LOGGED IN

APP NO. 229026916

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



		4	<u>administrat</u>	IVE APPLIC	ATION CH	IECKLIST		
T	HIS CHECK	LIST IS M	IANDATORY FOR ALL ADMINIS WHICH REQUIRE I	TRATIVE APPLICATION PROCESSING AT THE D			REGULATIONS	
Applic	ID!	lon-Star IC-Dow [PC-Po	s: ndard Location] [NSP-N nhole Commingling]	lon-Standard Prora CTB-Lease Comm S - Off-Lease Stora sion] [PMX-Pres Disposal] [IPI-Injo	ation Unit] [SD- ingling] [PLC- ige] [OLM-Off ssure Maintenar ection Pressure	Simultaneous Dedica Pool/Lease Comming -Lease Measurement nce Expansion]	jling]]	
[1]	ТҮРЕ	OF AF	PPLICATION - Check To Location - Spacing Un NSL NSP			OCT I I TRUE		
		Check [B]	One Only for [B] or [C] Commingling - Storag DHC CTB	e - Measurement	PC OLS	OLM	. (
		[C]	Injection - Disposal - I WFX PMX	Pressure Increase - SWD			Vantace.	
		[D]	Other: Specify				15ev	
[2]	NOTI	FICAT [A]	ION REQUIRED TO: Working, Royalty	- Check Those White or Overriding Roy	ich Apply, or XI valty Interest Own	/ Does Not Apply ners	15 chold	
		[B]	Offset Operators,	Leaseholders or Su	ırface Owner		590	
		[C]	Application is On	e Which Requires	Published Legal	Notice		
		[D]		or Concurrent Appr gement - Commissioner of Pu				
		[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,					
		[F]	Waivers are Attac	hed				
[3]	SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.							
	val is acc	urate a	TION: I hereby certify to and complete to the best of equired information and not be the complete to the best of the complete.	of my knowledge.	I also understand	l that no action will be		
		Note:	: Statement must be complete	ted by an individual wit	th managerial and/o	or supervisory capacity.		
James Bl Print o	ount or Type Na	me	Signature	· Non-	Sr. Operation Title	ns Engineer Advisor	October 8, 2002 Date	
			•		iames.blo	unt@dvn.com		

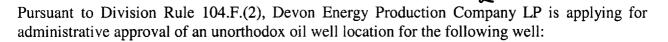
e-mail Address



October 8, 2002

Michael E. Stogner State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Mr. Stogner:



H. B. 11 Federal #7 2550' FSL & 1600' FWL NE/4 SW/4, Section 11-T24S-R29E Eddy County, New Mexico

The well will be drilled to test the Bone Spring formation (Pierce Crossing Pool). The well was moved due to topography and archeological reasons. A map and archeological report are attached identifying the sites. Relief could be obtained to the south, but would put the well in too close proximity of existing producing wells.

All of section 11 is common ownership. Notification does not apply.

If you have any questions, please contact the undersigned at (405) 228-7512.

Sincerely yours,

DEVON ENERGY PRODUCTION COMPANY, LP

Mr. James Blount

Sr. Operations Engineer Advisor

JB\kc

Enclosures

Oil Conservation Division - Artesia, NM cc: Bureau of Land Management - Carlsbad, NM

Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

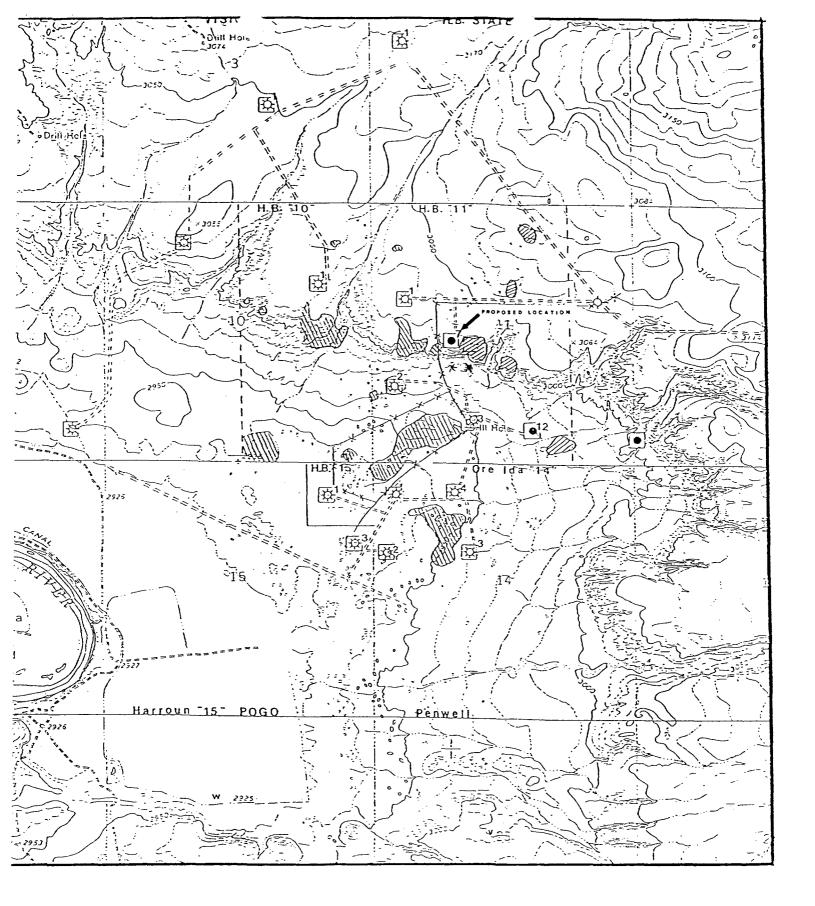
FORM APPROVED

Budget Bureau No. 1004-0135 Expires March 31, 1993

SUNDRY NOTICES Do not use this form for proposals to drill o Use "APPLICATION FO	5. Lease Designation and Serial No. NM-88134 6. If Indian, Allottee or Tribe Name							
SUBMIT								
1. Type of Well Gas Well Other	7. If Unit or CA, Agreement Designation							
2. Name of Operator DEVON ENERGY PRODUCTION COMPA	8. Well Name and No. H. B. 11 Federal #7							
Address and Telephone No. 20 NORTH BROADWAY, SUITE 1100, OF	9. API Well No.							
4. Location of Well (Footage. Sec., T., R., M., or Survey I 2550' FSL & 1600' FWL, Sec 11-T24S, R29	10. Field and Pool, or Exploratory Area Pierce Crossing (Bone Spring) 11. County or Parish, State							
		Eddy, NM						
CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION								
Notice of Intent	☐ Abandonment ☐ Recompletion	☐ Change of Plans ☐ New Construction						
Subsequent Report	Plugging Back	Non-Routine Fracturing						
	Casing Repair	Water Shut-Off						
Final Abandonment Notice	Altering Casing	Conversion to Injection						
	Other Non Standard Location	Dispose Water (Note: Report results of multiple completion on Well						
12 Partia Parend or Completed Orangians (Charles state all	aginant details and airs northeat data in half and activated data. Catalina	Completion or Recompletion Report and Log form.)						
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)* Devon Energy Production Company, LP request approval for a non-standard location for a Bone Spring test. All of section 11 is common ownership. The well was moved due to topography and archeological reasons. A map and arch report are attached identifying the sites. Relief could be obtained to the south, but would pu the well in too closs proximity of existing producing wells.								
14. I hereby certify that the foregoing is true and correct	Karen A. Cottom							
Signed Aren (offm	Title Engineering Technician	Date October 8, 200						
(This space for Federal or State office use)								
Approved by	Title	Date						
Conditions of approval, if any:								

