely evaporated.

D. Upon completion of the proposed operations, if the well is completed; the reserve pit area will be treated as outlined above within the same prescribed time. Topsoil removed from the drill site will be used to re-contour the pit area; any uncased portions of the drill pad to the original natural level and re-seeded as per BLM specifications.

11. **Surface Ownership:**

The wellsite and lease is located entirely on Federal surface.

Other Information:

A. **Terrain:** See Archaeological Report
B. **Soil:** See Archaeological Report
C. **Vegetation:** See Archaeological Report
D. **Surface Use:** See Archaeological Report
E. **Ponds and Streams:** None
F. **Water Wells:** None
G. **Residences and Buildings:** None
H. **Arroyos, Canyons, Etc.:** None
I. **Well Sign:** To be installed at the wellsite
J. **Archaeological Resources:** None reported. References archaeological report.

12. **Lessee's and Operator's Representative:**

The Clayton Williams Energy, Inc. representatives responsible for assuring compliance with the Surface Use Plan are:

John Kennedy
Clayton Williams Energy, Inc.
Six Desta Drive, Ste. 3000
Midland, TX 79705
(915) 682-6324

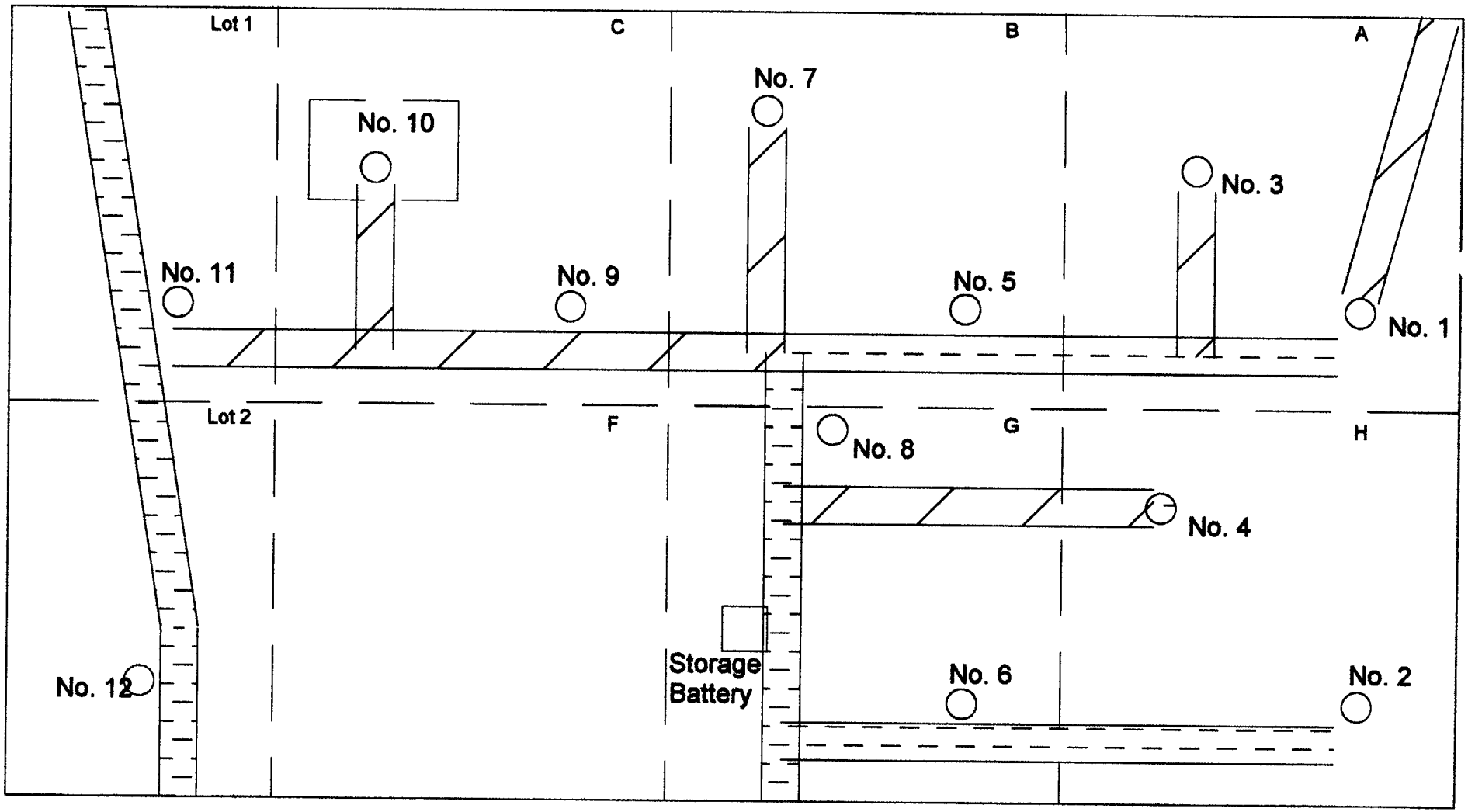
or

Matt Swierc
Clayton Williams Energy, Inc.
Six Desta Drive, Ste. 3000
Midland, TX 79705
(915) 682-6324

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access route; that I am familiar with the conditions which presently exist; 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 Clayton Williams Energy, Inc. and it's contractors in conformity with this plan and the terms and conditions under which it is approved.

