

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N. M. Oil Field Division
811 S. 1ST
ARTESIA, NM 88003-2834

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

CONCHO RESOURCES INC.

(JIM BLOUNT) 915-683-7443

3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701

915-683-7443

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

2310' FWL & 510' FNL SEC. 19 T18S-R31E EDDY CO. NM
At: proposed prod. zone SAME

Unit C

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

Approximately 8 miles Southeast of Loco Hills New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

510'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1500'

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, BT, GR, etc.)

3627' GR.

22. APPROX. DATE WORK WILL START

When approved Post ID-1

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" Conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	760'	Circulate cement to surface
11"	K-55 8 5/8"	32	2800'	710 Sx. 250' or circulate cement
7 7/8"	K-55 5 1/2"	15.5 & 17	8500'	770 Sx. Estimated top of cement 2000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 760'. Run and set 760' of 48# H-40 ST&C casing. Cement with 800 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 11" hole to 2800'. Run and set 2800' of 32# K-55 ST&C casing. Cement with 710 Sx. of cement as follows: 510 Sx. of 35/65 POZ Class "C" + 12% Salt + 1/4# flocele/Sx. + 1# Gilsonite/Sx. + 6% Bentonite, tail in with 200 Sx. of Class "C" + 2% CaCl. Circulate cement to surface.
4. Drill 7 7/8" hole to 8500'. Run and set 5 1/2" casing as follows: 1600' of 17# K-55 LT&C, 6200' of 15.5# K-55 LT&C, 700' of 17# K-55 LT&C. Cement as follows: 200 Sx. of 35/65 Class "C" POZ + 12% Salt + 1/4# Flocele/Sx. + 1# Gilsonite/Sx. + 6% Bentonite, tail in with 570 Sx. of (15:68:11) Class "H" POZ CSE + 4.3% Salt + .3% CD-32 + 5# Gilsonite/Sx. + .5% FL-25, estimate top of cement 2000'.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface formations and measured and true vertical depths. Give blowout prevention program.

SIGNED Joe T. Janica

TITLE Agent

DATE 08/26/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL IF ANY:

Acting

ASSISTANT FIELD OFFICE MANAGER

Assistant Field Office Manager.
Lands and Minerals

APPROVED BY _____

DATE OCT 08 1999

*See Instructions On Reverse Side

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

AUG 27 '99

BLW
ROSWELL, NM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 56405	Pool Name SHUGART BONE SPRING NORTH
Property Code	Property Name W. SHUGART 19 FEDERAL	Well Number 2
OGRID No. 166111	Operator Name CONCHO RESOURCES INC.	Elevation 3627