SECTION 11, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M., NEW MEXICO. EDDY COUNTY. PENWELL "11" Fed. #6 Road roposed Ledse 400' 3037.9' 3031.5 V00.00.10 100' NORTH OFF SET 100° EAST 100" WEST OFF SET OFF SET H.B. 11 Fed. #6 Elev. - 3051' □ 100° 50UIH OFF SET EDGE OF RIDGE 3027.7' 400' DIRECTIONS 100 100 200 FEET AT THE INTERSECTION OF JCT STATE HIGHWAY 205 & COUNTY ROAD BEFFF 720 IN MALAGA, NEW MEXICO, GO .B MILES EAST ON COUNTY RD. 720, TO COUNTY RD. 745 AND GO NORTH ON 745 1.0 MILE, THEN SCALE: 1'' = 100'EASTERNLY ON 745 2.1 MILES TO A "Y" IN THE ROAD, GO RIGHT (COUNTY RD. 700), THEN GO SOUTHEASTERNLY ON 700. 1.3 MILES TO A LEASE ROAD, GO LEFT & LEASE ROAD EAST, SOUTHEASTERNLY 2.1 MILES TO ANOTHER "Y" IN THE ROAD, GO LEFT AT "Y" 0.2 MILES THROUGH A WELL PAD ON LEASE ROAD 1.0 MILE, TURN NORTH .2 MILES, TURN EAST .2 MILES, THEN H.B. "11" Federal No. 7 / Well Pad Topo NORTH 2 MILES, THEN EAST 1.5 MILES, THEN NORTH .1 MILE, THE H.B "11" FED. No. 7 LOCATED 2460' FROM THE THEN .2 MILE EAST TO LEASE ROAD, TURN RIGHT THEN 1.0 MILE TO PROPOSED LEASE ROAD TO HB 11 FED. #4. SOUTH LINE AND 1980' FROM THE WEST LINE OF SECTION 11, TOWNSHIP 24 SOUTH, RANGE 29 EAST, BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

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



ARCHAEOLOGICAL SERVICES

November 10, 1997

Mr. Phil Stinson OGE DRILLING 550 West Texas, Suite 1140 Midland, Tx 79702

Dear Mr. Stinson:

Enclosed please find your copy of Desert West Archaeological Services (DWAS) Clearance Report for SANTA FE ENERGY RESOURCES, INC.'s proposed HB "11" Federal Well No. 7 and access road in Section 11, T24S, R29E, NMPM, Eddy County, New Mexico. Three isolated occurrences (IO), one presiously recorded site LA 115730 and one newly recorded site LA 120399 were encountered and recorded during this survey. DWAS recommends that a monitor be present during construction related activities.

The Bureau of Land Management will review this report and make the final decision on archaeological clearnace for your project.

If you have any questions, please call office.

Enclosure

Since ely.

xc: Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)

RECEIVED DEC 0 8 1997

APPENDIX B.

TITLE PAGE/ABSTRACT/ NEGATIVE SITE REPORT ROSWELL DISTRICT

BLM/ RDO 1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 58891			
	ergy Resources, Inc.'s proposed HB "11"	5. Project Date(s) 10-28/29-1997			
Federal Well No. 7 and access road in County, NM.	ederal Well No. 7 and access road in Section 11, T24S, R29E, NMPM, Eddy bunty, NM.				
	ect Charge: David Wilcox ne: Desert West Archaeological Services				
Address: 102 N. Main, Carlsbad, NM 8 Authors Name: David Wilcox field personnel names - David Wilcox Phone (505 887-7646)	8220	9. Consultant Report No. DWAS 97-10N			
10. Sponsor Name and Address: Indiv. Responsible: Mr. Phil Stinson Name: Santa Fe Energy Resources, Inc	~	11. For BLM Use only.			
Address: 550 W. Texas, Suite 1140, Mic Phone (915) 686-6373		12 ACREAGE: Total No. of acres surveyed - 5.27 Per Surface Ownership: Federal			

- 13. Location & Area: (Maps Attached if negative survey)
 - a. State NM
 - b. County Eddy
 - c. BLM District: Roswell Resource Area: Carlsbad
 - d. Nearest City or town: Malaga, NM
 - e. Location:

T24S; R29E; Sec. 11

Well Pad footages: 2550' FSL; 1600' FWL

- f. 7.5 'Map Name(s) and Code Numbers(s): Pierce Canyon, NM (1968 [32103-B8]).
- g. Area: Block: Impact: Within the staked area

Surveyed: 400' x 400' Linear: Impact: 50' x 700' Surveyed: 100' x 700'

