

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Con. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

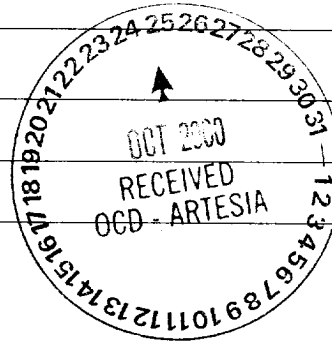
SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
CONCHO RESOURCES INC.

3. Address and Telephone No.
110 W. LOUISIANA STE 410; MIDLAND, TX 79701 (915) 683-7443

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1860' FNL & 1980' FWL, SEC. 14, 16S, 27E



5. Lease Designation and Serial No.
NM 84851

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Carbon Valley '14' Federal #2

9. API Well No.
3001530973

10. Field and Pool, or Exploratory Area
Diamond Mound Morrow

11. County or Parish, State
EDDY, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

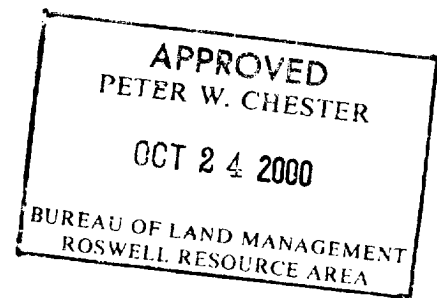
- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other OFF LEASE MEASUREMENT & SALES
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

CONCHO RESOURCES INC. RESPECTFULLY REQUEST APPROVAL FOR OFF LEASE SALES & MEASUREMENT OF THE GAS FROM THE ABOVE FEDERAL LEASE.

PLEASE SEE ATTACHED FOR MORE DETAILS OF OUR REQUEST



14. I hereby certify that the foregoing is true and correct

Signed [Signature]

Title Production Analyst

Date 10/04/00

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any: _____

Title _____

Date _____

CONCHO RESOURCES INC.

Suite 410

110 W. Louisiana

Midland, Texas 79701

(915) 683-7443
FAX 683-7441

October 4, 2000

Bureau of Land Management
2909 W. Second Street
Roswell NM 88201 2019

Re: Off Lease Sales and Measurement
Carbon Valley '14' Federal Lease

Gentlemen:

Concho Resources Inc. respectfully requests approval for Off Lease Sales and Measurement of the gas production from the Carbon Valley '14' Federal lease. We would request that we be able to utilize the existing central delivery point located on the Carbon Valley '23' Federal lease for sales and measurement of the gas production from the Carbon Valley 14 Federal lease.

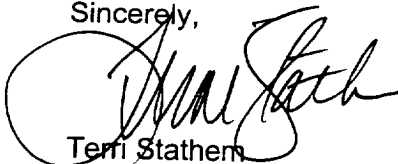
The gas sales meter for the Carbon Valley '14' Federal lease is located in Unit H, SE/4, NE/4, Sec. 23, T-16S, R-27E, Eddy County, NM. All natural gas production from the Carbon Valley '14' Federal lease will be measured and sold at this meter location. The meter will be calibrated on a regular basis. No other gas production from any other Concho Resources Inc. lease is commingled into this meter at this time.

This gas meter was initially installed to be the central delivery point for our Carbon Valley '23' Federal lease and the Carbon Valley '14' Federal lease. The Carbon Valley '23' Federal No. 1 well was initially completed and is currently shut in due to non-production. The Carbon Valley '14' Federal No. 2 well is currently active and we anticipate drilling the Carbon Valley '14' Federal No. 1 well in the future.

Please find enclosed the following: Attachment I a diagram of the measurement equipment, separators, and storage tanks in accordance with the "Manual for Installation and Operation of Commingling Facilities"; Attachment II, a copy of the notification letter which was mailed to all interest owners and to the purchaser via certified mail, Attachment III, a listing of interest owners and purchasers receiving notification.

Please call me at (915) 683-7443 if you have any questions or need additional information.

Sincerely,



Terri Stathern
Production Analyst

ENCLOSURES

DATE IN	SUSPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☒ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

TERRI STATHEM

Print or Type Name

Signature

PRODUCTION ANALYST

Title

9/27/00

Date

Concho Resources Inc.
Off Lease Storage, Measurement and Sales

Concho Resources Inc. respectfully requests approval for off lease storage, measurement and sales of gas production from the following formation and lease on Federal Lease Number: NM 84851; Lease Name: Carbon Valley '14' Federal

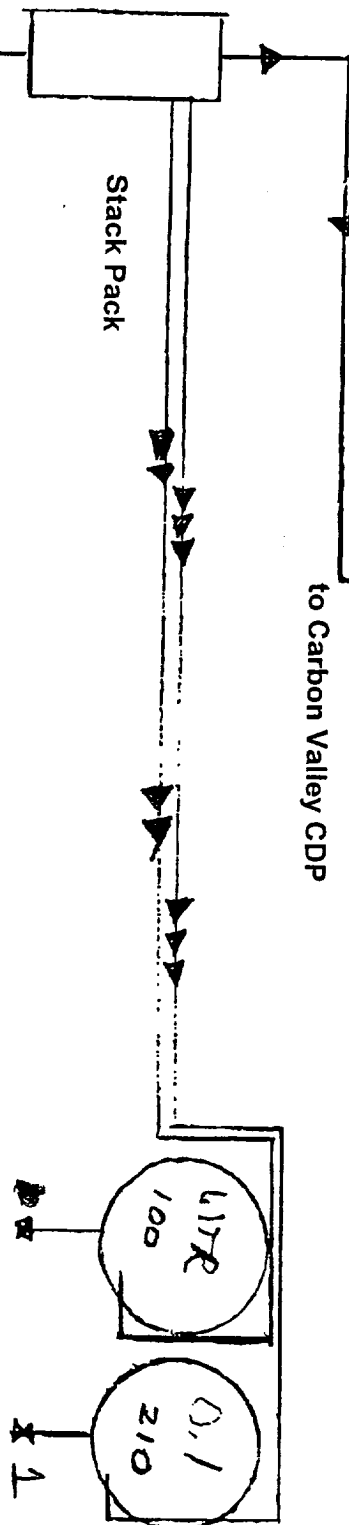
<u>Sec.</u>	<u>Twp.</u>	<u>Rge</u>	<u>Formation</u>
14	16S	27E	Diamond Mound Morrow

