New M ...trict I

OPER. OGRID NO. 166111
PROPERTY NO. 24227
POOL CODE 13160
EFF. DATE 12/4/00
API NO. 30-025-35286

Form 3160-3
(July 1992)

UNITED STA
DEPARTMENT OF TH
BUREAU OF LAND MA

...ATE* ...s on

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT

5. LEASE DESIGNATION AND SERIAL NO.: LC 069276

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☐ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME, WELL NO.: West Corbin '19' Federal #6

2. NAME OF OPERATOR: Concho Resources Inc.

9. API WELL NO.: 30025-~~34007~~ 35286

3. ADDRESS AND TELEPHONE NO.: 110 W. Louisiana Ste 410; Midland, Tx 79701 (915) 683-7443

10. FIELD AND POOL, OR WILDCAT: Corbin Bone Spring South

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 330' FWL & 990' FSL
At proposed prod. zone same (M)(Lot 4)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 19, T-18S, R-33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 35 miles West from Hobbs, NM

12. COUNTY OR PARISH: Lea

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'	520	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
750'	~~10150'~~ 11,500	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3787' GR

22. APPROX. DATE WORK WILL START*:

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" cond	NA	40'	Cmt to surf w/ Redi mix
17-1/2"	13-3/8" H-40	48	450'	400 sx C - Circ to surf
12-1/4"	8-5/8 J-55	32	2850'	1000 sx C - Circ to surf
7-7/8"	5-1/2" N-80	17	~~10150'~~ 11500	1000 sx C - TOC @ 2650'

Concho Resources Inc. respectfully requests approval to drill the West Corbin '19' Federal No. 6 according to the following procedure:

1. Drill 25" hole to 40'. RIH w/ 20" conductor & cmt to surface w/ Redi-mix.
2. Drill 17-1/2" hole to 450'. RIH w/ 13-3/8", 48#, H-40, ST&C casing & set @ 450'. Cmt w/ 400 sx Class C cmt + 3% CaCl. Circ cmt to surface.
3. Drill 12-1/4" hole to 2850'. RIH w/ 8-5/8", 32#, J-55, ST&C casing & set @ 2850'. Cmt w/ 700 sx C Lite + 300 sx Class C neat + 2% CaCl. Circ cmt to surf.
4. Drill 7-7/8" hole to 10,150'. RIH w/ 5-1/2", 17#, N-80, LT&C casing & set @ 10150'. Cmt w/ 1st stage: 400 sx Class H cmt + additives; DV tool @ 6800'; cmt 2nd stage: 400 sx Class C light + additives; tail w/ 200 sx Class C + additives. Est TOC @ 2650'.

APD previously approved on 6/4/97.

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.
SIGNED _____ TITLE Production Analyst DATE 09/14/00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that 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:

APPROVED BY /S/ LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE OCT 1 8 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
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
30025-~~34007~~ 35286	13160	CORBIN BONE SPRING SOUTH

Property Code	Property Name	Well Number
24227	West Corbin "19" Federal	6

OGRID No.	Operator Name	Elevation
166111	Concho Resources Inc.	3787'

Surface Location

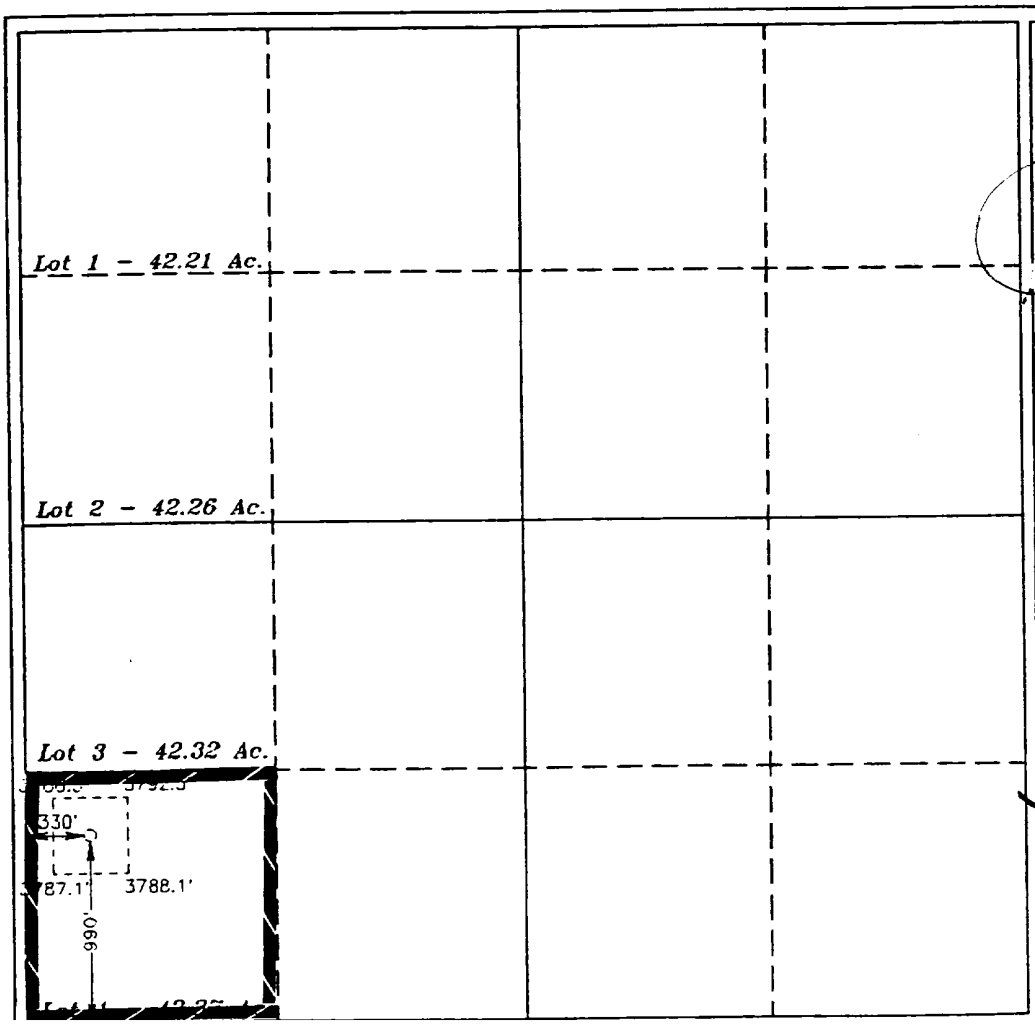
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 4	19	18 S	33 E		990	South	330	West	Lea

