

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-029393-B	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -----	
2. NAME OF OPERATOR CONCHO RESOURCES, INC. (JIM BLOUNT) 915-683-7443		7. UNIT AGREEMENT NAME -----	
3. ADDRESS AND TELEPHONE NO. 110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79702 (915-683-7443)		8. FARM OR LEASE NAME, WELL NO. WEST SHUGART "17" FEDERAL # 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 660' FWL SEC. 17 T18S-R31E UNIT "E" EDDY CO. NM At proposed prod. zone SAME		9. API WELL NO. 30-015-31505	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 9 miles Southeast of Loco Hills New Mexico		10. FIELD AND POOL, OR WILDCAT SHUGART NORTH-BONE SPRING	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 17 T18S-R31E	
16. NO. OF ACRES IN LEASE 80		12. COUNTY OR PARISH EDDY CO.	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA		20. ROTARY OR CABLE TOOLS ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3643' GR.		22. APPROX. DATE WORK WILL START* When Approved	

PROPOSED CASING AND CEMENT				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix
17½"	H-40 13 3/8"	48	775	650 Sx. circulate cement to surface
11"	J-55 8 5/8"	32	2800'	710 Sx. " " " "
7 7/8"	J-55 5½"	17 & 15.5	8500'	770 Sx. estimate 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 17½" hole to 775'. Run and set 775' of 13 3/8" H-40 48# ST&C casing. Cement with 450 Sx. of Halco Light + additives tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 11" hole to 2800'. Run and set 2800' of 8 5/8" J-55 32# ST&C casing. Cement with 510 Sx. of 35/65 Class "C" POZ + 12% Salt + ¼# Flocele/Sx. + 1# Gilsonite/Sx. + 6% Bentonite, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate to surface.
4. Drill 7 7/8" hole to 8500'. Run and set 8500' of 5½" casing as follows: 1600' of 17# J-55 LT&C, 6200' of 15.5# J-55 15.5# LT&C, 700' of 17# J-55 LT&C casing. Cement with 200 Sx. of Class "C" 35/65 POZ + 12% Salt + ¼# Flocele/Sx. + 1# Gilsonite/Sx. + 6% Gilsonite, tail in with 570 Sx. of (15-68-11) POZ Class "H" CSE + 4.3% Salt + .3% CD-32 + 5# Gilsonite/Sx. + .5% FL-25, estimate top of cement 2000' from surface.

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 locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED <u>Joe T. Garcia</u> TITLE <u>Agent</u>		APPROVAL SUBJECT TO 09/21/00	
(This space for Federal or State office use)		GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS	
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:			
(OFFICER) JOHN S. SIMPZ <u>For</u>		DEC 08 2000	
APPROVED BY _____		DATE _____	
*See Instructions On Reverse Side			
APPROVED FOR 1 YEAR			

Title 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 or to furnish any matter within its jurisdiction.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		56405	SHUGART NORTH-BONE SPRING
Property Code	Property Name		Well Number
	WEST SHUGART "17" FEDERAL		1
OGRID No.	Operator Name		Elevation
166111	CONCHO RESOURCES, INC.		3643'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	17	18 S	31 E		1980	NORTH	660	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