15. Cultural Resource Findings: A previously recorded site, LA 115730 and a new site, LA 120399 were encountered and recorded/updated. Three Isolated occurrences were encountered in the proposed well pad's staked perimeter, and these were recorded and mapped. Mapping was done by triangulation off the proposed well pad's center and corner stakes. Refer to the included site map for LA 120399 for isolated occurrences' location and description. - Isolated occurrences in the southwestern quarter of the proposed pad consist of a quartzite flake with a platform remnant, 20% cortex, a feather termination and the following dimensions: 37 x 37 x 12 mm; a quartzite unifacial blank (possibly a core rejuvenation flake) with no cortex and the following dimensions: $57 \times 35 \times 17$ mm; and a quartzite distal decortification flake fragment with a successful termination, and 90% cortex. - Isolated occurrences in the northeastern quarter of the proposed pad consist of thermally altered caliche concentration with some surficial symmetry, no surface or subsurface staining,; however some burnt caliche fragments were encountered in this concentration's subsurface matrix. No dateable materials were encountered. Also a chert limited attribute flake fragment with 20% cortex was encountered. - Isolated occurrences in the southeastern quarter of the proposed pad consist of a chert bifacial thinning flake with no cortex, a platform remnant, a successful termination and the following dimensions: $24 \times 16 \times 4$ mm; a thermally altered caliche concentration with some symmetry, with no surface staining and no subsurface deposition; a chalcedony limited attribute flake fragment with no cortex; a quartzite flake mid-section with no cortex; a chert limited attribute flake fragment with no cortex; a chert flake with no cortex, a platform remnant, a feather termination, and the following dimensions: 24 x 22 x 4 mm; a chert bifacial thinning flake with a crushed platform, a successful termination, no cortex, and the following dimensions: 11 x 13 x 2 mm; and a chalcedony limited attribute flake fragment with no cortex.

16. Management Summary (Recommendations):

Archaeological clearance for Santa Fe Energy Resources, Inc.'s proposed HB "11" Federal Well No. 7 and access road in Section 11, T24S, R29E, NMPM, Eddy County, NM is recommended provided that an archaeological monitor be present during the well pad's surface levelling.

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

Responsible Archaeologist / 11 - 5 - 97
Signature Date

Figure 1. Topographic map of USGS 7.5' Series Pierce Canyon, NM (1968) showing the project area in T24S; R29E; Sec. 11.

Archaeological survey for Santa Fe Energy Resources, Inc.'s proposed HB "11" Federal Well No. 7 (2550' FSL; 1600' FWL) and access road in Section 11, T24S, R29E, NMPM, Eddy County, NM.

USGS 7.5' Series: Pierce Canyon, NM (1968)

Land Status: Federal

DWAS Report No. 97-10N NMCRIS No. 58891

Santa Fe Energy Resources, Inc. Midland, TX

Attention:

Mr. Phil Stinson

1. Introduction:

An intensive archaeological survey of Santa Fe Energy Resources, Inc.'s proposed HB "11" Federal Well No. 7 (400' x 400'; 3.67 acres) and access road (700' x 100'; 1.60 acres) in Section 11, T24S, R29E, NMPM, Eddy County, NM was conducted by Desert West Archaeological Services archaeologist, David Wilcox (Principal Investigator/Project Director) on 10-28 and 29-1997. Total area surveyed was 5.27 acres. Originally this pad's location was further to the east (2250' FSL; 200' FWL) and was surveyed by Archaeological Services by L. Michalik for Penwell Energy, Inc., whom owned the lease. J. Martin, archaeologist for Archaeological Services, surveyed that eastern location for Penwell Energy, Inc. and encountered a site, LA 115730. The new location for this well pad further west (2550' FSL; 1600' FWL) and for a new lessee, Santa Fe Energy Resources, Inc. was surveyed and found to have a category 1 site, LA 120399, and nine isolated occurrences within the well pad's staked 400' x 400' perimeter. These cultural manifestations were mapped and recorded on 10-28-1997. Site LA 115730 was within a 100' radius of the Santa Fe Energy Resources, Inc.'s proposed well pad's eastern border, it was encountered, re-mapped and classified as a category 1 site on 10-29-1997. Both these site's have deflated hearths (thermally altered caliche concentrations) that have no dateable materials found within these concentrations' matrix low artifact counts and no diagnostic artifacts. The lack of diagnostic and a variety of associated artifacts persuaded the classification of these sites to be recorded as category 1 sites, thus not eligible for inclusion into the National Register of Historic Places. LA 115730 will not be impacted by the construction of the HB "11" Federal Well No. 7 and access road; however, LA 120399 will be impacted and consequently destroyed by this proposed pad's construction. All relevant information has been recorded and analyzed in the field, but an archaeological monitor should be present during the well pad and access road's construction to ensure that no buried archaeological information has been overlooked. If these stipulations are followed then archaeological clearance for Santa Fe Energy Resources, Inc.'s proposed project is recommended.

