N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

JUL 2003
RECEIVED
OCD - ARTESIA

Form 3160-3
(September 2001)

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NM-91505
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA Agreement, Name and No.:
8. Lease Name and Well No.: ROCK TANK FEDERAL NO. 5
9. API Well No.: 30-015-32857
10. Field and Pool, or Exploratory: ROCK TANK - LOWER MORROW
11. Sec., T., R., M., or Blk. and Survey or Area: SEC. 12, TWP. 23-S, RGE. 24-E

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

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

2. Name of Operator: E.G.L. RESOURCES, INC.

3a. Address: P.O. BOX 10886, MIDLAND, TX 79702

3b. Phone No. *(include area code)*: (432) 687-6560

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface: 500' FNL & 2265' FWL, SEC. 12, TWP. 23-S, RGE. 24-E
At proposed prod. zone: NON-STANDARD LOCATION

SUBJECT TO LIKE APPROVAL BY STATE

14. Distance in miles and direction from nearest town or post office*: 25 MILES SOUTHWEST OF CARLSBAD, NM

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): 375'

16. No. of Acres in lease: ~~640~~ 320

17. Spacing Unit dedicated to this well: 640

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.:

19. Proposed Depth: 10,350'

20. BLM/BIA Bond No. on file: NM2693

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 4067' (GL)

22. Approximate date work will start*: JULY 15, 2003

23. Estimated duration: 2 MONTHS

24. Attachments

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: John A. Langhoff — Name *(Printed/Typed)*: JOHN A. LANGHOFF — Date: MAY 2, 2003

Title: PETROLEUM ENGINEER

Approved by *(Signature)*: /S/ JOE G. LARA — Name *(Printed/Typed)*: /S/ JOE G. LARA — Date: JUN 30 2003

Title: FIELD MANAGER — Office: CARLSBAD FIELD 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.

APPROVAL FOR 1 YEAR

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)*

NSL - 4657

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Carlsbad Controlled Water Basin

DISTRICT I
1925 N. French Dr., Hobbs, NM 88240
DISTRICT II
611 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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	84000	ROCK TANK - LOWER MORROW

Property Code	Property Name	Well Number
	ROCK TANK FEDERAL	5

OGRID No.	Operator Name	Elevation
	E.G.L. RESOURCES	4067'

Surface Location

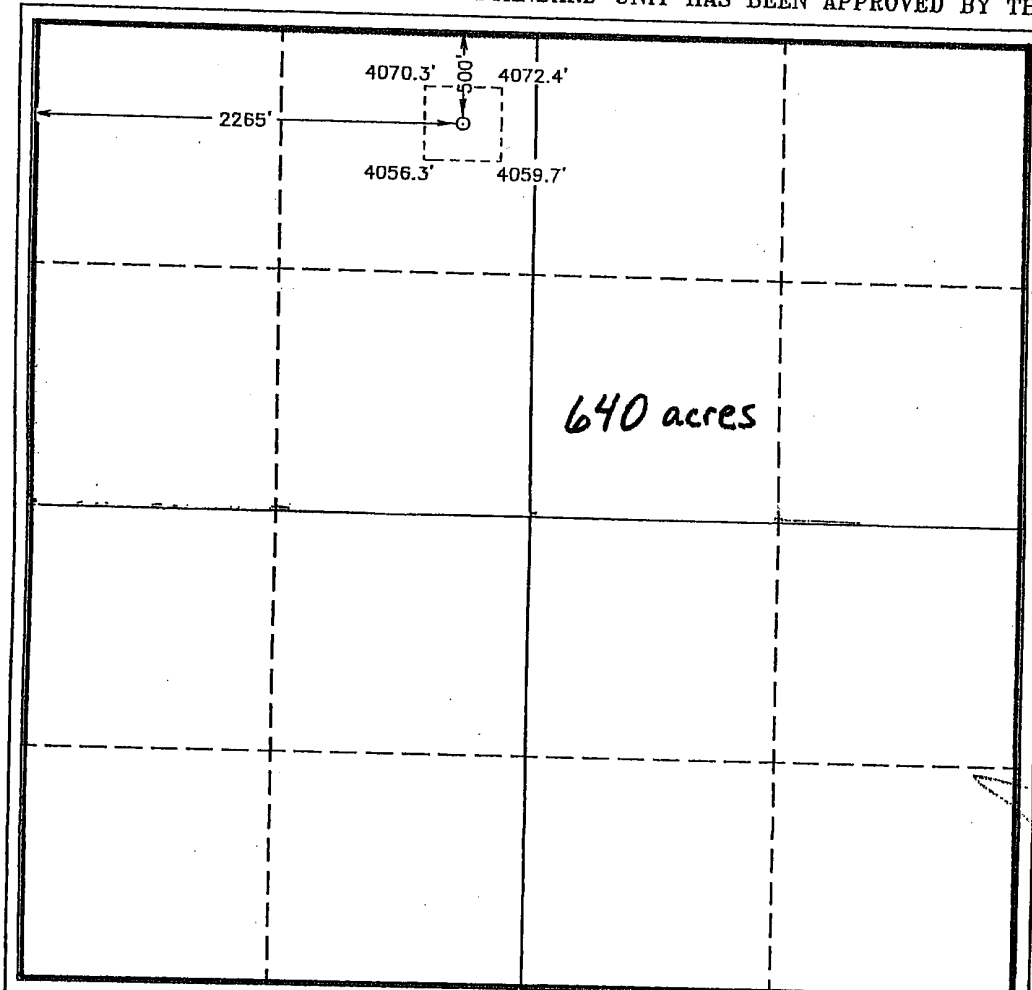
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	12	23 S	24 E		500	NORTH	2265	WEST	EDDY

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.
640			

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.