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

Terri Stathem
Printed Name

Production Analyst
Title

9/14/00
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.

March 31, 1997
Date Surveyed

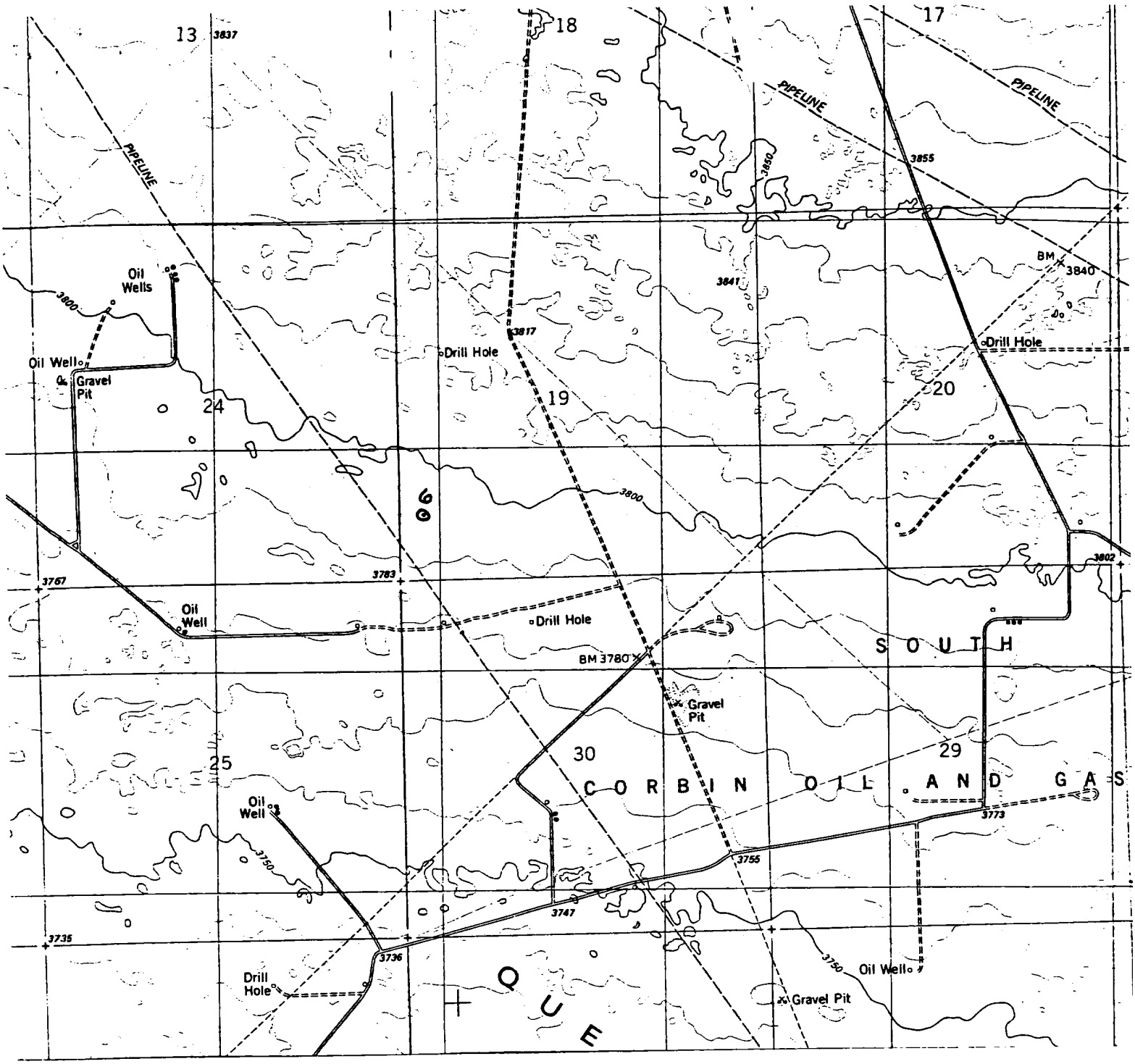
Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 7113

Certificate No. Gary L. Jones 7977

BASIN SURVEYS



WEST CORBIN "19" FEDERAL No. 6
990' FSL & 330' FWL
Sec. 19, T-18-S, R-33-E,
Lea County, New Mexico.

N

SCALE: 1"=2000'

2000' 0 2000' 4000 Feet

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

Application to Drill

Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

In response to questions asked under Section IIB of Bulletin NTL-6 the following information is proved for your consideration:

1. Location: 990' FSL & 330' FWL, Sec. 19, T-18S, R-33E, Lea County, NM

2. Elevation Above Sea Level: 3787' GR

3. Geologic Name of Surface Formation: Quaternary Aeolian Deposits

4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.