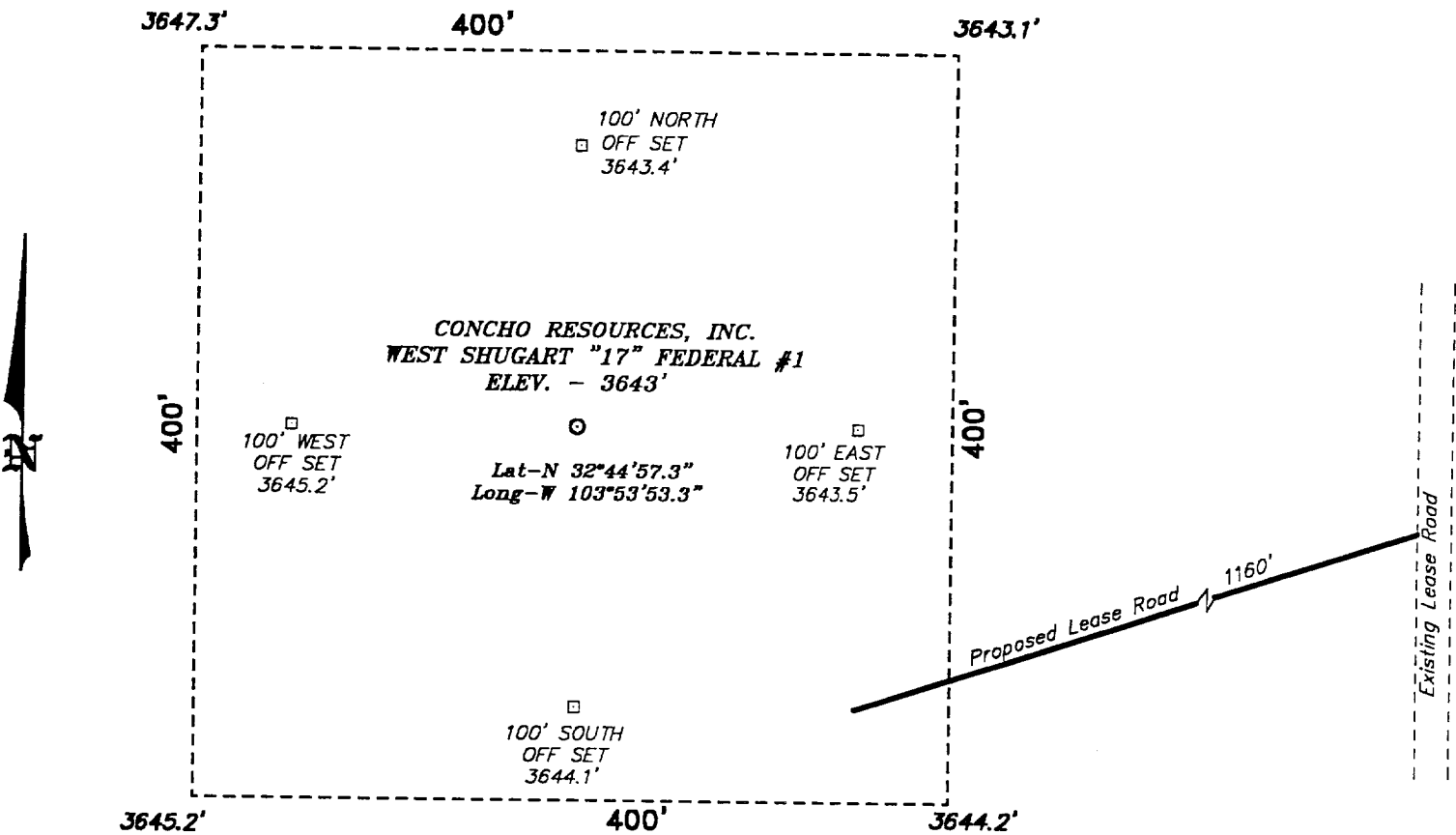
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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	
	<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T Janica</i> Signature Joe T Janica Printed Name Agent Title 09/21/00 Date</p>	
	SURVEYOR CERTIFICATION	
	<p>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.</p> <p>September 15, 2000 Date Surveyed <i>Asbury L. Jones</i> Signature & Seal of Professional Surveyor NEW MEXICO W.D. No. 05181 Certificate No. Gary Jones 7977 PROFESSIONAL LAND SURVEYOR DANIEL SURVEYS</p>	

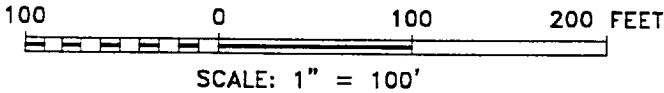
SECTION 17, TOWNSHIP 18 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY,

NEW MEXICO.



DIRECTIONS TO WELL LOCATION:

FROM THE JUNCTION CO. RD. 222(SHUGART RD.) AND
US HWY 82, GO SOUTH ON 222 FOR 4.5 MILES TO A
LEASE ROAD RIGHT; THEN GO WESTERLY ON LEASE
ROAD 0.6 MILE TO A CROSSROAD; TAKE CROSSROAD
LEFT(SOUTH) 0.15 MILE TO PROPOSED LEASE ROAD.



CONCHO RESOURCES, INC.