2. Legal Description:

USGS 7.5' Series: Pierce Canyon, NM (1968) Section 11, T24S, R29E, NMPM, Eddy County, NM

Land Status: Federal

Well Pad: ne/4, sw/4 (2550' FSL; 1600' FWL) [Figures 1 and 2] Access Road: sw/4, se/4, nw/4; nw/4, se/4, nw/4 [Figures 1 and 2]

3. Project Description:

Well Pad (400' x 400') and access road (700' x 100'). Total area surveyed was 5.27 acres. On the escarpment, north of Pierce Canyon, northwest of Dog Town Draw, and northeast of the Pecos River and the Malaga Bend.

Topography: A fence line is crossed by this project. The majority of the proposed project is situated on an undulating dunal landscape of low relief. This terrain has been heavily degraded by aeolian and fluvial factors. Many ephemeral drainages of shallow depths have bisected the local topography. These ephemeral drainages are shallow due to the shallow depths of the top soils present. Bedrock is just below these surface soils. This bedrock is present from the edge of the escarpment, which this proposed pad is

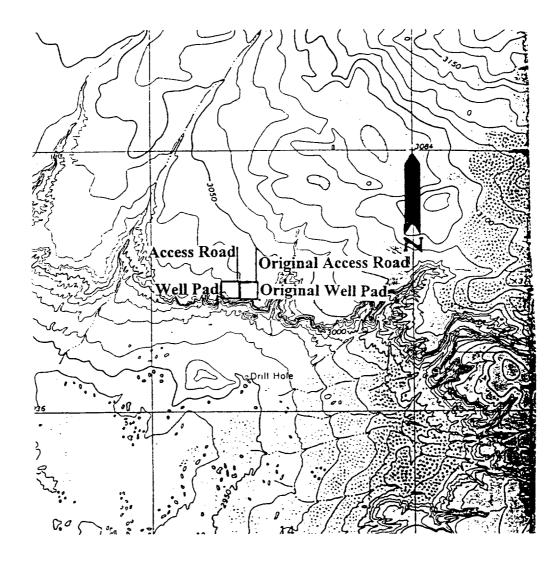


Figure 1. Showing SANTA FE ENERGY RESOURCES, INC.'s proposed HB "11" Federal Well No. 7 (original location: 2250' FSL; 200' FWL) (proposed location: 2550' FSL; 1600' FWL) and access road in Section 11, T24S, R29E, NMPM, Eddy County, NM. Map Reference: USGS 7.5' series, Pierce Canyon, NM (1968)

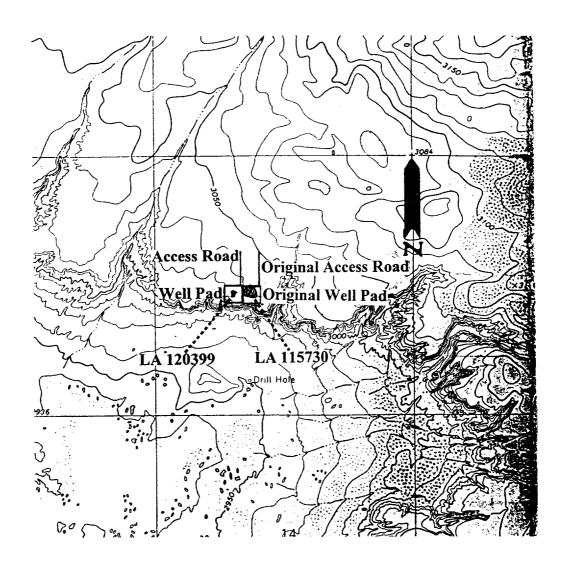


Figure 2. Showing SANTA FE ENERGY RESOURCES, INC.'s proposed HB "11" Federal Well No. 7 and access road vis a via LA 120399 and LA 115730 in Section 11, T24S, R29E, NMPM, Eddy County, NM. Map Reference: USGS 7.5' series, Pierce Canyon, NM (1968)

butted up against, northward to approximately 200'. This escarpment is a canyon ridge associated with the Pecos River flood plain. Just off this ridge, south, is a flat alluvial plain of loamy soils. The survey area has been impacted by cattle.

