

# CONCHO OIL & GAS CORP.

Suite 410  
110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

November 7, 2001

MAILED w/ 11.6.01  
Letter to TrinAca  
RR# 7099 3400 0017 1224 9607

B & P Resources, Inc.  
Mr. William J. Rome  
Mr. George B. Rome  
Ms. Linda L. Tuggle  
Mr. William G. Kluck and Ms. Nancy Kluck  
Mr. Robert D. L. Gardiner  
Mr. Rodney A. Weary  
Mr. John C. Cory  
Avalon Petroleum Company  
c/o TrinAca Investment  
P. O. Box 2325  
Corrales, New Mexico 87048-2325

Mr. Frank G. Holtemann  
P. O. Box 703  
Nipomo, California 93444

Mr. Larry Hunnicutt  
3110 Thomas Avenue, Apt. 113  
Dallas, Texas 75204-3976

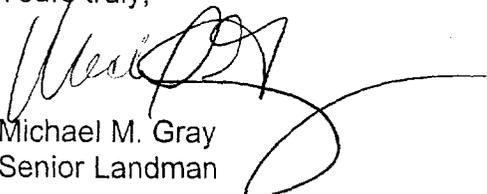
Hunnicutt refuses to pick up  
Registered - return receipt mail.  
Also mailed regular  
mail.

**Big "D" State #1**  
**Township 16 South, Range 34 East**  
**Section 6: Lots 3, 4, 5, 6, 11, 12, 13 & 14**  
**Lea County, New Mexico**

Gentlemen:

We have previously furnished you with an AFE and Operating Agreement for the drilling of the captioned well. We are enclosing a Revised Authority For Expenditure dated October 19, 2001, which has been revised from our previous Authority For Expenditure dated July 16, 2001. Note, that the estimated dry hole costs and completed well costs in the October 19, 2001 AFE is considerably less than the previous AFE due to falling drilling costs. You have not yet executed an Authority For Expenditure indicating your desire to participate in the drilling of our proposed Big "D" State #1 Well. If you now desire to participate in the well, please execute and return the enclosed Revised Authority For Expenditure dated October 19, 2001 along with an executed copy of the Operating Agreement dated July 27, 2001.

Yours truly,

  
Michael M. Gray  
Senior Landman

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12775 Exhibit No. — **A-15**  
Submitted By:  
Concho Resources, Inc.  
Hearing Date: December 6, 2001

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:  
Amy Hennicutt  
3110 Thomas Ave  
113  
Dallas, TX 75204-3976

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature  
**X** Returned Unclaimed  
 Agent  
 Addressee

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Article Number (Copy from service label)  
7000 1530 0004 2452 0964

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:  
Frank G Holtemann  
P O Box 903  
Nipomo CA 93444

Article Number (Copy from service label)  
7099 3400 0017 1724 9541

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) F. G. Holtemann	B. Date of Delivery
C. Signature * <i>F. G. Holtemann</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
D. Is delivery address different from item 1? If YES, enter delivery address below.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	



**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse that we can return the card to you. Attach this card to the back of the mailpiece, on the front if space permits.

Article Addressed to:  
P Resources et al  
Trin Aca Investment  
Box 2325  
Morales NM 87048-2325

Article Number (Copy from service label)  
7099 3400 0017 1724 9614

Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) Jett Ramsey B. Date of Delivery 11-19-01  
C. Signature [Signature]  Agent  Addressee  
D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-00-M-0952

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1	PROSPECT NAME: Sundance
LOCATION: Lot 11, Sec 6-T16S-R34E	COUNTY & STATE: Lea, NM
3498' FNL & 1200' FWL	OBJECTIVE: D&C 13,000' Morrow Well

INTANGIBLE COSTS	BCP	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>
<b>TANGIBLE COSTS</b>			
SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>
<b>PLUGGING COST</b>			
<b>TOTAL DRY HOLE</b>			

Concho Oil & Gas Corp.

By: Erick W. Nelson *EJW 10/22/01*

Date Prepared: 10/19/01

We approve: 1.2045853% WI  
\_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: LARRY HUNNICUTT  
By: \_\_\_\_\_

Printed Name: Larry Hunnicutt  
Title: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1

PROSPECT NAME: Sundance

LOCATION: Lot 11, Sec 6-T16S-R34E

COUNTY & STATE: Lea, NM

3498' FNL & 1200' FWL

OBJECTIVE: D&C 13,000' Morrow Well

**INTANGIBLE COSTS**

	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>

**TANGIBLE COSTS**

SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>

PLUGGING COST

TOTAL DRY HOLE

Concho Oil & Gas Corp.

By: Erick W. Nelson

*EJW*  
*10/22/01*

Date Prepared:

10/19/01

We approve: 1.624997% WI  
\_\_\_\_\_% Before Tanks / \_\_\_\_\_% After Tanks

Company: B & P RESOURCES, INC.

By:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Printed Name:

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1  
LOCATION: Lot 11, Sec 6-T16S-R34E  
3498' FNL & 1200' FWL

PROSPECT NAME: Sundance  
COUNTY & STATE: Lea, NM  
OBJECTIVE: D&C 13,000' Morrow Well

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>
<b>TANGIBLE COSTS</b>			
SURFACE CASING	7,000		7,000
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TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>
PLUGGING COST			
TOTAL DRY HOLE			

Concho Oil & Gas Corp.