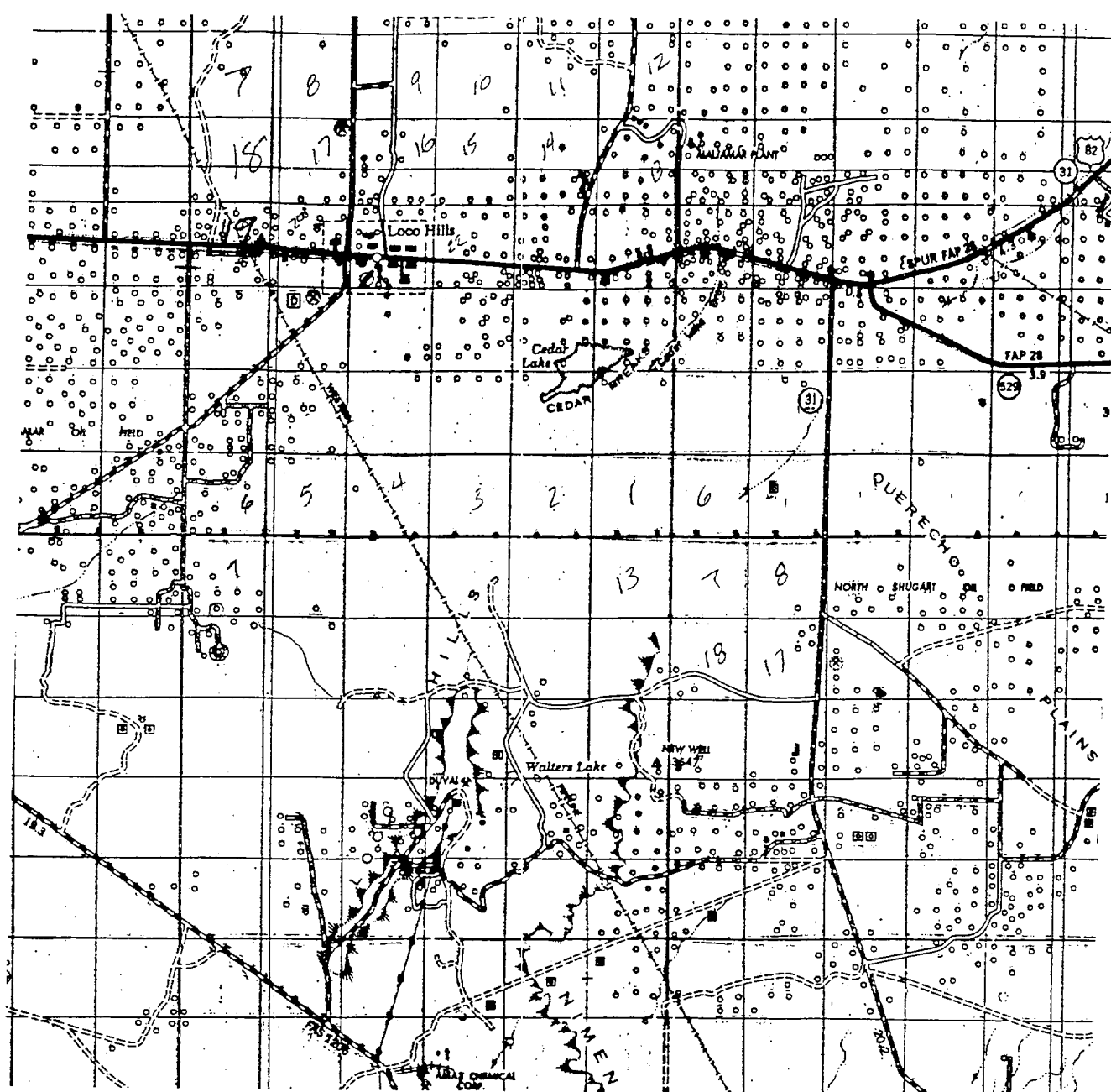
REF: West Shugart "17" Fed. No. 1 / Well Pad Topo

THE WEST SHUGART "17" FED. No. 1 LOCATED 1980' FROM
THE NORTH LINE AND 660' FROM THE WEST LINE OF
SECTION 17, TOWNSHIP 18 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 0518 Drawn By: K. GOAD

Date: 09-18-2000 Disk: KJG #122 - 0518A.DWG Survey Date: 09-15-2000 Sheet 1 of 1 Sheets



WEST SHUGART "17" FEDERAL #1
 Located at 1980' FNL and 660' FWL
 Section 17, Township 18 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 0518AA - KJG #122
 Survey Date: 09-15-2000
 Scale: 1" = 2 MILES
 Date: 09-18-2000

CONCHO
RESOURCES,
INC.

