APPLICATION TO DRILL

CONCHO OIL & GAS CORP. ELLIOTT FEDERAL # 6 UNIT "J" SECTION 30 T18S-R30E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 1880'FSL & 1980' FEL SEC. 30 T18S-R30E EDDY CO. NM

2. Elevation above Sea Level: 3425' GR.

3. Geologic name of surface formation: Quaternery Aeolian Deposits.

- 4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
- 5. Proposed drilling depth: 8400'
- 6. Estimated tops of geological markers:

| Rustler Anhydrite | 410' | San Andres | 3320' |
|-------------------|-------|-----------------|-------|
| Base of Salt | 1275' | lst Bone Spring | 7100' |
| Queen | 2450' | 2nd Bone Spring | 8000' |

| 7. | Possible mineral | bearing formations: |
|----|------------------------------------|---------------------|
| | San Andres | Oil |
| | lst Bone Spring | Oil |
| 8. | 2nd Bone Spring Casing program: | Oil |

| Hole size | Interval | OD of casing | Weight | Thread | Collar | Grade |
|-----------|----------|--------------------------------|--------|--------|--------|--------------|
| 25" | 0-40 | 20" | NA | NA | NA | Conductor |
| 17'2" | 0-425' | 13 3/8" | 48 | 8-R | ST&C | H-40 |
| 124" | 0-2100' | 8 5/8" | 32 | 8-R | ST&C | J-55 |
| 7 7/8" | 0-8400' | 5 ¹ ₂ '' | 17 | 8-R | LT&C | N-80 J-55 |