By: Erick W. Nelson *EW 10/22/01*

Date Prepared: 10/19/01

We approve: 0.3749955% WI  
% Before Tanks / % After Tanks

Company: WILLIAM J. ROME  
By:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1  
LOCATION: Lot 11, Sec 6-T16S-R34E  
3498' FNL & 1200' FWL

PROSPECT NAME: Sundance  
COUNTY & STATE: Lea, NM  
OBJECTIVE: D&C 13,000' Morrow Well

<u>INTANGIBLE COSTS</u>	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
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MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
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WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
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PLUGGING COST			
TOTAL DRY HOLE			

Concho Oil & Gas Corp.

By: Erick W. Nelson

*EJW*  
10/22/01

Date Prepared:

10/19/01

We approve: 0.3749955% WI  
\_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: GEORGE B. ROME

By: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Printed Name: George B. Rome

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1  
LOCATION: Lot 11, Sec 6-T16S-R34E  
3498' FNL & 1200' FWL

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MUD LOGGING UNIT	12,000		12,000
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PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
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FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>
<b>PLUGGING COST</b>			
<b>TOTAL DRY HOLE</b>			

Concho Oil & Gas Corp.

By: Erick W. Nelson

*EJW*  
10/22/01

Date Prepared:

10/19/01

We approve: 0.3749955% WI  
% Before Tanks / % After Tanks

Company: RODNEY A. WEARY

By:

Printed Name: Rodney A. Weary

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1  
LOCATION: Lot 11, Sec 6-T16S-R34E  
3498' FNL & 1200' FWL

PROSPECT NAME: Sundance  
COUNTY & STATE: Lea, NM  
OBJECTIVE: D&C 13,000' Morrow Well

**INTANGIBLE COSTS**

	<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>

**TANGIBLE COSTS**

SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>

PLUGGING COST  
TOTAL DRY HOLE

Concho Oil & Gas Corp.

By: Erick W. Nelson

*EJW*  
*10/22/01*

Date Prepared:

10/19/01

We approve: 0.3749955% WI  
\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: JOHN C. CORY

By: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1  
LOCATION: Lot 11, Sec 6-T16S-R34E  
3498' FNL & 1200' FWL

PROSPECT NAME: Sundance  
COUNTY & STATE: Lea, NM  
OBJECTIVE: D&C 13,000' Morrow Well

<b>INTANGIBLE COSTS</b>	<b>BCP</b>	<b>ACP</b>	<b>TOTAL</b>
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>
<b>TANGIBLE COSTS</b>			
SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>
PLUGGING COST			
TOTAL DRY HOLE			

Concho Oil & Gas Corp.

By: Erick W. Nelson *EJW 10/22/01*

Date Prepared:

10/19/01

We approve: 0.8750390% WI  
\_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: AVALON PETROLEUM COMPANY

By: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1	PROSPECT NAME: Sundance
LOCATION: Lot 11, Sec 6-T16S-R34E	COUNTY & STATE: Lea, NM
3498' FNL & 1200' FWL	OBJECTIVE: D&C 13,000' Morrow Well

**INTANGIBLE COSTS**

	BCP	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>

**TANGIBLE COSTS**

SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>

PLUGGING COST

TOTAL DRY HOLE

Concho Oil & Gas Corp.

By: Erick W. Nelson

*EJW*  
*10/22/01*

Date Prepared:

10/19/01

We approve: 0.1806856%

\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: ROBERT D. L. GARDINER

By: \_\_\_\_\_

Printed Name: Robert D. L. Gardiner

Title: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1	PROSPECT NAME: Sundance
LOCATION: Lot 11, Sec 6-T16S-R34E	COUNTY & STATE: Lea, NM
3498' FNL & 1200' FWL	OBJECTIVE: D&C 13,000' Morrow Well

INTANGIBLE COSTS	BCP	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>
<b>TANGIBLE COSTS</b>			
SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>
<b>PLUGGING COST</b>			
<b>TOTAL DRY HOLE</b>			

Concho Oil & Gas Corp.

By: Erick W. Nelson *EJW 10/22/01*

Date Prepared: 10/19/01

We approve: 0.1806856%  
\_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: LINDA L. TUGGLE  
By: \_\_\_\_\_

Printed Name: Linda L. Tuggle  
Title: \_\_\_\_\_

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**CONCHO OIL & GAS CORP.  
AUTHORITY FOR EXPENDITURE**

WELL NAME: Big "D" State #1	PROSPECT NAME: Sundance
LOCATION: Lot 11, Sec 6-T16S-R34E	COUNTY & STATE: Lea, NM
3498' FNL & 1200' FWL	OBJECTIVE: D&C 13,000' Morrow Well

INTANGIBLE COSTS	BCP	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000		5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS			0
CEMENT SURFACE	5,000		5,000
CEMENT INTERMEDIATE	13,000		13,000
CEMENT PRODUCTION		17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY	66,000	19,000	85,000
<b>TOTAL INTANGIBLES</b>	<b>727,500</b>	<b>207,000</b>	<b>934,500</b>

TANGIBLE COSTS	BCP	ACP	TOTAL
SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT			0
RODS			0
PUMPS			0
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM			0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
<b>TOTAL TANGIBLES</b>	<b>63,800</b>	<b>218,000</b>	<b>281,800</b>
<b>TOTAL WELL COSTS</b>	<b>791,300</b>	<b>425,000</b>	<b>1,216,300</b>

PLUGGING COST \_\_\_\_\_  
TOTAL DRY HOLE \_\_\_\_\_

Concho Oil & Gas Corp.

By: Erick W. Nelson *EJW 10/22/01*

Date Prepared: 10/19/01

We approve: 0.1806856%  
\_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks

Company: WILLIAM G. & NANCY KLUCK, as  
By: \_\_\_\_\_

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.  
Joint Tenants with Rights of Survivorship

Printed Name: William G. Kluck  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Nancy Kluck