John A. Langhoff
Signature

John A. Langhoff
Printed Name

Petroleum Engineer
Title

August 30, 2001
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.

November 01, 2000
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. Num. 0605

Certificate No. GARY L. JONES, 7977

SURFACE USE PLAN

E.G.L. Resources, Inc.
Rock Tank Federal No. 5
500' FNL & 2265' FWL
Section 12, T-23-S, R-24-E
Eddy County, New Mexico

1. EXISTING ROADS: Area map, Exhibit # 1, is a reproduction of the U.S.G.S., Carnero Peak Quadrangle 15 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 South on U.S. Highway 285 for approximately 9 miles. Turn West on County Road 408 (Dark Canyon) and go approximately 13 miles. Turn North on gravel road and continue Northward for 4 miles to location.

2. PLANNED ACCESS ROADS: 100' new access road will be constructed.

   A. The access road will be crowned and ditched to a 12'-00" wide travel surface with a 40' right-of-way.

   B. Gradient on all roads will be less than 5.00%.

   C. No turnouts will be necessary.

   D. If needed, road will be resurfaced with a minimum of 6" of caliche. This material will be obtained from a local source.

   E. Centerline for the new access road has been staked and flagged. Earth work will be as required by field conditions.

   F. One culvert will be required at the beginning of the entrance road just off existing caliche road.

3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS:

   A. Water wells – None Known at this time.

   B. Disposal wells – None Known.

   C. Drilling wells – None Known.

   D. Producing wells – As shown on Exhibit # 2

E.G.L. Resources, Inc.:	Rock Tank Unit Nos. 1, 2 and 4
Jetta Operating Co., Inc.:	Smith Federal No. 2

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

Gulf:	Boothe Federal No. 1

4. If, upon completion, the well is a producer E.G.L. Resources, Inc. 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 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 Hydrogen Sulfide Drilling Operations Plan.

B. Exhibit # 4a (Scale 1" – 50') and Exhibit # 4b 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 that are not required for production facilities.

11. OTHER INFORMATION:

A. The topography is of mountainous 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 Gerald Carter, 1254 Dark Canyon Road, Carlsbad, New Mexico 88220.

C. An archeological study has been conducted for the location and new access road. The report is attached herewith.

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 and after Construction:

John A. Langhoff
508 West Wall Street, Suite 1250
Midland, Texas 79702
(432) 687-6560

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 E.G.L. Resources, Inc. 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: John A. Laybolt
DATE: May 2, 2003
TITLE: Petroleum Engineer

APPLICATION FOR PERMIT TO DRILL

E.G.L. Resources, Inc.
Rock Tank Federal No. 5
500' FNL & 2265' FWL
Section 12, T-23-S, R-24-E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, E.G.L. Resources, Inc. 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 geological surface formation is of Permian age.

2. Estimated tops of geologic markers are as follows:

Capitan	660'
San Andres	825'
Cherry Canyon	1650'
Brushy Canyon	2400'
Bone Springs	3800'
2nd BS Sand	5300'
3rd BS Sand	7400'
Wolfcamp Lime	7750'
Wolfcamp Shale	7900'
Canyon	8200'
Strawn	8800'
Atoka	9600'
Middle Morrow	9800'
Lower Morrow	10200'

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

Captain	660'	Water
Canyon	8200'	Oil/Gas
Strawn	8800'	Gas
Atoka	9600'	Gas
Morrow	9800'	Gas

* Groundwater to be protected by 9-5/8" surface casing with cement circulated to the surface.
** Potentially productive horizons to be protected by 5-1/2" production casing with cement tied back to approximately 200' above surface casing shoe.

4. Proposed Casing Programs.

String	Footage	Size	Weight	Grade	Thread
Surface	1,650'	9-5/8"	36.00#	J-55	ST&C
Production	10,200'	5-1/2"	17.00#	N-80	LT&C
Tubing	10,100'	2-3/8"	4.70#	N-80	EUE 8rd

Proposed Cementing Program:

Cement 9-5/8" casing with 400 sx Class "C" with 4% gel and 2% CaCl2 (s.w. 13.51 ppg, yield 1.74 ft3/sx) plus 150 sx Class "C" with 2% CaCl2 (s.w. 14.8 ppg, yield 1.32 ft3/sx).

Cement 5-1/2" production casing (centralized through pay zones) in two stage with DV tool at approximately 7500' as follows:

First stage: 10 bfw + 500 gallons Mud Clean II + 10 bfw and 700 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).

Second Stage: 600 sx BJ lite with 6% gel, 5% salt and 0.4% FL-62 (s.w. 12.56 ppg, yield 2.01 ft3/sx) plus 200 sx Class "C" neat (s.w. 14.8 ppg, yield 1.32 ft3/sx). Calculate second stage cement volume for TOC at intermediate shoe.

5. Pressure Control Equipment: See Exhibit #5a and 5b.

6. Mud Program:

Depth	Type	Weight	Viscosity	Water Loss
0' - 1,650'	Fresh Water	8.5	26	N.C
1,650' - 5,000'	Fresh Water	8.5	26	N.C.
5,000' - 9,300'	Cut Brine	9.5	26	N.C
9,300'-10,200'	Poly/Starch	9.5	34	10 cc
10,200'-10,350'	Air			