Soils: Kermit-Berino Association: Sandy, deep soils from wind-worked mixed sand deposits.

Elevation: 3027' @ center stake

Vegetation: Mesquite, creosote, acacia, yucca, assorted grasses, littleleaf horsebrush and salt brush.

Aspect: south

Lithic Resources: outside the surveyed area.

Water Sources: (Permanent) Pecos River, 2 miles, southwest.

(Potential) Pecos River, 2 miles, southwest

4. Examination Procedure:

Straight and zig zag line transects, spaced not greater than 15 meters apart.

Area delineation: Well pad was staked by the client. David Wilcox re-staked the access road with the permission of BLM Roswell District, Carlsbad Resource Area Archaeologist, Rose Marie Havel.

Weather: sunny, breezy/calm and mild to warm on both dates.

Lighting Conditions: good

Visibility: 70-95%

Work Hours on the Ground: 8 hours total

5. Findings:

A prefield search was conducted by David Wilcox on BLM and ARMS records on 10-28-1997. According to these records the following previously recorded sites are within a 1/4 mile radius of the proposed project's perimeter: LA 115515, LA 116495, LA 116494, and LA 111234. Two sites LA 115730 (encountered and updated) and LA 110593 are within a 500' radius of the project's impact zone.

Archaeological investigation of the proposed project revealed the location of three isolated occurrences, a previously recorded site (LA 115730), and a new site (LA 120399). These cultural manifestations were mapped and recorded.

The isolated occurrences were mapped into location by triangulating with a compass off the well pad's center and corner stakes. Please refer to LA 120399's site map for these occurrences' location.

- Isolated occurrences in the southwestern quarter of the proposed pad consist of a quartzite flake with a platform remnant, 20% cortex, a feather termination and the following dimensions: 37 x 37 x 12 mm; a quartzite unifacial blank (possibly a core rejuvenation flake) with no cortex, and the following dimensions: 57 x 35 x 17 mm; and a quartzite distal decortification flake fragment with a successful termination, and 90% cortex.
- Isolated occurrences in the northeastern quarter of the proposed pad consist of a thermally altered caliche concentration with some surficial symmetry, no surface or subsurface staining; however, some burnt caliche fragments were encountered in this concentration's subsurface matrix. No dateable materials were encountered. Also a chert limited attribute flake fragment with 29% cortex was encountered.
- Isolated occurrences in the southeastern quarter of the proposed pad consist of a chert bifacial thinning flake with no cortex, a platform remnant, a successful termination and the following dimensions: 24 x 16 x 4 mm; a thermally altered caliche concentration with some symmetry, with no surface staining, and no subsurface deposition; a chalcedony limited attribute flake fragment with no cortex; a quartzite flake midsection with no cortex; a chert limited attribute flake fragment with no cortex; a chert flake with no cortex, a platform remnant, a feather termination, and the following dimensions: 24 x 22 x 4 mm; a chert bifacial thinning flake with a crushed platform, a successful termination, no cortex, and the following dimensions: 11 x 13 x 2 mm; and a chalcedony limited attribute flake fragment with no cortex.