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 1980' FNL & 660' FWL SEC. 17 T18S-R31E EDDY CO. NM
2. Elevation above sea level: 3643' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 8500'
6. Estimated tops of geological markers:

Rustler Anhydrite	475'	San Andres	3800'
Yates	1950'	Delaware	5775'
Queen	3150'	Bone Spring	8150'
7. Possible mineral bearing formation:

San Andres	Oil	Bone Spring	Oil
Delaware	Oil		
8. Casing program:

Hole size	Interval	Casing OD	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0-775'	13 3/8"	48	8-R	ST&C	H-40
11"	0-2800'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-8500'	5½"	17 & 15.5	8-R	LT&C	J-55

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
 WEST SHUGART "17" FEDERAL # 1
 UNIT "E" SECTION 17
 T18S-R31E EDDY CO. NM

9. Cementing & Setting Depth:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 775' of 13 3/8" H-40 48# ST&C casing. Cement with 450 Sx. of Halco Light + additives, tail in with 200 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
8 5/8"	Intermediate	Set 2800' of 8 5/8" 32# J-55 ST&C casing. Cement with 510 Sx. of 36/65 Class "C" POZ + 12% Salt + 1/4# Flocele/Sx., + 1# Gilsonite /Sx. + 6% Bentonite, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
5 1/2"	Production	Set 8500' of 5 1/2" casing as follows: 1600' of 17# J-55 LT&C, 6200' of 15.5# J-55 LT&C, 700' of 17# J-55 LT&C. Cement with 200 Sx. of Class "C" 35/65 POZ + 12% Salt + 1/4# Flocele /Sx. + 1# Gilsonite/Sx. + 6% Bentonite, tail in with 570 Sx. of (15-68-11) POZ Class "H"CSE + 4.3% Salt + .3% CD-32 + 5# Gilsonite/Sx. + .5% FL-25, estimate top of cement 2000' from surface.

10. Pressure Control Equipment: Exhibit "E". A series 900 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1" is a Choke manifold and closing unit. BOP will be nipped up on the 13 3/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. Flo sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Viscosity	Fluid Loss	Type Mud
40-775'	8.5-8.8	29-34	NC	Fresh water Spud mud add paper to control seepage& Lime for pH, Gel for Visc.
775-2800'	10-10.5	29-32	NC	Brine water using paper to control seepage and high viscosity sweeps to clean hole.
2800-8000'	8.7-9.5	29-36	NC	Cut brine using high visc sweeps to clean hole
8000-8500'	8.7-9	30-34	10 cc or less	Cut Brine Gel/Pac system for water loss control.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, unexpected kicks. In order to run DST's, open hole logs, and casing the viscosity and water loss may have to be adjusted in order to meet these needs.

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

12. Testing, Logging and Coring Program:
- A. Open hole logs: Gamma Ray, Neutron Density with caliper, Laterolog MSFL from TD to 2800'. Gamma Ray Neutron from 2800' to surface.
 - B. Two man mud logging unit on hole from 4500' to TD.
 - C. Side wall cores may be taken over possible productive intervals.
 - D. DST's may be run if shows dictate.
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. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4500 PSI, estimated BHT 168° .
14. Anticipated Starting Date and Duration of Operation:
- Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 28 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.
15. Other Facets of Operations:
- After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.. The BONE SPRING pay will be perforated and stimulated. The well will be swab tested and potentialied as an oil well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
 - A. See exhibit "E"
6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.
9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H_2S scavengers if necessary.

SURFACE USE PLAN

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of Lea Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site as staked.
 - B. From Loco Hills New Mexico go East on U.S. Hi-way 82 5.5 miles to CR-222 Turn Right (South) go 4.4 miles, turn Right (West) follow lease road .6 miles turn Left (South) go .2 miles turn Right (West) go .25 miles to location.
 - C. Construct powerlines and lay pipelines along access roads and existing R-O-W's that will allow this well to produce oil and gas, see Exhibit "F" attached to APD.
2. PLANNED ACCESS ROADS: Up grade existing lease road and construct .25 mi. of new road.
 - A. the access road will be crowned and ditched to a 12'00" wide travel surface with a 40' right-of-way.
 - B. Gradient on all roads will be less tha 5.00%.
 - C. Turn outs will be constructed where necessary.
 - D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
 - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
 - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Lopography.
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"
 - A. Water wells - None known
 - B. Disposal wells - None known
 - C. Drilling wells - None known
 - D. Producing wells - As shown on Exhibit "A-1"
 - E. Abandoned wells - As shown on Exhibit "A-1"

SURFACE USE PLAN

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

4. If this well is completed as a producer Concho Resources, Inc. will furnish maps and/or plats showing on site facilities and if necessary off site facilities. Exhibit "F" shows existing roads known pipelines & powerlines. Pipelines and powerlines necessary to produce this well will be laid and constructed along these roads and R-O-W's.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES:

- A. No camps or airstrips to be constructed.

SURFACE USE PLAN

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethylene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes, sandy soils with native grasses consisting of Sand Sage, Scrub Oak, Snakeweed and Mesquite. Drainage is Westerly toward the Querecho Plains.
- B. The surface is owned by The Bureau of Land Management, U.S. Dept. of Interior.
- C. An Archaeological survey will be conducted and the results will be submitted to the Bureau of Land Management, Carlsbad, New Mexico.
- D. No dwellings within one mile of location.