John F. Kennedy
Drilling Manager



Clayton Williams Energy, Inc.
Phillips 19 Federal
Sec. 19 - T17S - R29E
Eddy County, NM

Proposed Road Symbol

Existing Road Symbol

Flowlines will be laid on surface and follow lease roads to battery

Phillips 19 Fed No. 10 Detail

November 2000

BLM/CFO

TITLE PAGE/ABSTRACT/
NEGATIVE SITE REPORT
CARLSBAD FIELD OFFICE

1. BLM Report No.	**2. (ACCEPTED) (REJECTED)**	**3. NMCRIS No.:** 72517
4. Title of Report (Project Title): A Class III Archaeological Survey for the Proposed Well Pad Phillips "19" Fed. No. 10, and Associated Access Road. W.O. No. 00-11-1071.		**5. Project Date(s):** November 13, 2000 **6. Report Date:** November 15, 2000
7. Consultant Name & Address: **Direct Charge:** Sean Simpson **Name:** Mesa Field Services **Address:** P.O. Box 3072 Carlsbad, NM 88221 **Authors Name:** Sean Simpson **Field Personnel Names:** Sean Simpson **Phone:** (505) 628-8885		**8. Permit No.:** 153-2920-00-D **9. Consultant Report No.** MFS – 80b
10. Sponsor Name and Address: **Indiv. Responsible:** Mike Langford **Name:** Sierra Engineering **Address:** P.O. Box 50203 Midland, TX 79710 **Phone:** (915) 557-4698		**11. For BLM Use only.** **12 ACREAGE:** **Total No. of acres surveyed:** 7.38 **Per Surface Ownership:** **Federal:** 7.38 **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:** Loco Hills, NM
e. **Location: Well Pad:** T17S, R29E, Section 19, NE¼ NW¼ NW¼; NW¼ NE¼ NW¼; SE¼ NW¼ NW¼; SW¼ NE¼ NW¼.

Access road: T17S, R29E, Section 19, SE¼ NW¼ NW¼.
(Irregular Section Anchored in the SW corner)

Well Pad Footages: {530 ft FNL : 1225 ft FWL}

f. **7.5' Map Name(s)and Code Number(s):** Red Lake SE, NM, 1955 (32104-G1)
g. **Area:**

Block: Impact: 400 ft x 400 ft
Surveyed: 500 ft x 550 ft

Linear: Impact: 465 ft x 30 ft
Surveyed: 465 ft x 100

14. a. Records Search:

Location: Carlsbad Field Office and ARMS (via modem)
Date: November 2, 2000 by Jennifer Bowden
List by LA # All sites within .25 miles of the project: (Those sites within 500' are to be shown on the project map): No previously recorded sites are located within 0.25 miles of the project area.

b. Description of Undertaking: A Class III archaeological survey was conducted for the proposed well pad Phillips "19" Federal No. 10. The well pad is located in the northwestern portion of T17S, R29E, Section 19. Due to the presence of an archaeological site, an additional area to the north and east of the well pad was surveyed. The well pad can be moved 100 feet to the north or 150 feet to the east to avoid the site.

c. Environmental Setting (NRCS soil designation; vegetative community; etc): The project area is located northwest of Loco Hills on a gently rolling plain. Vegetation is consistent with Chihuahuan Desert Scrub, including honey mesquite, buckthorn, prickly pear, creosote, buckthorn and grasses. Average surface visibility is 60 to 80 percent. The elevation of the project area averages 3,710 ft. Soils in the project area are light brown silty sands of the Kimbrough-Stegall association with some caliche nodules and gravels of chert, quartzite, and basalt on the surface of deflated areas.

d. Field Methods:

Transect Intervals: 15 m
Crew Size: 1
Time in Field: 8.0 hours
Collections: None

15. Cultural Resource Findings:

a. Identification and description: (Location shown on Project map): LA 131475 and an isolated manifestation (IM) were encountered and recorded.

LA 131475 is recommended as a Category 2 site that is ineligible for nomination to the National Register of Historic Places. The site consists of a light scatter of flaked-stone debitage and a few pieces of burned caliche. There are no subsurface cultural materials and research potential has been exhausted, thus the site can yield no further information.