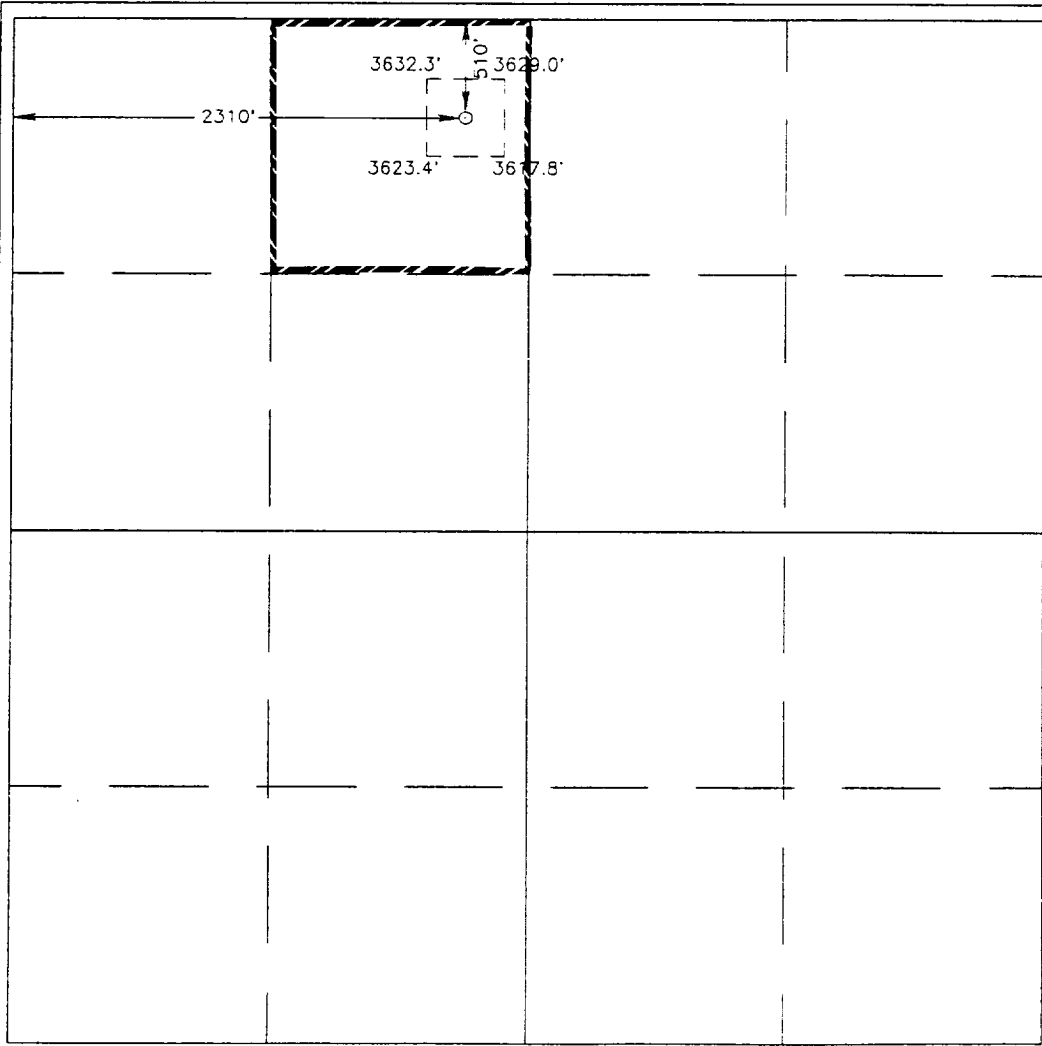
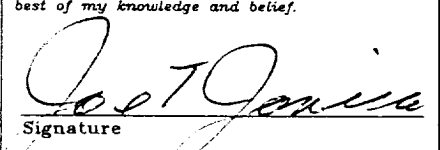
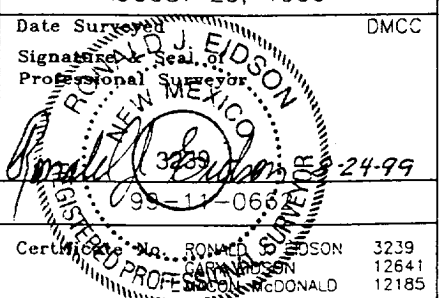
Surface Location