5. Proposed Drilling Depth: 10,150'

6. Estimated Tops of Geological Markers:

Rustler Anhydrite	1250'
Yates	2850'
Seven Rivers	3340'
Queen	3790'
San Andres	4860'
Bone Spring	8660'

7. Possible Mineral Bearing Formation:
   Yates – Oil
   Queen 7 Rivers – Oil
   Bone Spring - Oil

8. Casing Program:

Hole Sz	Interval	OD Csg	Weight	Thread	Collar	Grade	Condition
25"	0-40'	20"	Cond.	NA	NA	NA	New
17-1/2"	0-~~450~~ 1825'	13-3/8"	48#	8-R	ST&C	H-40	New
12-1/4"	0-2850'	8-5/8"	32#	8-R	ST&C	J-55	New
7-7/8"	0-10150'	5-1/2"	17#	8-R	LT&C	K-55/N-80	New

9. Cementing & Setting Depth:

20"	Conductor	Drill 25" hole to 40'. Set 40' of 20" conductor. Cement to surface with Redi-mix.
13-3/8"	Surface	Drill 17-1/2" hole to ~~450~~ 1325'. Run & set ~~450~~ 1325' of 13-3/8", 48#, H-40, ST&C casing. Cement with 400 sacks Class "C" + 3% CaCl . Circulate cmt to surface.
8-5/8"	Intermediate	Drill 12-1/4" hole to 2850'. Run & set 2850' of 8-5/8", J-55, 32 ST&C casing. Cement with 700 sacks Class "C" light,, tail in with 300 sacks Class "C" + 3% CaCl. Circulate cmt to surface.
5-1/2"	Production	Drill 7-7/8" hole to 10150'. Run & set 10150' of 5-1/2", 17#, N-80, LT & C casing. Cement in 2 stages. 1st Stage w/ 400 sacks Class "H" + additives, 2nd stage w/ 400 sacks Class "C" Light + additives; tail in w/ 200 sx Clss C + additives. Estimated top of cement – 2650'.

10. Pressure Control Equipment: Exhibit "E" A 1580 Series 5000 psi working pressure BOP consisting of a double ram type preventor with a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nippled upon 13-3/8" casing and will be operated at least once each 24-hour period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Visc.	Fluid Loss	Type Mud
0-~~450~~ 1325'	8.6-9.0	28 - 40	NC	Fresh water spud mud add paper for seepage control.
1325' ~~450~~-2850'	10-10.5	28 - 32	NC	Brine water add Lime for pH control & paper for seepage.
2850-9800'	8.8-9.5	28 – 32	NC	Cut Brine & lime for pH control.
9800-10150'	9-9.8	34-40	10 cc or less	Cut brine soda ash Drispac & gel & starch for water loss control.

Sufficient mud materials will be kept on location at all times in order to combat loss circulation, unexpected kicks. In order to run DST's, open hole logs, and casing the viscosity and water loss may have to be adjusted to meet these needs.

12. Testing, Logging and Coring Program:
    A. Open hole logs: Gamma Ray, Caliper, Dual Laterolog, CNL, LDT, MSFL from TD to 2850'. GR, Neutron from TD to surface.
    B. No coring or DST's planned at this time.
13. Potential Hazards:
    No abnormal pressures or temperatures are expected. Hydrogen Sulfide (H2S) Gas may be encountered, H2S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3000 PSI, estimated BHT 175°.

14. Anticipated Starting Date and Duration of Operations:
    Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 22-28 days. If production casing is run an additional 15 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:
    After running casing, cased hole gamma ray neutron logs will be run from TD over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialed as an oil well.

Hydrogen Sulfide Drilling Operations Plan

Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

1. All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:
   A. Characteristics of H2S
   B. Physical effects and hazards
   C. Proper use of safety equipment and life support systems
   D. Principle and operation of H2S detectors, warning systems and briefing areas.
   E. Evacuation procedure, routes and first aid
   F. Proper use of 30 minute pressure demand air pack

2. H2S Detection and Alarm Systems
   A. H2S detectors and audio alarm system to be located at bell nipple end of blooey line (mud pit) and on derrick floor or doghouse.

3. Windsock and/or Wind Streamers
   A. Windsock at mud pit area should be high enough to be visible.
   B. Windsock at briefing area should be high enough to be visible.
   C. There should be a windsock at entrance to location.

4. Condition Flags and Signs
   A. Warning sign on access road to location
   B. Flags to be displayed on sign at entrance to location. Green flag – normal safe condition. Yellow flag – indicating potential pressure and danger. Red Flag – danger – H2S present in dangerous concentration. Only emergency personnel admitted on location.

5. Well Control Equipment – See Exhibit "E"

6. Communication
   A. While working under masks chalkboards will be used for communication.
   B. Hand signals will be used where chalkboard is inappropriate.
   C. Two way radio will be used to communicate off location in case emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

7. Drill Stem Testing
   A. All testing will be done in the daylight hours.
   B. Exhausts will be watered.
   C. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   D. If location is near any dwelling a closed DST will be performed.

Hydrogen Sulfide Drilling Operations Plan

Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.

