APPLICATION TO DRILL

CONCHO RESOURCES, INC. WOODY "10" FEDERAL # 1 UNIT "P" SECTION 10 T17S-R27E EDDY CO. NM

9. Cementing and Setting Depth:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
	Surface	Set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 500 Sx. of Class "C" cement +additives, circulate cement to surface.
	Intermediate	Set 1800' of 8 5/8" 24# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + $\frac{1}{2}$ # Flocele/Sx. + 2% CaCl, circulate cement to surface.
5½''	Production	Set 9500' of 5½" casing as follows: 1800' of 17# N-80 LT&C, 6000' of 15.5# J-55 LT&C, 1700' of 17# N-80 LT&C. Cement 1st stage with 900 Sx. of Class "H" Premium Plus + additives, 2nd stage with 600 Sx. of Class "C" + additives, circulate cement to surface.

10. Pressure Control Equipment: Exhibit "E". A 900 Series 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP un-t will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nippled up on 13 3/8" casing and will be operated at least once each 24 Hr. 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
40-450'	8.8-8.9	29-36	NC	Fresh water spud mud use paper to control seepage.
450-1800'	8.8-8.9	29-36	NC	Fresh water use paper to control seepage & use high viscosity sweeps to clean hole
1800-8500'	10.2-10.6	29-36	NC	Brine water add salt Gel for viscosity and soda-ash for PH
8500-9500'	10.2-10.7	32-40	10 cc or less	Brine water add salt Gel for viscosity, starch for water loss & soda-ash for pH

Sufficient mud materials to' maintain mud properties, meet lost circulation and weight increase requirements will be kept at well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered in order to do so.