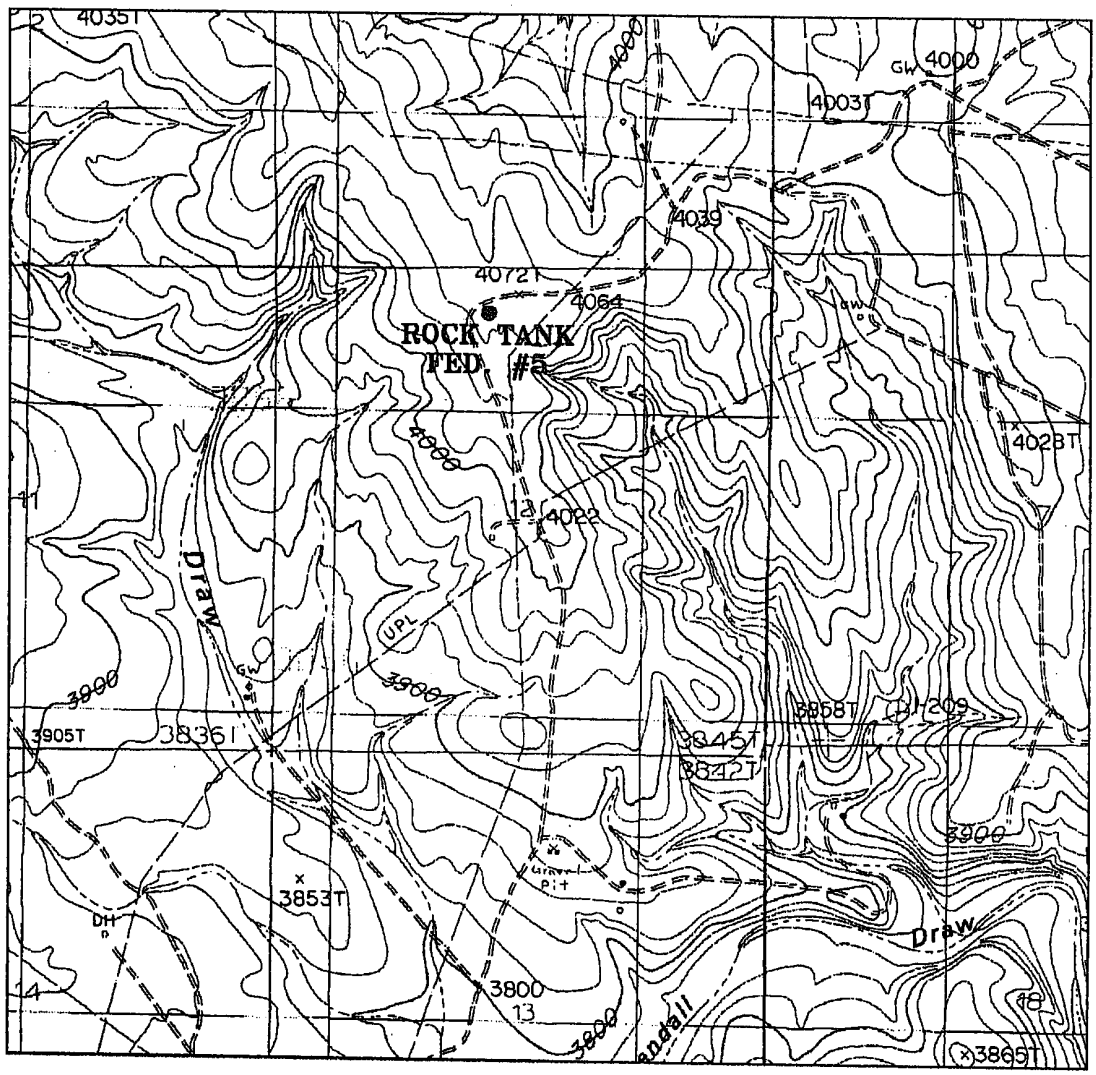
7. Auxiliary Equipment: Upper Kelly Cock, Full Opening Stabbing Valve, PVT.

8. Testing Logging and Coring Programs:

- DST's: DST any mudlog shows.
- Logging: 2-man Mudlogging unit from 7350' to T.D.
- Electric Logs: Platform Express with CNL-LDT, DLL-MSFL, GR and Caliper.
- Coring: None anticipated.
- Production casing to be set at 10,200' so that the Lower Morrow can be completed using air drilling equipment.

9. Abnormal Pressure, Temperatures or Other Hazards: Lost circulation is anticipated in the surface. Maximum bottomhole pressure is estimated to be 4200 psig.