9. If H2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H2S scavengers if necessary.

Surface Use Plan

Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

1. EXISTING ROADS: Area map, Exhibit "B" is a reproduction of the New Mexico General Highway Co. map. Exhibit "C" is a reproduction of a USGS Topographic map. All existing roads and proposed roads are shown on each exhibit. All roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
   A. Exhibit "A" shows the proposed development well as staked.
   B. From Hobbs New Mexico take U.S. Highway for 15 miles to Junction of 62-180 and State Highway 529, bear right and follow 529 for 20 miles to milepost 11; turn South follow caliche road for 4.6 miles turn left (East) go .25 miles turn right (South) go .75 miles to location on West side of road.
   C. Lay 3" polyethylene pipeline to transport produced fluids to a common tank battery. Construct a 1250 KV electric power line along road ROW in order to produce oil and gas from this well.

2. PLANNED ACCESS ROADS: Approximately 1320' of new road will be constructed.
   A. The access road will be crowned and ditched to a 12' 00" wide travel surface with 40' of right of way.
   B. Gradient of all roads will be less than 5%
   C. No turnouts will be necessary.
   D. If needed, road will be surfaced with a minimum of 4" caliche. This material will be obtained from a local source.
   E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
   F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Lopography.

3. LOCATION OF EXISTING WELLS IN A ONE MILE RADIUS – EXHIBIT "A-1"

A.	Water Wells	None known
B.	Disposal Wells	None known
C.	Drilling Wells	None known
D.	Producing Wells	Exhibit "A-1"
E.	Abandoned Wells	None known

4. If upon completion this well is a producer, Concho Resources Inc. will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry notice.

5. LOCATION AND TYPE OF WATER SUPPLY
   Water will be purchased locally from a private source and trucked over the access roads or piped in flexible lines laid on top of the ground.

Surface Use Plan
Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

6. SOURCE OF CONSTRUCTION MATERIALS
If needed, construction materials will be obtained from the drill site's excavations or from a local source. These materials will be transported over the access route as shown on Exhibit "A".

7. METHODS FOR HANDLING WASTE DISPOAL
   A. 1. Drill cuttings will be disposed of in the reserve pit.
      2. Trash, waste paper, and garbage will either be contained in a fenced trash trailer or a trash pit, fenced with mesh wire to prevent wind scattering during storage. When the rig moves out, all trash and debris left at the site will be contained to prevent scattering and will be buried at least 36" deep within a reasonable period of time.
      3. Salts remaining after completion of the well and broken sacks will be picked up by the supplier.
      4. Sewage from trailer house will drain into holes with a minimum depth of 10' 00". These holes will be covered during drilling and backfilled upon completion. A "porta potty" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
   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 "D" shows location and rig layout.
   B. Exhibit "D" indicates proposed location of reserve and trash pits; and living facilities.
   C. Pit is proposed to be unlined, unless subsurface conditions encountered using pit construction indicate that lining is needed for lateral containment of fluids.
      1. If lining of reserve pit is needed it is to be lined with PVC or polyethylene. The pit liner will be 6 mils thick. Pit liners will extend a minimum 2' 00" over the reserve pit dikes, where the liner will be anchored down.

D. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. 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 of 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 been be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with previsions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile 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 contoured to match the existing terrain. Top soil 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 which are not required for production facilities.

11. OTHER INFORMATION:
A. Topography, as shown on topographic map consists of sand dunes with a Westerly dip toward the Pecos River. The surface is used mainly for live stock grazing and access to Oil & Gas production. Surface vegetation consists of native grasses, shinnery oak, mesquite, sandsage and snake weed.
B. The surface is owned by the Department of Interior, Bureau of Land Management.
C. An archeological survey has been conducted of the location and road. This was submitted separately to the BLM upon completion.
D. There are no dwellings within 2 miles of this location.

Surface Use Plan

Concho Resources Inc.
West Corbin '19' Federal #6
UL: M; Sec. 19, T-18S, R-33E
Lea County, NM

12. OPERATORS REPRESENTATIVES:
Concho Resources Inc.
110 W. Louisiana, Suite 410
Midland, Tx 79701
(915) 683-7443
Mr. Joe Wright
Mr. Eric Nelson

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 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 Concho Resources Inc., its contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of USC 1001 for the filing of a false statement.