Production for the lease involved is as follows:

<u>Lease Name</u>	<u>MCFPD</u>
Carbon Valley '14' Federal	100

Concho Resources Inc.

to Carbon Valley CDP

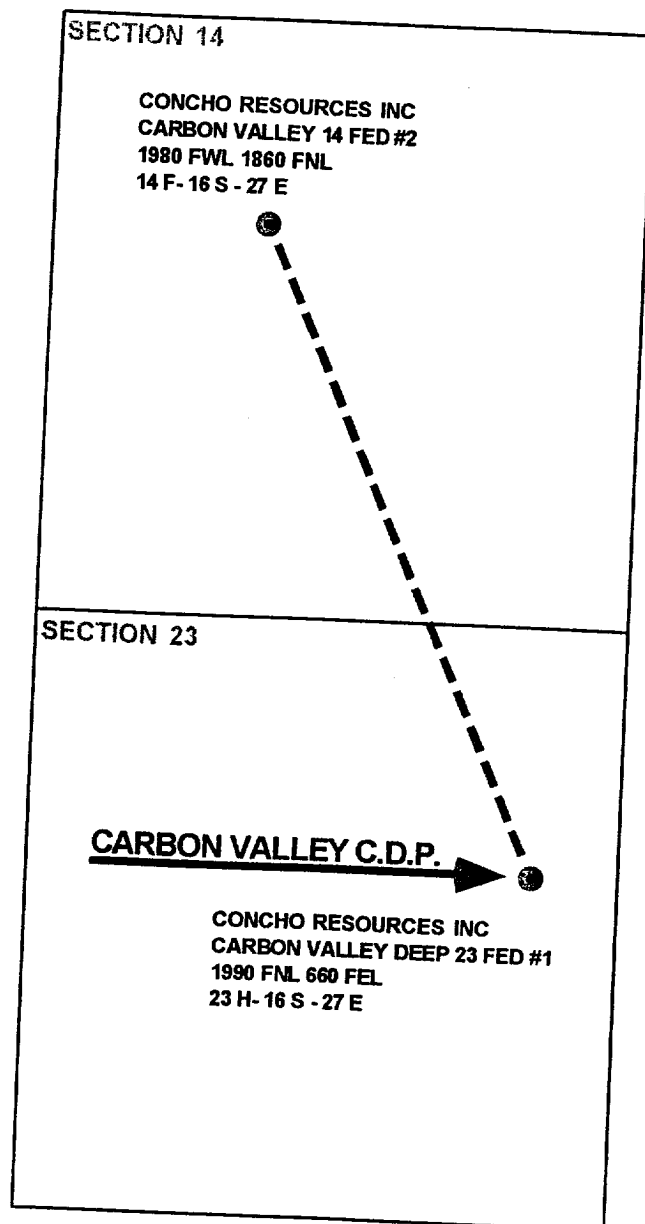


CARBON VALLEY '14' FEDERAL LEASE
NM 84851
SEC. 14, T-16S, R-27E

GAS LINE ———→
WATER LINE ———→
OIL LINE ———→

- Production System Closed
1. Oil Sales by tank gauge to tank truck.
 2. Seal Requirements
- A. Production Phase
1. All valves 1 sealed closed
 2. All valves 2 sealed closed
- B. Sales Phase
1. Valve 1 open on sell tank
 2. Valve 2 sealed closed

**CONCHO RESOURCES INC
CARBON VALLEY '14' FEDERAL LEASE
NM 84851
EDDY COUNTY, NEW MEXICO
Sec 14, T 16 S, R 27 E
OLS & OLM**



Concho Resources Inc. **Off Lease Measurement & Sales**

Carbon Valley 14 Federal Lease

Owner Listing

Anderson, Curtis	3807 S. County Rd. 1135	Midland, Tx 79706
Apache Corp	2000 Post Oak Blvd, Ste 100	Houston, Tx 77056
Chi Energy Inc.	P O Box 1799	Midland, Tx 79702
Davidson, James A.	P O Box 494	Midland, Tx 79702
Fasken Oil & Ranch	303 W Wall, Ste 1800	Midland, Tx 79701
Lowe Partners LP	Dept 5, Box 4887	Houston, Tx 77210-4887
Murchison Oil & Gas	P O Box 841670	Dallas, Tx 75201
Department of Interior	P O Box 5810TA	Denver, CO 80217-5810

Carbon Valley 23 Federal Lease

Owner Listing

Anderson, Curtis	3807 S. County Rd. 1135	Midland, Tx 79706
Apache Corp	2000 Post Oak Blvd, Ste 100	Houston, Tx 77056
Chi Energy Inc.	P O Box 1799	Midland, Tx 79702
Davidson, James A.	P O Box 494	Midland, Tx 79702
Fasken Oil & Ranch	303 W Wall, Ste 1800	Midland, Tx 79701
Lowe Partners LP	Dept 5, Box 4887	Houston, Tx 77210-4887
Murchison Oil & Gas	P O Box 841670	Dallas, Tx 75201
Department of Interior	P O Box 5810TA	Denver, CO 80217-5810
Thoma, John	1011 Mesquite Ridge	Graford, Tx 76449