10. Anticipated Starting Date: July 15, 2003.



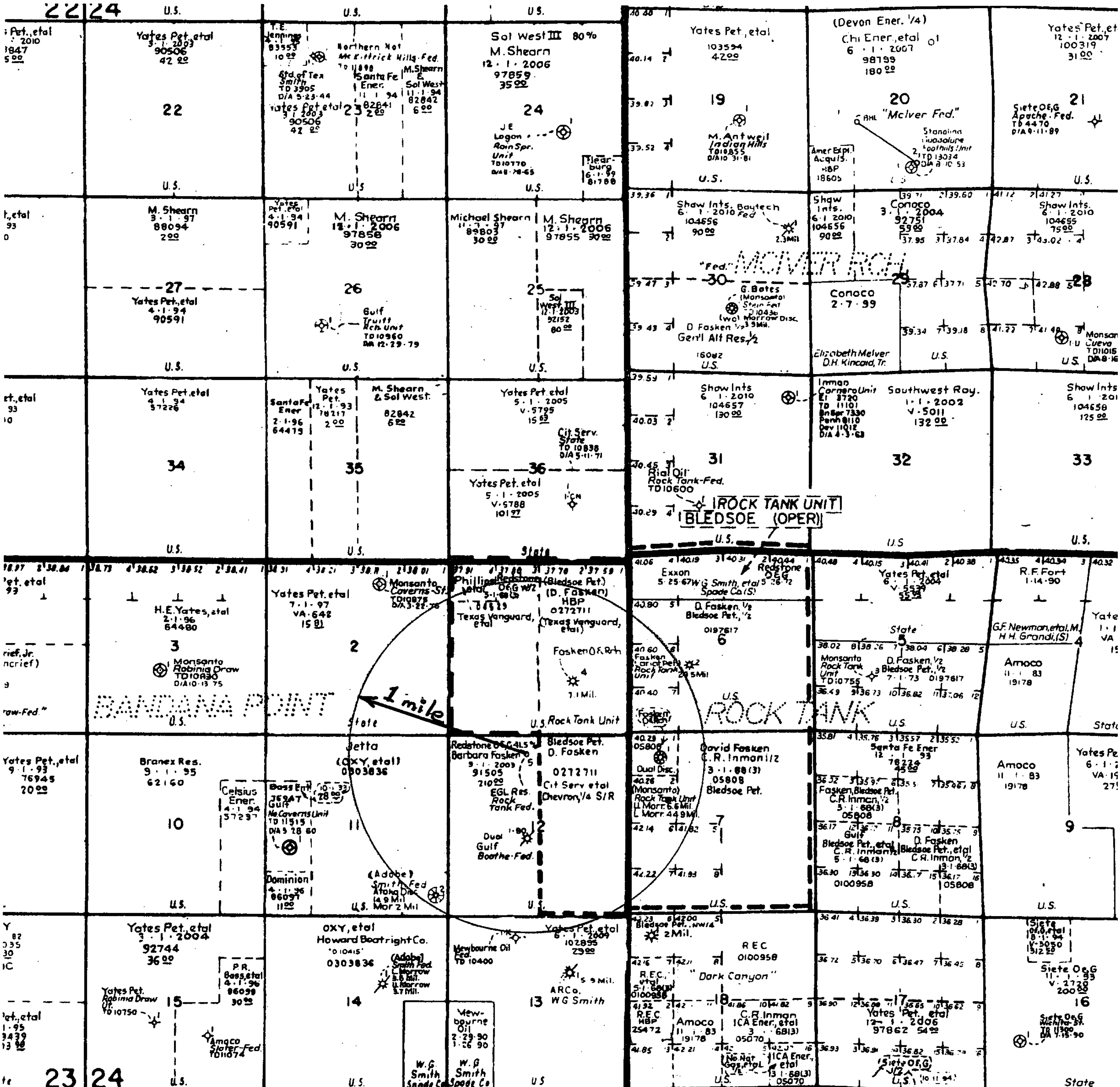
ROCK TANK FEDERAL #5
Located at 500' FNL and 2265' FWL
Section 12, Township 23 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.

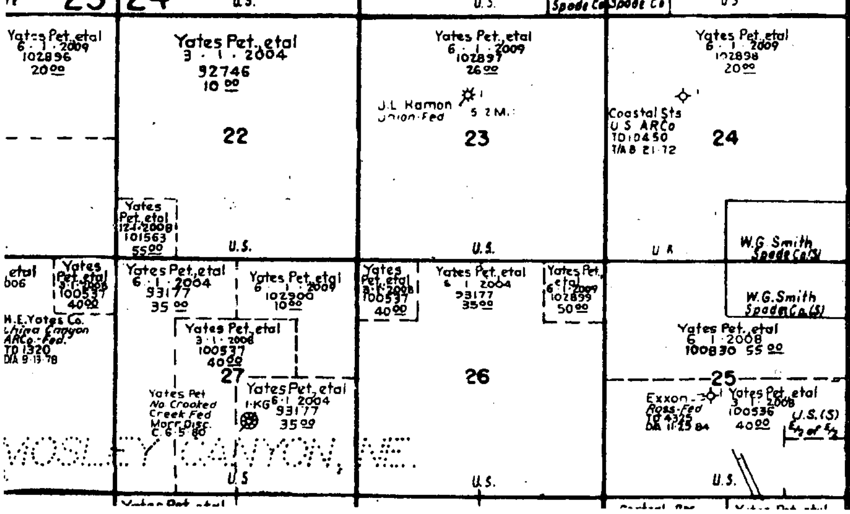
EXHIBIT NO. 1

basin surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	0607AA - KJG #122
Survey Date:	11-01-2000
Scale:	1" = 2000'
Date:	11-02-2000

E.G.L. RESOURCES





E.G.L. Resources, In

Rock Tank Federal No. 5

500' FNL & 2265' FWL

Section 12, T-23-S, R-24-

Eddy County, New Mexic

EXHIBIT NO. 2

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

EXHIBIT # 3
E.G.L. Resources, Inc.
Rock Tank Federal No. 5
500' FNL & 2265' FWL
Section 12, T-23-S, R-24-E
Eddy County, New Mexico

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 reasonably 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, mud gas separator (if necessary) and rotating head.

2. Protective Equipment for Essential Personnel:

A. 5-minute escape units located in the doghouse 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:

A. 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.

B. A Mud-gas separator will be utilized (if necessary).

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and line 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 doghouse.

8. Well Testing:

A. Drill stem testing will be performed with a minimum number of personnel in the immediate vacinity 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.

E.G.L. Resources, Inc

Rock Tank Federal No. 5
500' FNL & 2265' FWL
Section 12, T-23-S, R-24-E
Eddy County, New Mexico