Eric Nelson	Sr. Operations Engineer	5/2/00
	Title	Date

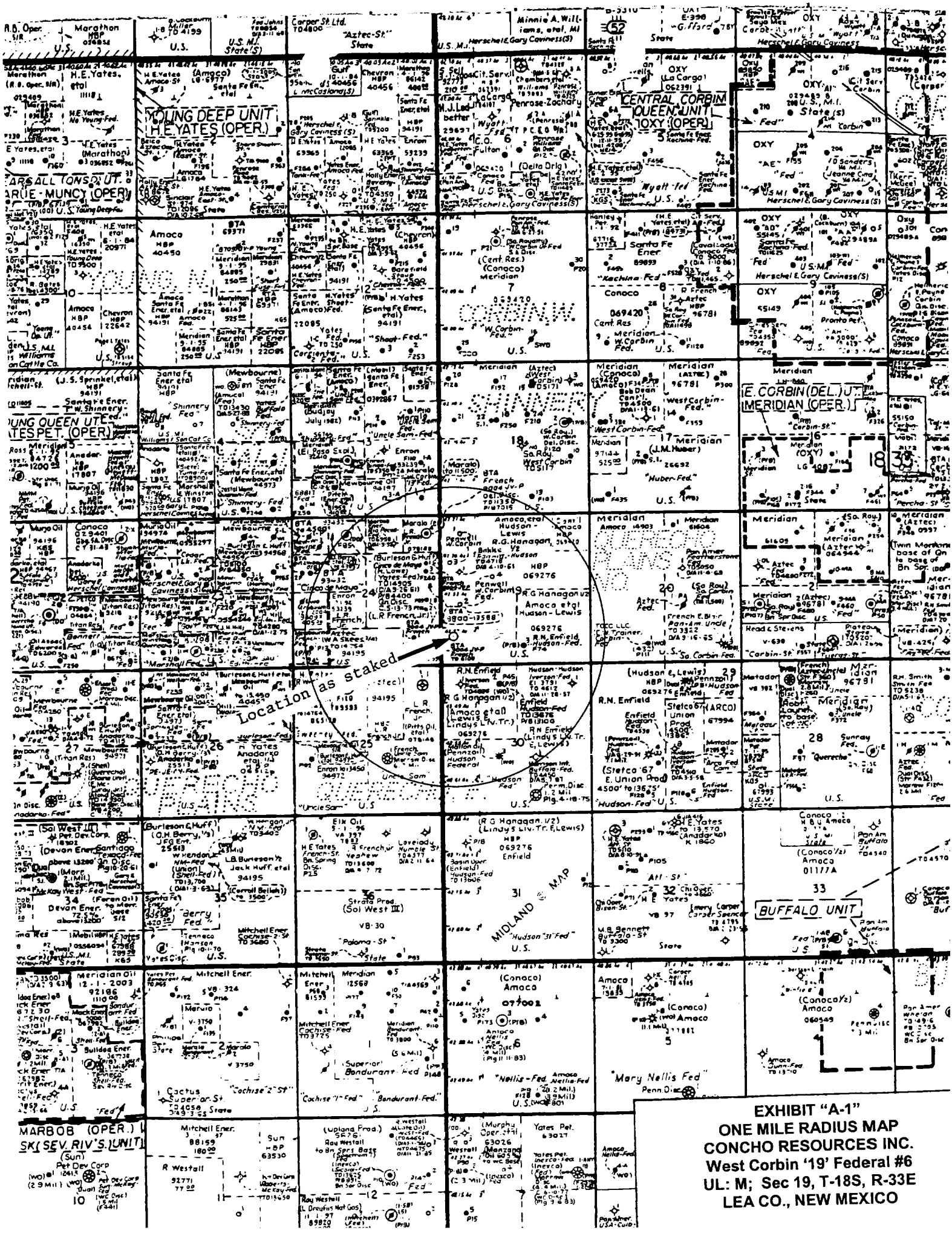


EXHIBIT "A-1"
ONE MILE RADIUS MAP
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO

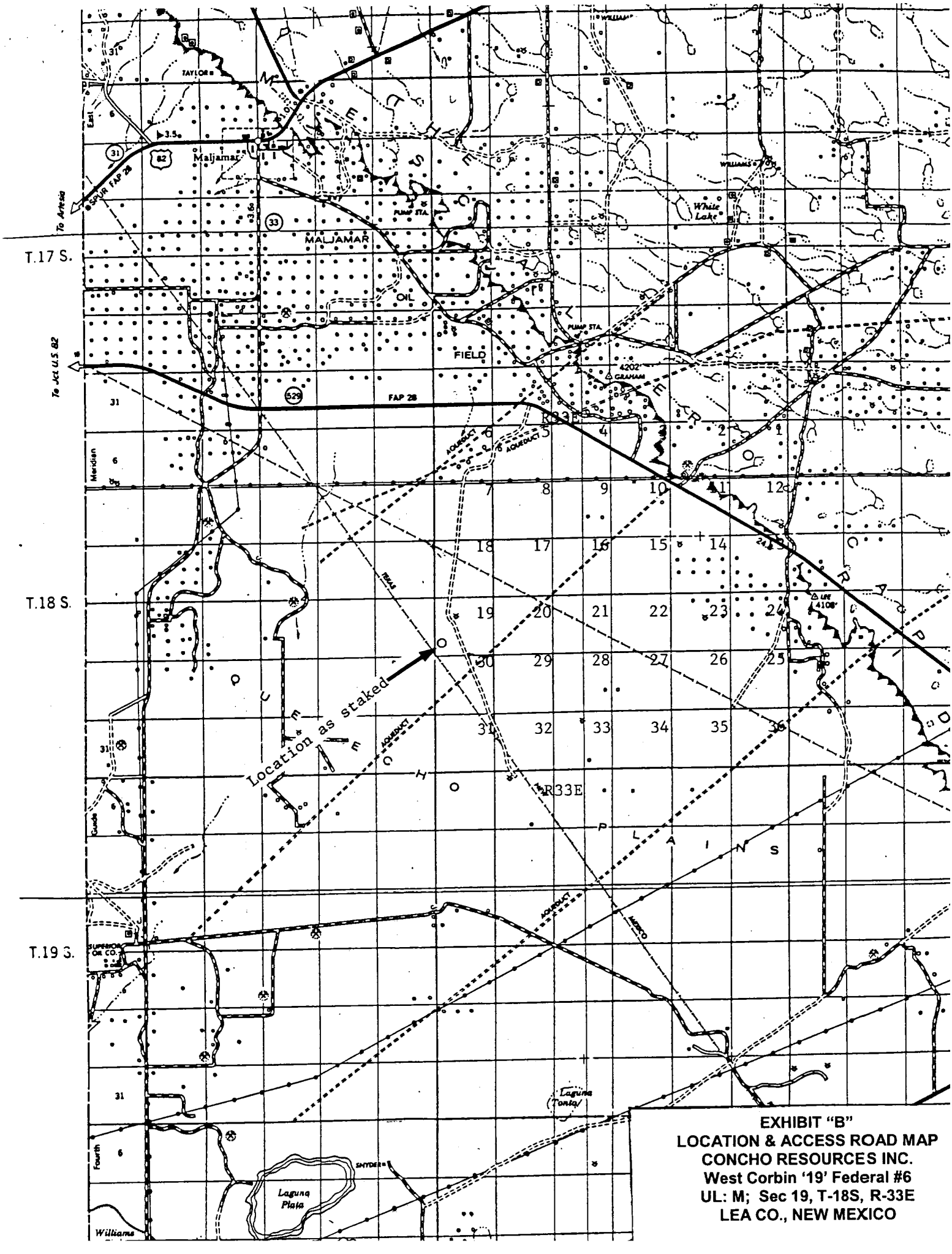


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO

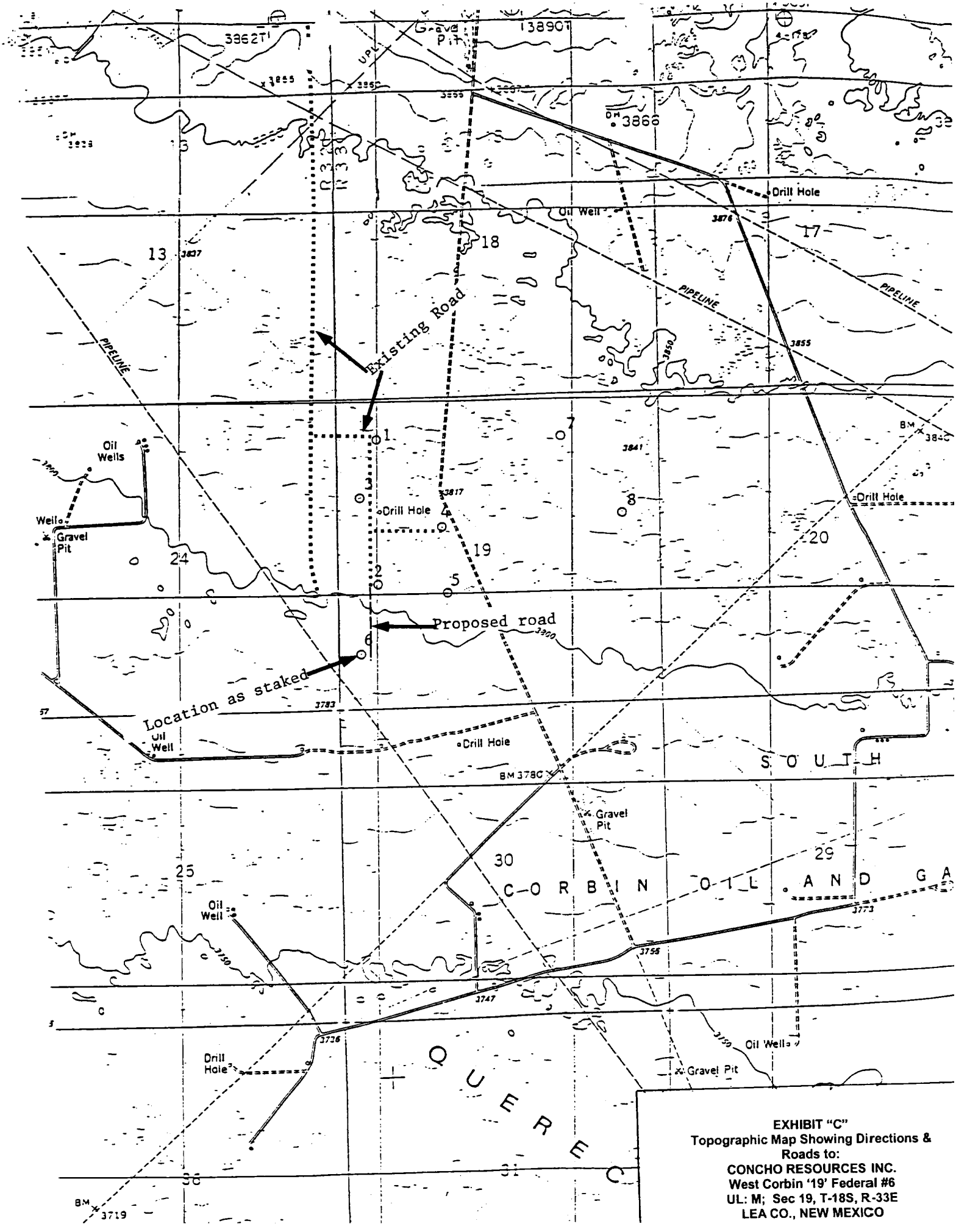
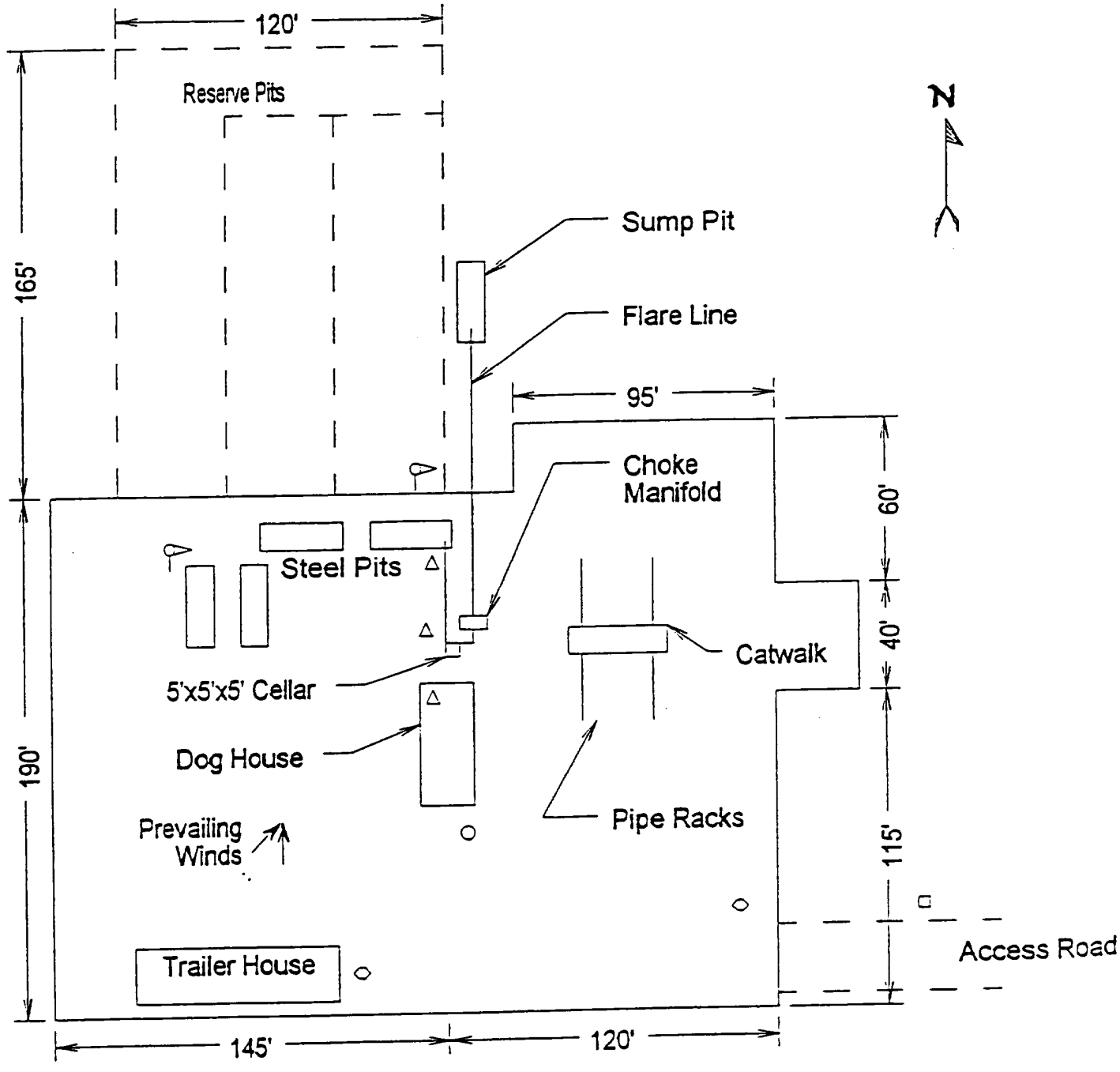
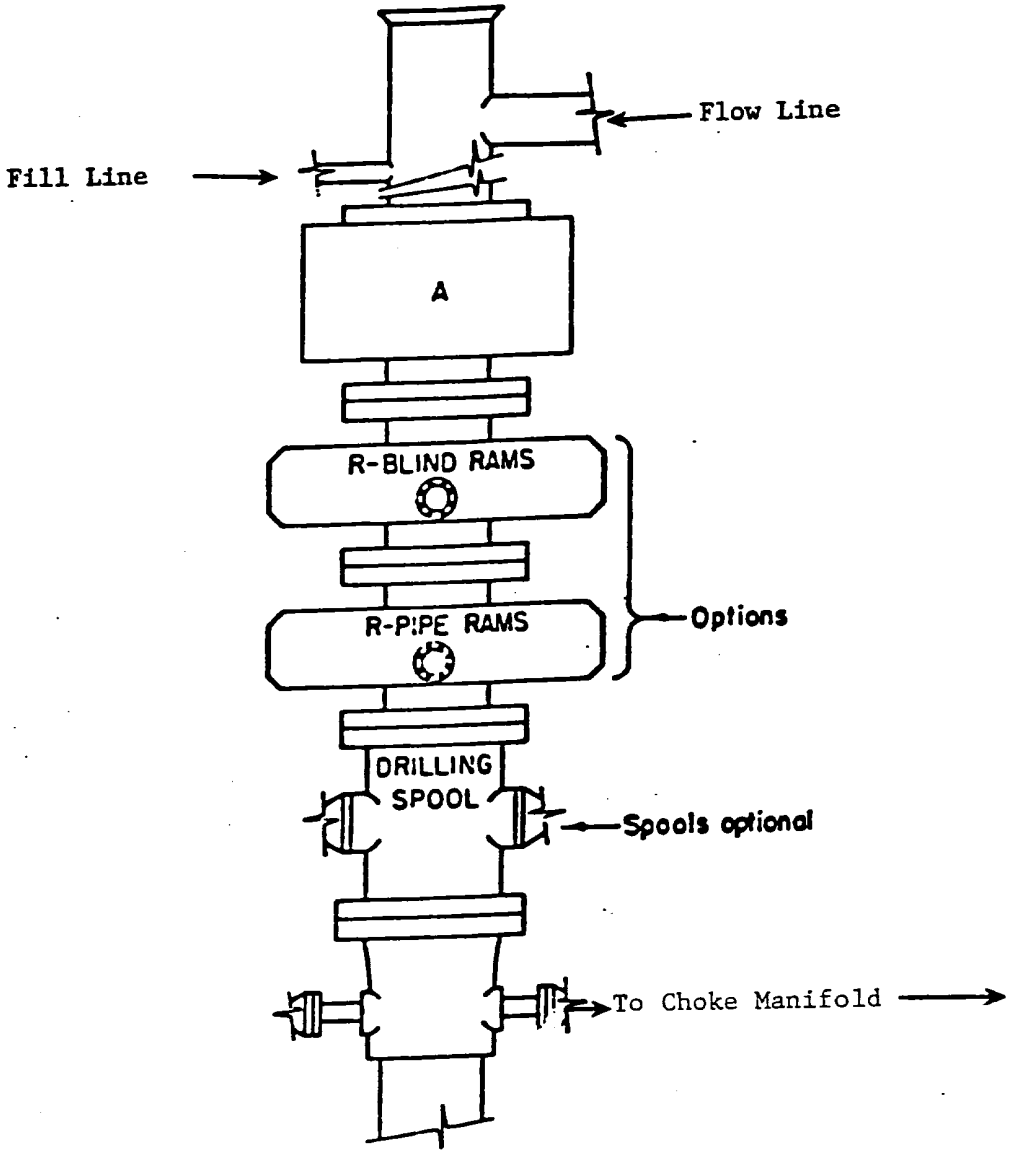