IM 1 consists of two core-reduction flakes made of gray chert. (Zone 13, E 582688/ N 3632168)

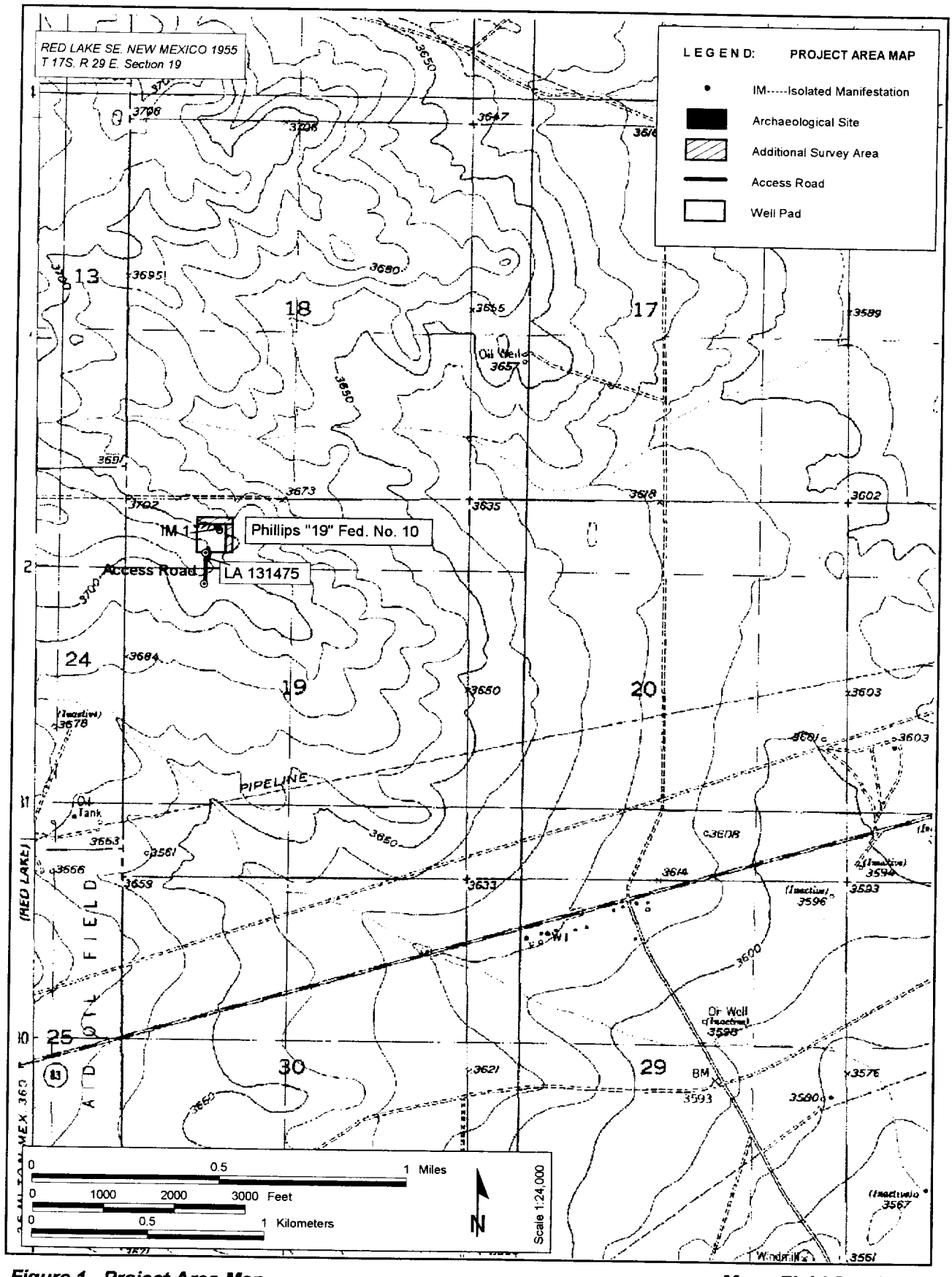
16. Management Summary (Recommendations): Because LA 131475 is recommended as ineligible, archaeological clearance is recommended for the proposed Phillips "19" Federal No. 10 well and access road as staked. If any additional cultural materials (not associated with LA 131475) are encountered during construction, work at that location should stop immediately and archaeologists at the BLM and Historic Preservation Division (HPD) should be consulted.

Despite NRHP eligibility recommendations, a five-meter buffer was surveyed and flagged with white flagging tape around LA 131475. Due to the presence of the site, an additional area to the north and east of the well pad was surveyed. The well pad can be moved 100 feet to the north or 150 feet to the east to avoid the site if the BLM-CFO deems necessary.

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

Responsible Archaeologist: Signature  **Date** Nov. 22, 2000

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.



Project 80 b

Figure 1. Project Area Map.

Mesa Field Services

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name:	**Clayton Williams Energy, Inc.**
Street or Box:	**Six Desta Drive, Suite 3000**
City, State:	**Midland, Texas**
Zip Code:	**79705**

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: **NM-14847**

Legal Description of Land: **Well No. 10 – Phillips –19-Federal**
UL D, Sec. 19, T-17-S, R-29-E
530' FNL & 1225' FWL
Eddy Co., New Mexico

Formation(s) if applicable: **Empire, East (Yeso)**

Bond Coverage: **$25,000.00 SW (copy attached)**

BLM Bond File No.: **NM2787 (Surety Bond No. RLB0002027)**

Authorized Signature: Matt Swierc

Name:	Matt Swierc
Title:	Production Superintendent
Phone No.:	(915) 682-6324
Fax No.:	(915) 688-3225
Date:	October 30, 2000