EXHIBIT NO. 4a

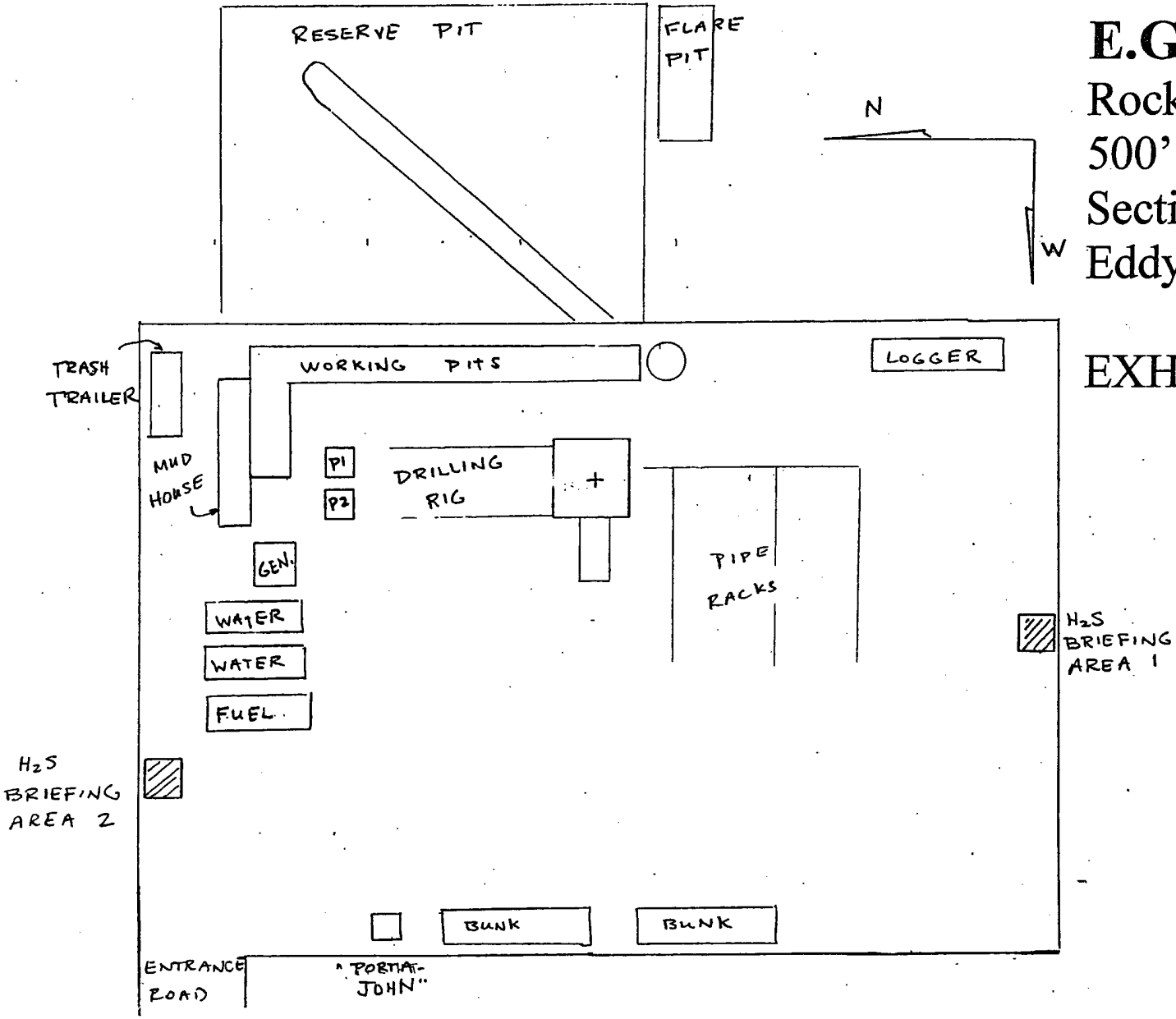
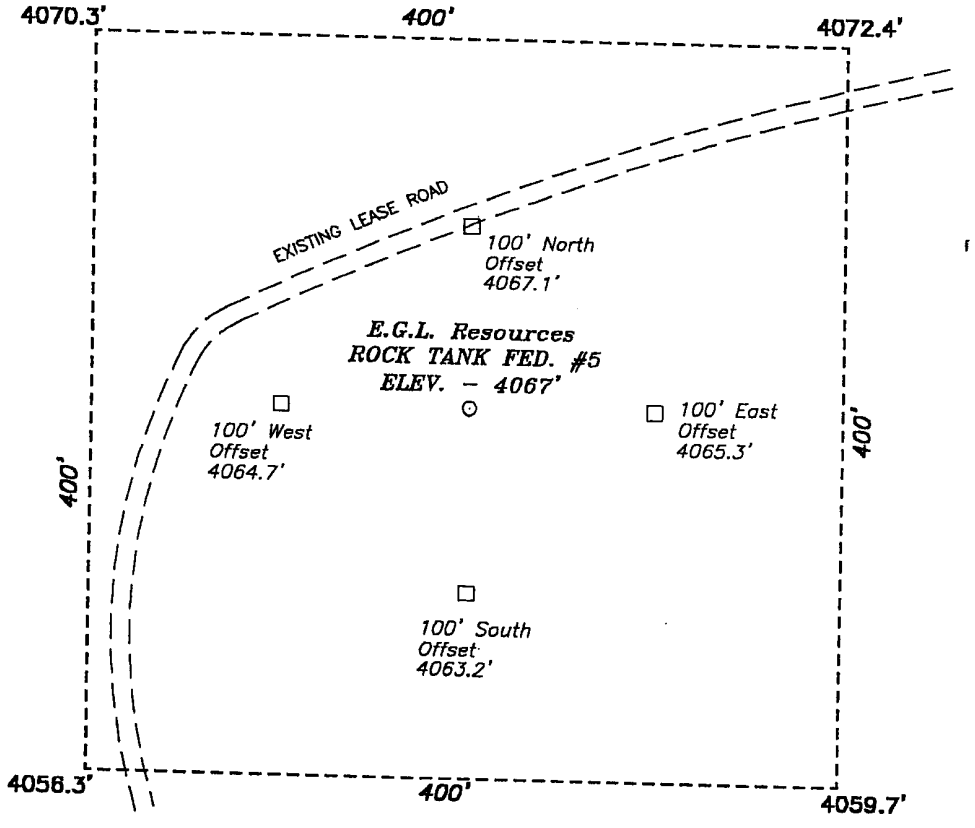


EXHIBIT #4a
SCALE 1" = 50'

SECTION 12, TOWNSHIP 23 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

EXHIBIT NO. 4b

E.G.L. Resources

REF: Rock Tank Federal No. 5 / Well Pad Topo

THE ROCK TANK FEDERAL No. 5 LOCATED 500' FROM THE NORTH LINE AND 2265' FROM THE WEST LINE OF SECTION 12, TOWNSHIP 23 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

W.O. Number: 0607	Drawn By: G.SHOULTS		
DATE: 11-02-2000	Disk: KJG CD#2 – 0607A.DWG	Survey Date: 11-01-2000	Sheet 1 of 1 Sheets

E.G.L. Resources, Inc.

