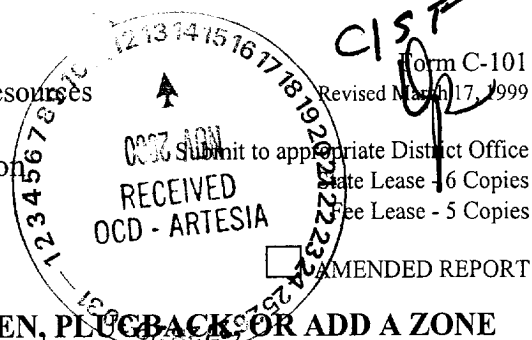


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505



Form C-101  
Revised March 17, 1999  
Submit to appropriate District Office  
State Lease - 6 Copies  
Free Lease - 5 Copies

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address CONCHO RESOURCES INC. 110 W. LOUISIANA STE 410 MIDLAND TX 79701		<sup>2</sup> OGRID Number 166111
		<sup>3</sup> API Number 30 -015-30898
<sup>4</sup> Property Code 25193	<sup>5</sup> Property Name SOUTHERN CROSS '22 STATE	<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	22	18S	24E		1700	NORTH	1100	EAST	EDDY

<sup>8</sup> Proposed 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
<sup>9</sup> Proposed Pool 1 VARIOUS					<sup>10</sup> Proposed Pool 2				

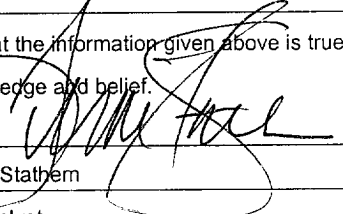
<sup>11</sup> Work Type Code Plugback	<sup>12</sup> Well Type Code GAS	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code STATE	<sup>15</sup> Ground Level Elevation 3732
<sup>16</sup> Multiple Single	<sup>17</sup> Proposed Depth 8460	<sup>18</sup> Formation VARIOUS	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4	8-5/8	32	1243	1255 C	circ
7-7/8	5-1/2	17	8700	1400 H	4806

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Concho Resources Inc. respectfully requests approval to plugback the Southern Cross '22' State No. 1 well according to the following procedure:

1. MIRU. ND tree & NU BOP. POOH w/ tbg.
2. RIH w/ 5-1/2" CIBP & set @ 8460'. Dump 35' cmt on top. (abandoning Morrow).
3. RIH & perf Morrow @ 8391-8396', 8398-8404' w/ 2 SPF.
4. Acidize w/ 1500 gals 7.5% NEFE w/ 1000 SCF/BBL nitrogen. Swab well if needed.
5. If successful return well to production from Morrow perfs, if non-productive continue w/ step 6.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: <b>ORIGINAL SIGNED BY TIM W. GUM B6A</b> <b>DISTRICT II SUPERVISOR</b>	
Printed name: Terri Stattem		Title:	
Title: Production Analyst		Approval Date: <b>NOV 27 2000</b>	Expiration Date: <b>NOV 27 2001</b>
Date: 11/7/00	Phone: 915/683-7443	Conditions of Approval: Attached <input type="checkbox"/>	

**CONCHO RESOURCES INC.**  
**ATTACHEMENT I**  
**SOUTHERN CROSS '22' STATE #1**  
**PLUGBACK PROCEDURE – ATTACHMENT TO C101**

6. RIH w/ CIBP & set @ 8350'. Dump 35' cmt on top. (Abandoning Morrow).
7. RIH & perf Strawn @ 7967-7972, 7923-7928, 7937-7844 w/ 2 SPF.
8. Acidize w/ 2000 gals 7.5% NEFE HCL w/ 1000 SCF nitrogen.
9. Swab well if needed. Return well to production from Morrow perms.

If non-productive:

10. RIH w/ CIBP & set @ 7800'. Dump 35' cmt on top. (Abandoning Strawn)
11. RIH & perf Canyon Lime @ 7732-7742' w/ 2 SPF.
12. Acidize w/ 1000 gals 15% NEFE.
13. Swab well if needed. Return well to production from Strawn perms.

If non-productive:

14. RIH w/ CIBP & set @ 7700'. Dump 35' cmt on top. (Abandoning Canyon)
15. RIH & perf Cisco @ 7116-7136' w/ 2 SPF.
16. Acidize w/ 2000 gals 15% NEFE.
17. Swab well if needed. Return well to production from Cisco perms.

If non-productive:

18. RIH w/ CIBP & set @ 7070'. Dump 35' cmt on top. (abandoning Cisco)
19. RIH & perf Cisco @ 6806-6811, 6750-6774, 6728-6736, 6696-6708' w/ 2 SPF.
20. Acidize w/ 4500 gals 15% NEFE.
21. Swab well if needed. Return well to production from Cisco perms.

If non-productive

22. RIH w/ CIBP & set @ 6650'. Dump 35' of cmt on top. (abandoning Cisco)
23. RIH & perf Cisco @ 6448-6472, 6394-6410, 6384-6390' w/ 2 SPF.
24. Acidize w/ 4500 gals 15% NEFE.
25. Swab well if needed. Return well to production from Cisco perms.