EXHIBIT "C"
Topographic Map Showing Directions & Roads to:
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO



- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- ◇ Briefing Areas
- ○ Remote BOP Closing Unit
- □ Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO



ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

EXHIBIT "E"
BOP SKETCH TO BE USED ON:
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO

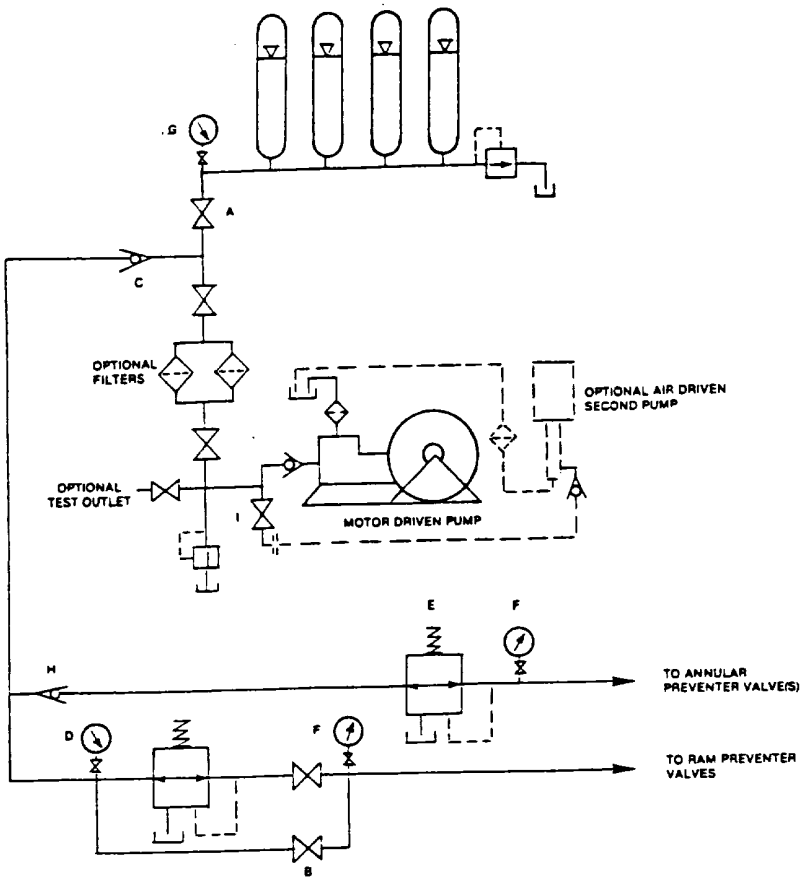


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

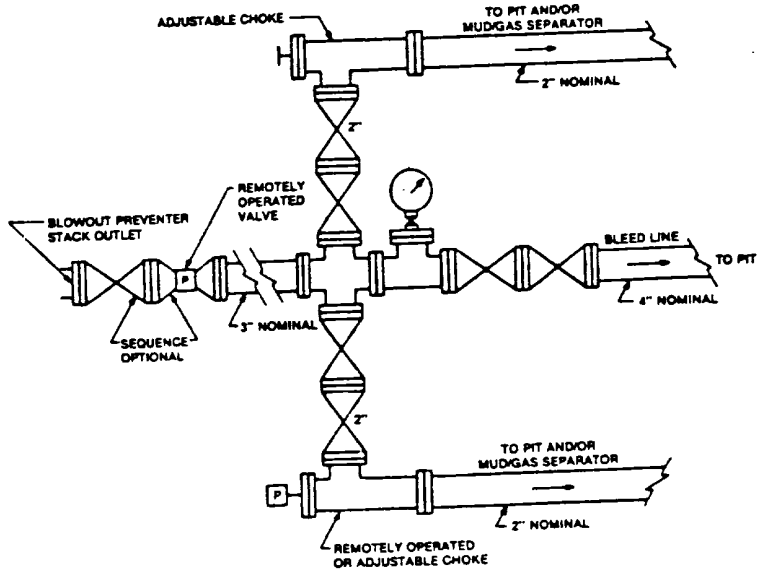


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT
CONCHO RESOURCES INC.
West Corbin '19' Federal #6
UL: M; Sec 19, T-18S, R-33E
LEA CO., NEW MEXICO