Rock Tank Federal No. 5

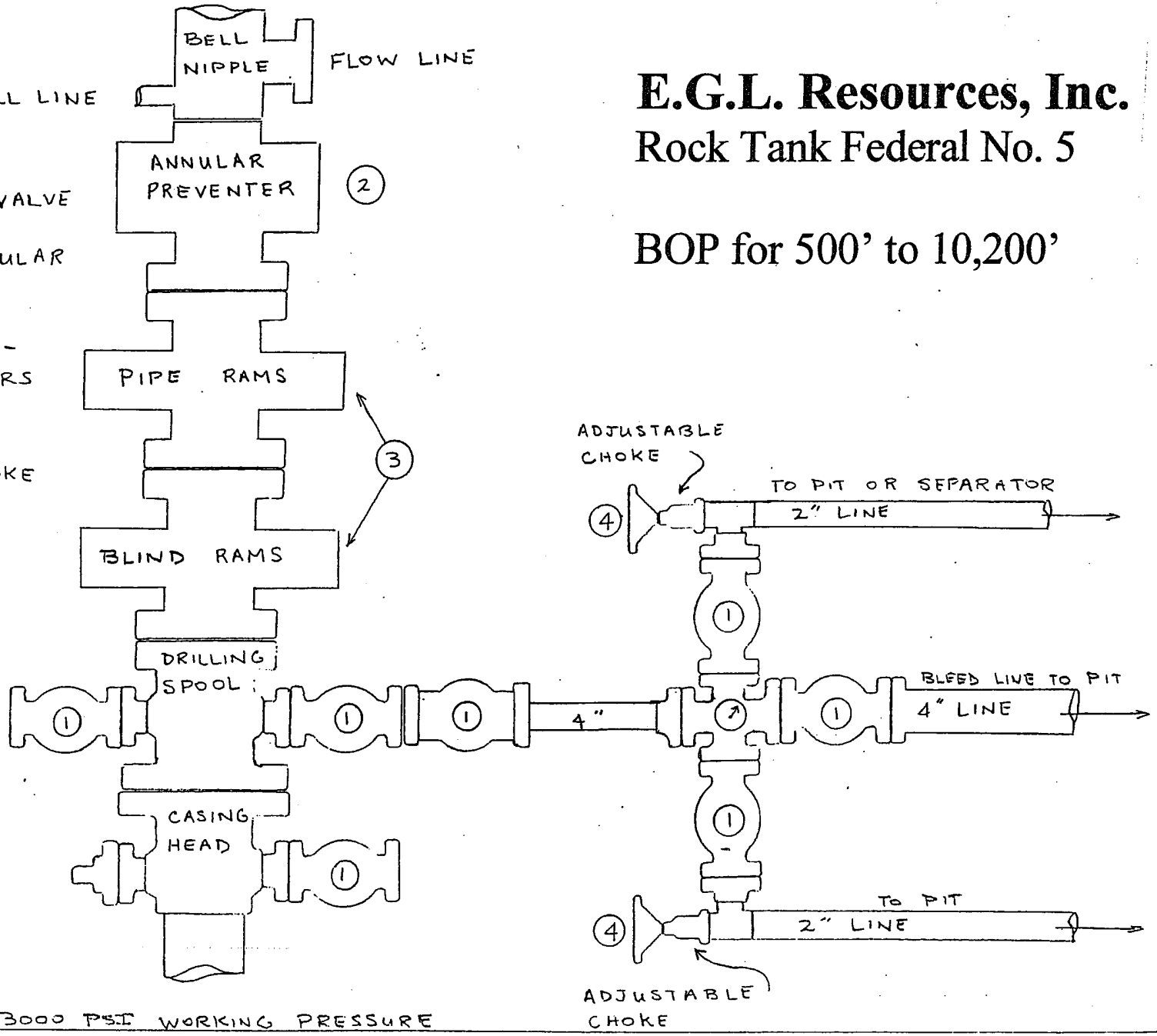
BOP for 500' to 10,200'

(1) 4" SERIES 900 VALVE

(2) SERIES 900 ANNULAR PREVENTER

(3) SERIES 900 RAM-TYPE PREVENTERS

(4) 2" SERIES 900 ADJUSTABLE CHOKE



3000 PSI WORKING PRESSURE

EXHIBIT NO. 5a

E.G.L. Resources, Inc.

