

**CONCHO RESOURCES INC.**

Suite 410  
110 W. Louisiana  
Midland, Texas 79701

(915) 683-7443  
FAX 683-7441

Via Federal Express

May 15, 2001

Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88202

Attention: Ms. Linda A. Askwig

Re: **3162.4 NM-9538**  
**Application for Permit to Drill**  
**Southern Cross "11" Federal Com #1**  
**Township 18 South, Range 24 East, NMPM**  
**Section 11: 660' FSL & 660' FEL**  
**Eddy County, New Mexico**

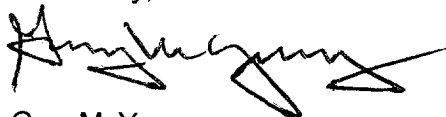
Dear Ms. Askwig:

In response to your letter dated April 11, 2001, addressed to Mr. Joe Janica, please find enclosed a total of six copies of this letter. Each copy has attached to it a Lease Responsibility Statement regarding the above referenced well.

Yates Petroleum Corporation owns the surface in the NE/4 of Section 14 and the SE/4 SE/4 of Section 11 where the access road and drillsite will be constructed. Concho has a surface use agreement with Yates Petroleum Corporation and Yates is also a participating working interest owner in the Southern Cross "11" Federal Com #1 well.

Should anything further be required in this regard, please advise.

Yours truly,



Gary M. Young  
Land Consultant

BUREAU OF LAND MGMT  
ROSMELLE OFFICE

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