LA 120399 Category 1 site

USGS 7.5' Series: Pierce Canyon, NM (1968) UTM Coordinates: Zone 13; E598130; N3566370

Section 11, T24S, R29E, NMPM, Eddy County, NM [nw/4, ne/4, sw/4]

Site Dimensions: 35 x 42 meters
Cultural Affiliation: Unknown affiliation

Site/Component Type: Artifact scatter with features

Site Summary:

This site consists of two deflated hearths with no subsurface or surficial dateable charcoal/carbon deposits. Fluvial activities have dispersed thermally altered caliche horizontally down stream. This site is in very poor condition. No information potential, other than location, was found surficially and by probing the thermally altered caliche concentrations. Only lithics were encountered associated with these deflated hearths. Probing in and around these thermally altered caliche concentrations, subsurface thermally altered caliche fragments were encountered within the western concentration. These fragments were found within the first 5 cms from surface, and did not continue down to a greater depth. These fragments were all found associated with this concentration's matrix. No charcoal/carbon or organic staining was found in the surface or subsurface of these trowel probes. The sediments encountered consists of quartz aeolian sediments with some silts and clays associated with water transport. These probes did not go below 10 cms from modern surface, thus caliche bedrock was not encountered.

This site is on the edge of an escarpment which overlooks the Pecos River flood plain adjacent to the Malaga Bend. An undulating dunal plain of low relief is butted up against this escarpment. This dunal environment next to the escarpment has been deflated off by wind and water activities, thus the area bordering this cliff has bed rock exposed, which consist of caliche and limestones. The view shed from this location is unlimited towards the south.

This lithic assemblage consists of local quartzite, chert and chalcedony raw materials. These lithics were in a secondary reduction stage indicating that no major reduction from cores was being performed at this location. This might have been an overnight encampment for a small band of hunters. No tools were encountered with this assemblage.

LA 115730 Update Category 1 site

USGS 7.5' Series: Pierce Canyon, NM (1968) UTM Coordinates: Zone 13; E598250; N3566340

Section 11, T24S, R29E, NMPM, Eddy County, NM [ne/4, ne/4, sw/4; nw/4, ne/4, sw/4]

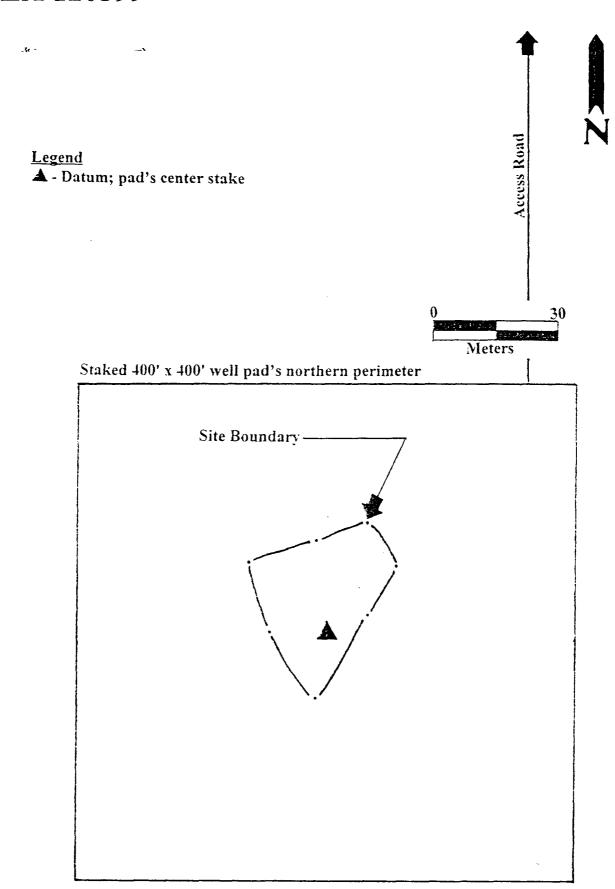
Site Dimensions: 101 x 78 meters
Cultural Affiliation: Unknown affiliation

Site/Component Type: six possible deflated hearths (features)

6. Recommendations:

LA 115730 will not be impacted by the construction of the HB "11" Federal Well No. 7 and access road; however, LA 120399 will be impacted an consequently destroyed by this proposed pad's construction. All relevant information has been recorded and analyzed in the field, but an archaeological monitor should be present during the well pad and access road's construction to ensure that no possible buried archaeological information has been overlooked. If these stipulations are followed then archaeological clearance for Santa Fe Energy Resources, Inc.'s proposed project is recommended.

LA 120399



Staked 400' x 400' well pad's southern perimeter

Site Boundary -