Rock Tank Federal No. 5

BOP for 10,200' to 10,350'

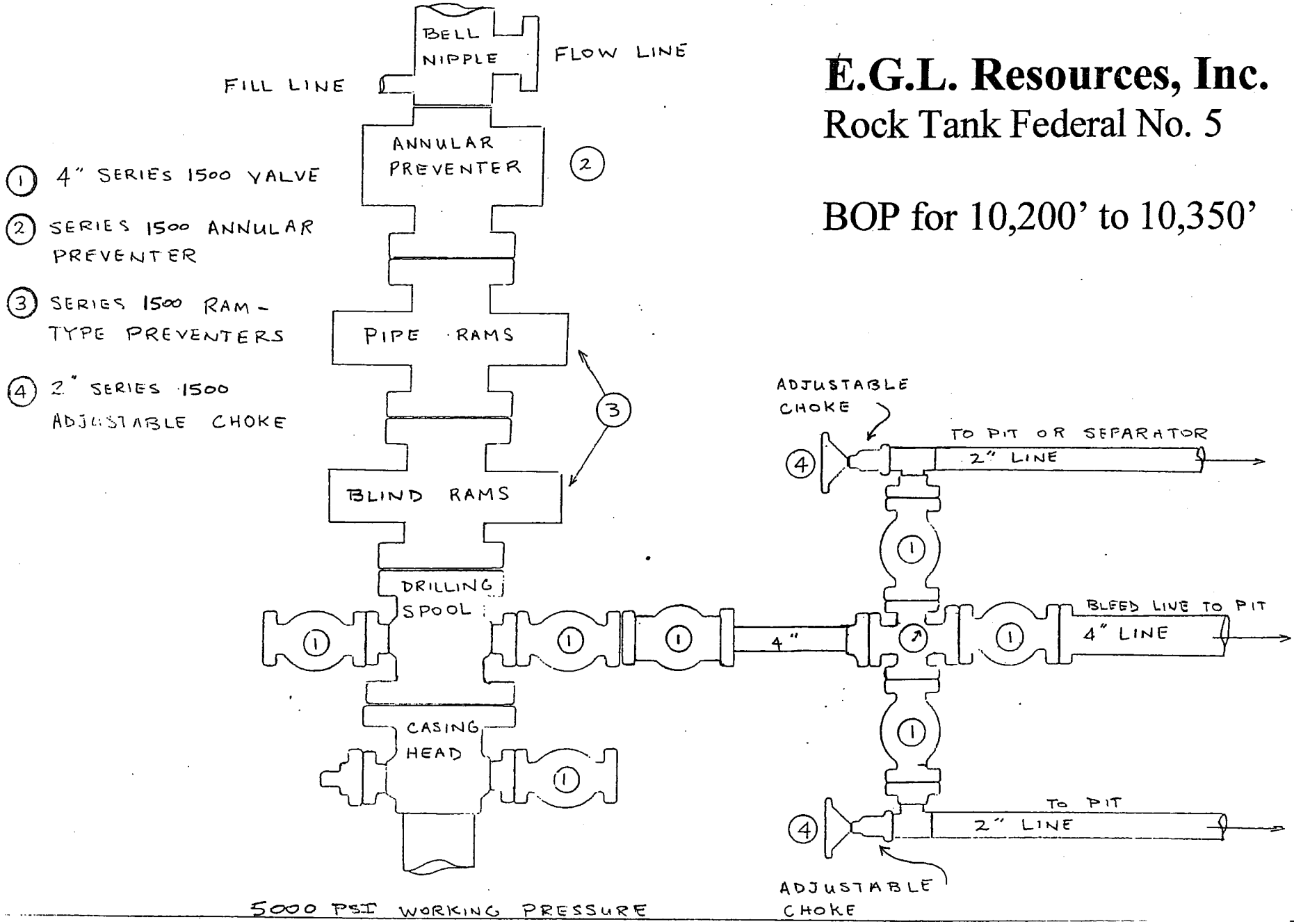


EXHIBIT NO. 5b

APPENDIX B.

TITLE PAGE/ABSTRACT/ NEGATIVE SITE REPORT ROSWELL DISTRICT

BLM/ RDO 1/95

1. BLM Report No.	2. (ACCEPTED) (REJECTED)	3. NMCRIS No. 57985
4. Title of Report (Project Title): Archaeological survey of Fasken Oil & Ranch Ltd.'s proposed Carnero Federal Well #1 in Section 12, T23S, R24E, NMPM, Eddy County, NM.		5. Project Date(s) 8-20-1997 6. Report Date - 8-20-1997
7. Consultant Name & Address: Direct Charge: David Wilcox Name: Desert West Archaeological Services Address: 102 N. Main, Carlsbad, NM 88220 Authors Name: David Wilcox field personnel names - David Wilcox Phone (505 887-7646)		8. Permit No. 123-2920-97-N 9. Consultant Report No. DWAS 97-21AU
10. Sponsor Name and Address: Indiv. Responsible: Mr. Tommy E. Taylor Name: Fasken Oil & Ranch Ltd. Address: 303 W. Wall Ave., Suite 1900, Midland, TX 79701-5116 Phone (915) 687-1777		11. For BLM Use only. 12 ACREAGE: Total No. of acres surveyed - 3.67 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: Carlsbad, NM
e. Location:
T23S; R24E; Sec. 12
Well Pad footages: 500' FNL; 2265' FWL
f. 7.5 ' Map Name(s) and Code Numbers(s): Carnero Peak, NM (Provisional Edition 1985 [32104-C4]).
g. Area: Block: Impact: within staked area
Surveyed: 400' x 400'
Linear: Impact:
Surveyed:

14. a. Records Search:

Location: BLM and ARMS
Date: 8-19-1997
List by LA# All sites within .25 miles of the project:
(Those sites within 500' are to be shown on the project map)

b. Description of undertaking:

Class III pedestrian survey of a the Fasken Oil & Ranch Ltd.'s proposed Carnero Federal Well #1 in Section 12, T23S, R24E, NMPM, Eddy County, NM. There is an existing access road which bisects this staked location's perimeter.

c. Environmental Setting (NRCS soil designation; vegetative community; etc.)

Vegetation - tree cholla, prickly pear cactus, China Berry, acacia, sotol, juniper, littleleaf horsebrush, rainbow cactus, claret cup cactus, bear grass, lechugilla, torrey yucca, desert holly and assorted grasses.