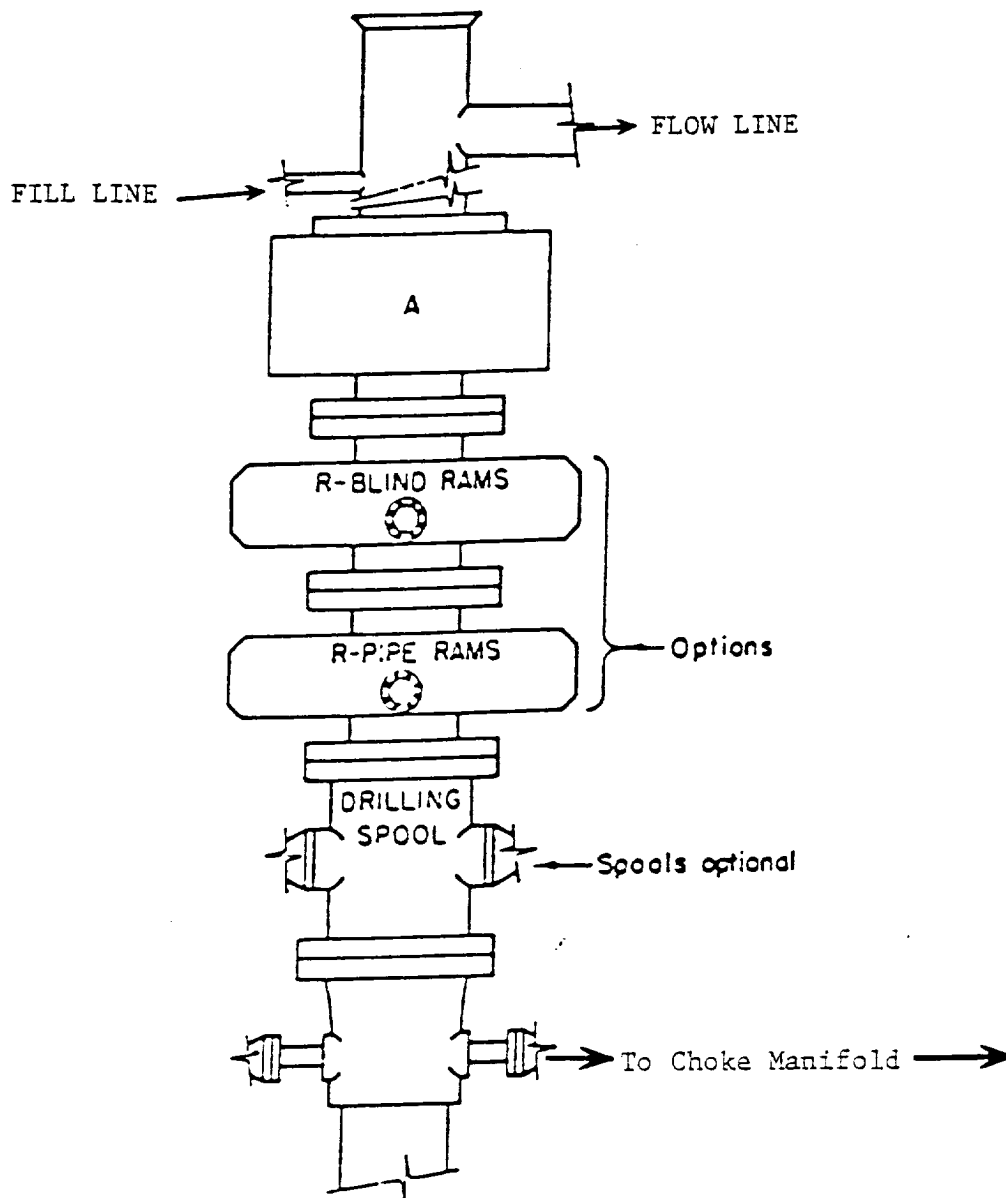
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	18 S	31 E		510	NORTH	2310	WEST	EDDY

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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 08/26/99 Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. AUGUST 23, 1999 Date Surveyed  Signature & Seal of Professional Surveyor RONALD S. EDSON 3239 12641 12185
--	---

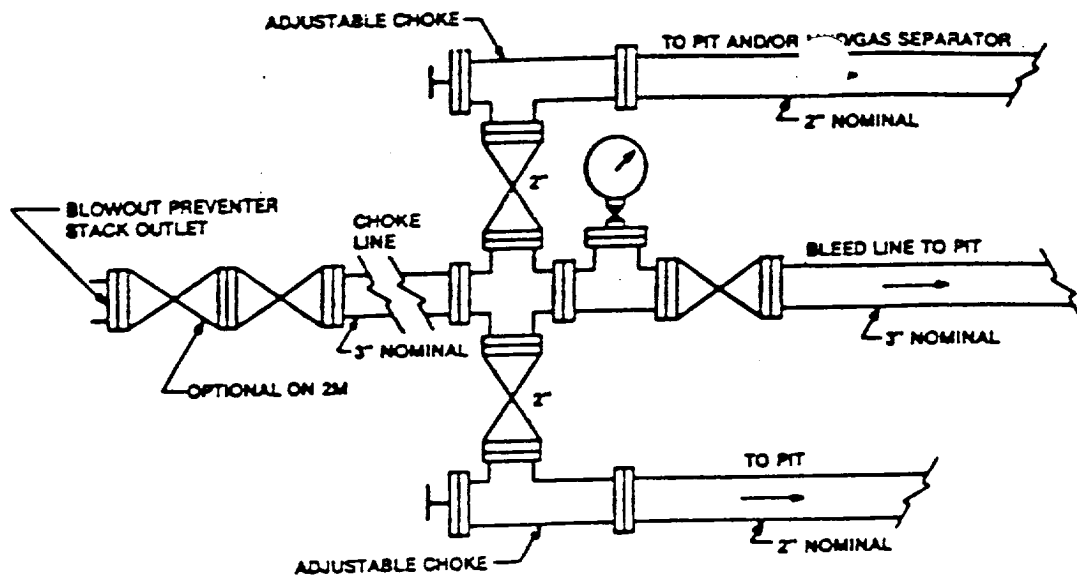


ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON

CONCHO RESOURCES, INC.
WEST SHUGART "19" FEDERAL # 2
UNIT "C" Sec. 19
T18S-R31E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

