

File

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

Chi Energy, Inc.
P.O. Box 1799
Midland, TX 79702

ATTENTION: Mr. Bill Bergman

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,
[Signature]
Michael M. Gray
Senior Landman

MMG/lhc

Enclosure

BEFORE THE OIL CONSERVATION DIVISION
Case No. 12377 Exhibit No. 6
Submitted By: Concho Resources, Inc.
Hearing Date: June 29, 2000

SENDER:
I also wish to receive the following services (for an extra fee):
1. [ ] Addressee's Address
2. [ ] Restricted Delivery
Consult postmaster for fee.
3. Article Addressed to:
4a. Article Number

PS Form 3800, April 1995
US Postal Service
Return Receipt for Certified Mail
No Insurance Coverage
Do not use for International Mail
Sent to: Chi Energy
Street & Number
Post Office, State, & ZIP
Postage
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt Show Whom & Date Delivered
Return Receipt Showing Date & Addressee's Address
TOTAL Postage & Fees
Postmark or Date

Print on the reverse side?