Topography - The pad lies on top of a hill which gives an excellent 360 degree view shed. Limestone roak is exposed all over the surveyed area, but the central area of this proposed location is a saddle which has loamy soils on the surface. This area has limestone terraces layered to the hill's zenith which flattens to a finger ridge which runs in a northwesterly direction. An existing lease road bisects the proposed pad's perimeter.

Soils - Limestone rock land-Ector association: Rock land and very shallow, stony and rocky, loamy soils over limestone; on hills and mountains.

d. Field Methods:

Transect Intervals: straight and zig-zag transects, spaced not greater than 15 meters apart
Crew Size: 1
Time in Field: 1 hours
Collections: n/a

15. Cultural Resource Findings: No cultural resource wre encountered during this survey.

16. Management Summary (Recommendations):
Archaeological clearance for Fasken Oil & Ranch Ltd.'s proposed Carnero Federal Well #1 in Section 12, T23S, R24E, NMPM, Eddy County, NM is recommended. If cultural resources are encountered during construction, the BLM and DWAS should be notified immediately.

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

Responsible Archaeologist _____ 8-20-97

Signature Date

Figure 1. Topographic map of USGS 7.5' Series Carnero Peak, NM (Provisional Edition 1985) showing the project area.

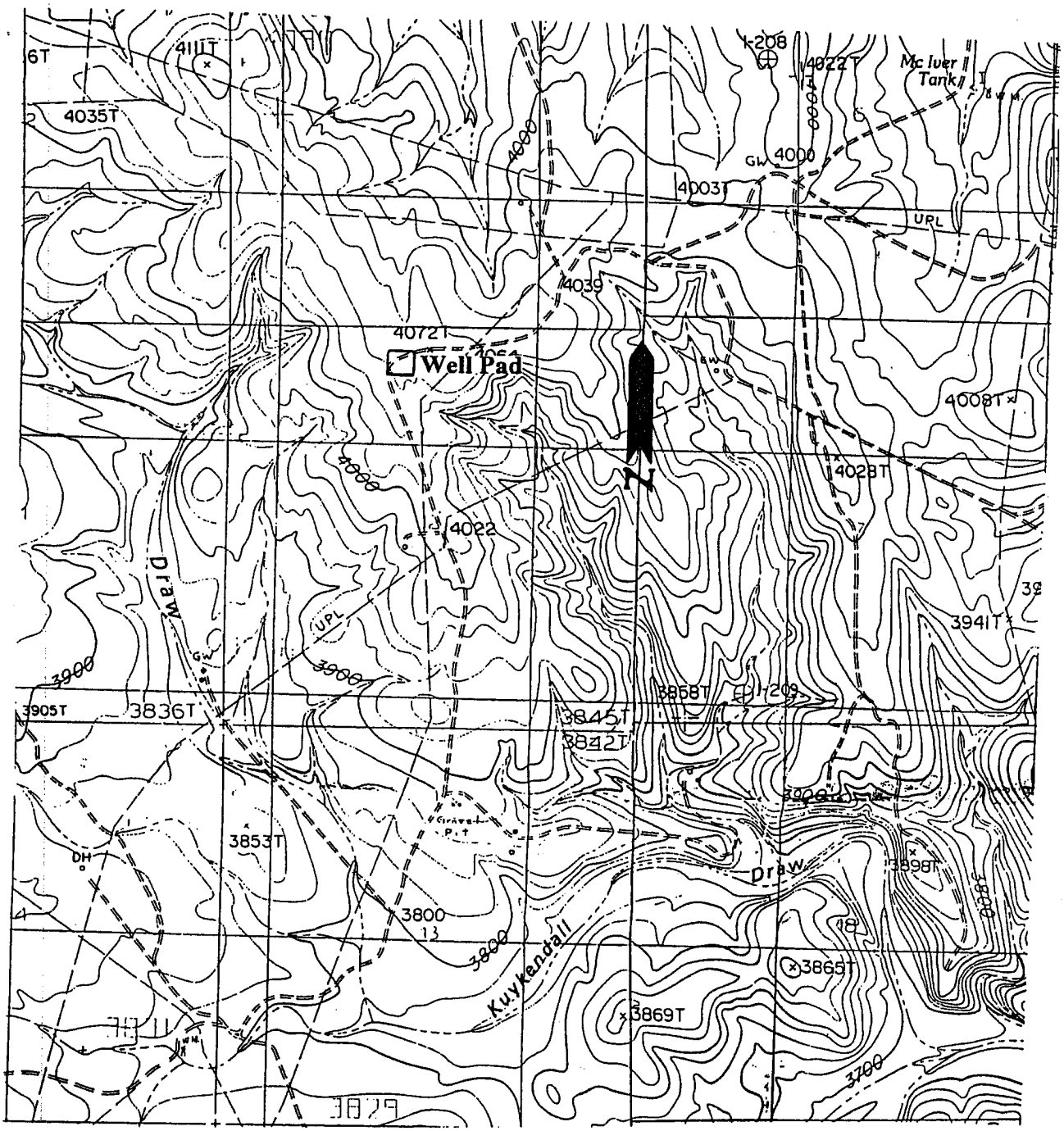


Figure 1. Showing FASKEN OIL AND RANCH, LTD.'s proposed Carnero Federal Well No. 1 in Section 12, T23S, R24E, NMPM, Eddy County, New Mexico. Map Reference: USGS 7.5' series, Carnero Peak, NM (1985 Prov. Ed.)

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

E.G.L. Resources, Inc. accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.:	NM-91505
LEGAL DESCRIPTION:	W/2 Section 12, T-23-S, R-24-E Eddy County, New Mexico
FORMATION(S):	All
BOND COVERAGE:	$25,000
BLM BOND FILE:	NM2693

E.G.L. Resources, Inc.
By:

W. Wesley Perry
President

Date: May 2, 2003