

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana
Midland, Texas 79701

(915) 683-7443
FAX 683-7441

February 24, 2000

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Oxy U.S.A., Inc.
P.O. Box 50250
Midland, TX 79710

ATTENTION: Mr. T. Kent Woolley

Re: Woody 10 Fed Com #1 Well
T-17-S, R-27-E
Section 10: S/2, 660' FSL and 660' FEL
Eddy County, New Mexico

Gentlemen:

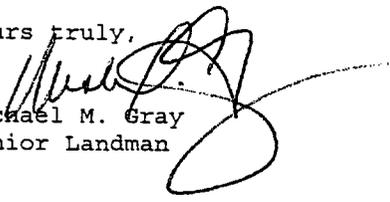
Concho Resources Inc. proposes the drilling of the Woody 10 Federal Com #1 Well as a 9,350' Morrow test well, to be drilled at the captioned location. The unit for the well would be comprised of the S/2 of Section 10-17S-27-E, N.M.P.M. Enclosed is an Authority for Expenditure estimating the cost of this project.

If you desire to participate in our proposed well, please indicate your election to join by executing and returning one copy of the enclosed AFE, along with executed signature pages for the enclosed Operating Agreement and Exhibit "G" attached hereto.

If you do not desire to participate in this well, we would like to discuss the acquisition of a mutually acceptable farmout or term assignment from you.

If you have any questions, please call me.

Yours truly,


Michael M. Gray
Senior Landman

MMG/lhc

Enclosure

BEFORE THE
OIL CONSERVATION DIVISION
Case No. 12377 Exhibit No. 5
Submitted By:
Concho Resources, Inc.
Hearing Date: June 29, 2000

<p>SENDER: *Complete items 1 and/or 2 for additional services. *Complete items 3, 4a, and 4b. *Print your name and address on the reverse of this form so that we can return this card to you. *Attach this form to the front of the mailpiece, or on the back if space does not permit. *Write "Return Receipt Requested" on the mailpiece below the article number. *The Return Receipt will show to whom the article was delivered and the date delivered.</p>	<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>
1. Article Addressed to:	4a. Article Number

airmail services

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Certified Mail

provided.

1. Mail (See reverse)

D.C.																			
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