

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
ELLIOTT FEDERAL # 4
UNIT "A" SECTION 30
T18S-R30E EDDY CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Dual Laterolog, CNL, Density LDT, Gamma Ray Caliper from TD to 2100'. Gamma Ray, Caliper Neutron from 2100' to surface.
- B. Place mud logger on hole at 2100' to TD.
- C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence of unsafe levels of H₂S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 4000 PSI & estimated BHT 140°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 28 days. If production casing is run an additional 30 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the BONE SPRING pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as a gas well.