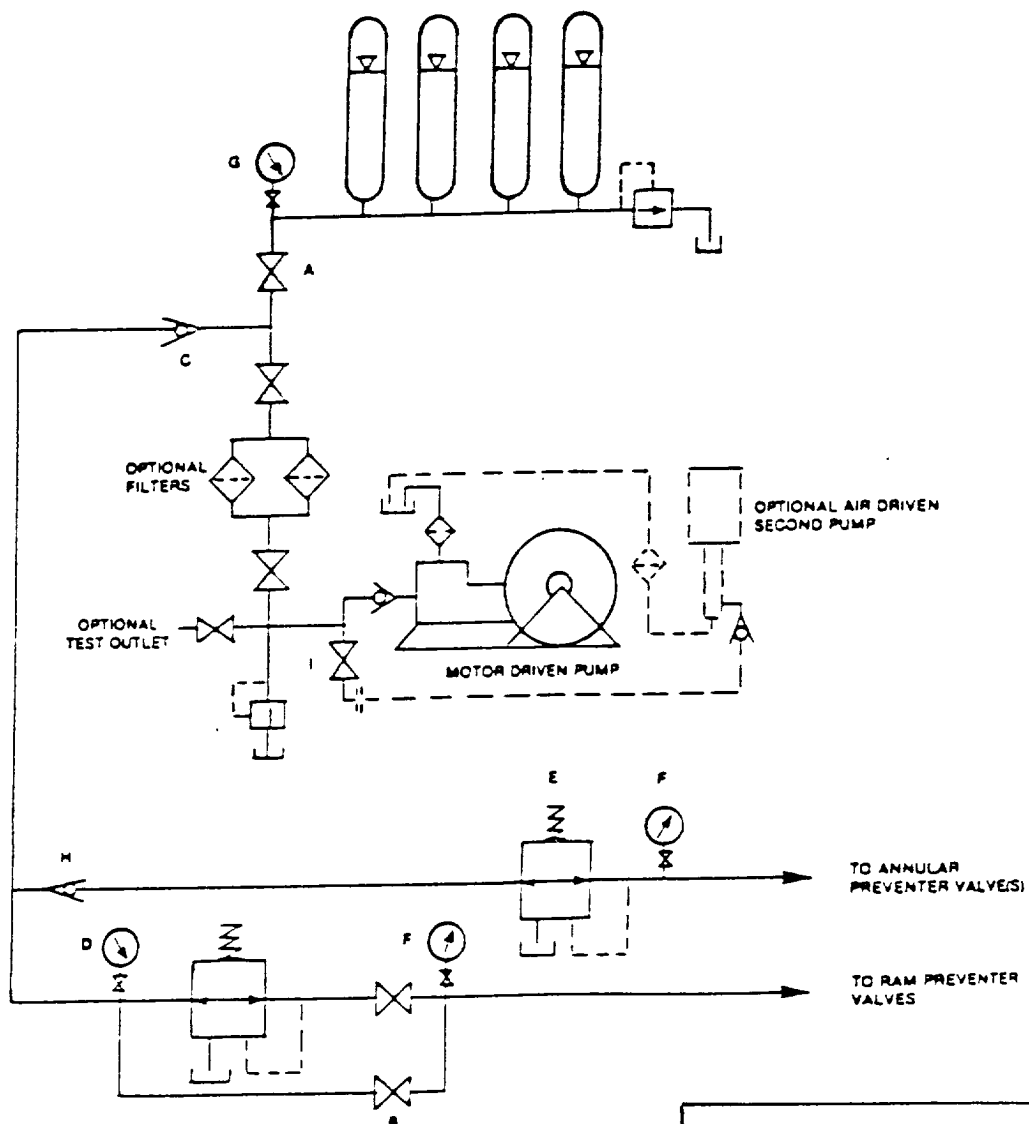


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

CONCHO RESOURCES, INC.
WEST SHUGART "19" FEDERAL # 2
UNIT "C" Sec. 19
T18S-R31E EDDY CO. NM



CONTOUR INTERVAL:
HACKBERRY LAKE - 10'

HACKBERRY LAKE, N.M.

(505) 393-3117