12. OPERATORS REPRESENTATIVE:

Field representative to contact regarding compliance with Application to Drill and Surface Use Plan is:

Before APD is approved.

Tierra Exploration Inc.
P.O. Box 2188
Hobbs, N.M. 88241
Joe T. Janica
Office Phone: 505-392-2112

After APD is approved.

Concho Resources, Inc.
110 West Louisiana
Suite 410
Midland, Texas 79702
Jim Blount 915-683-7442

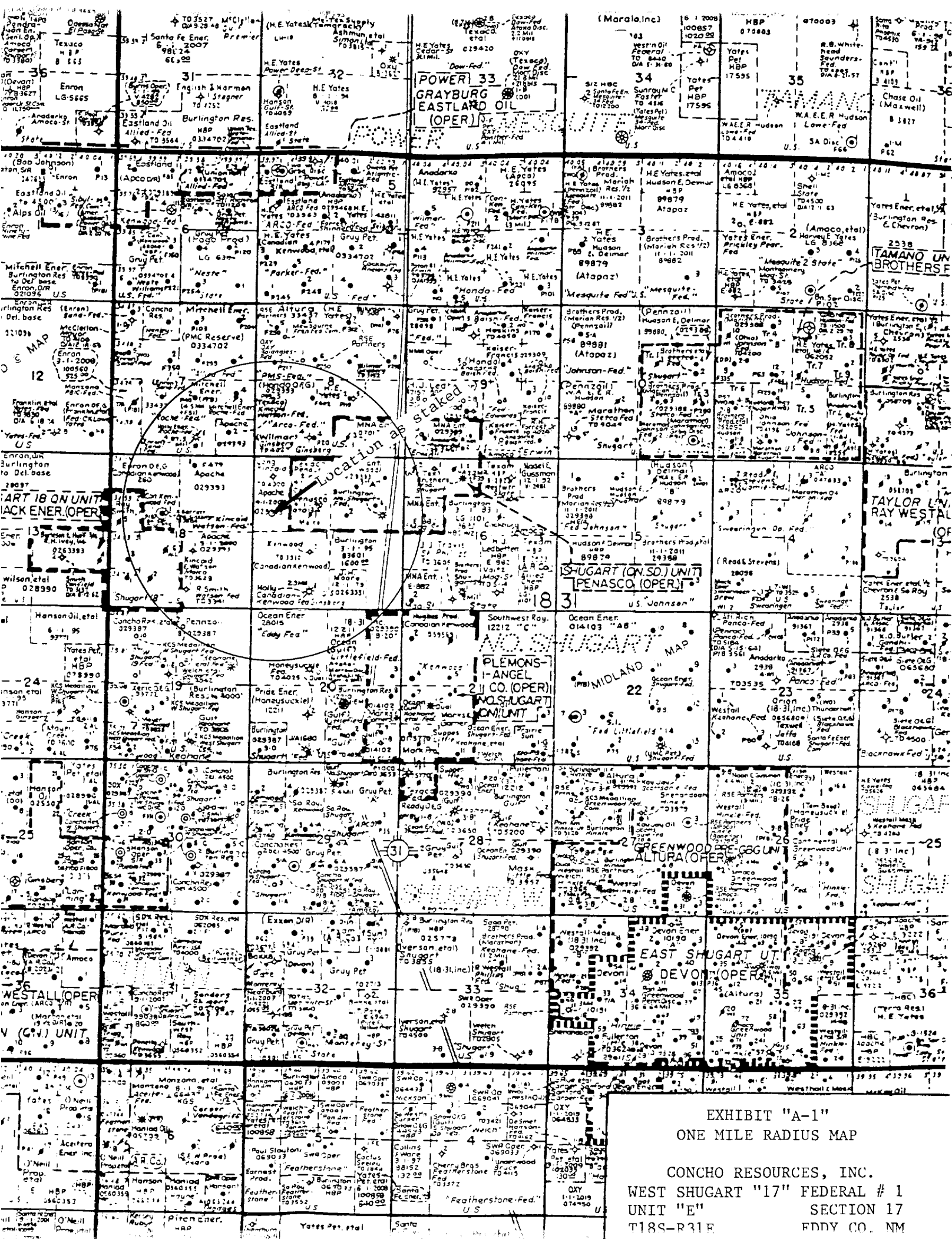
13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Concho Resources, Inc. its contractors/subcontractors in conformity with this plan and the terms and the conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for filing a false statement.

DATE: 09/21/00

NAME: JOE T. JANICA

TITLE: AGENT





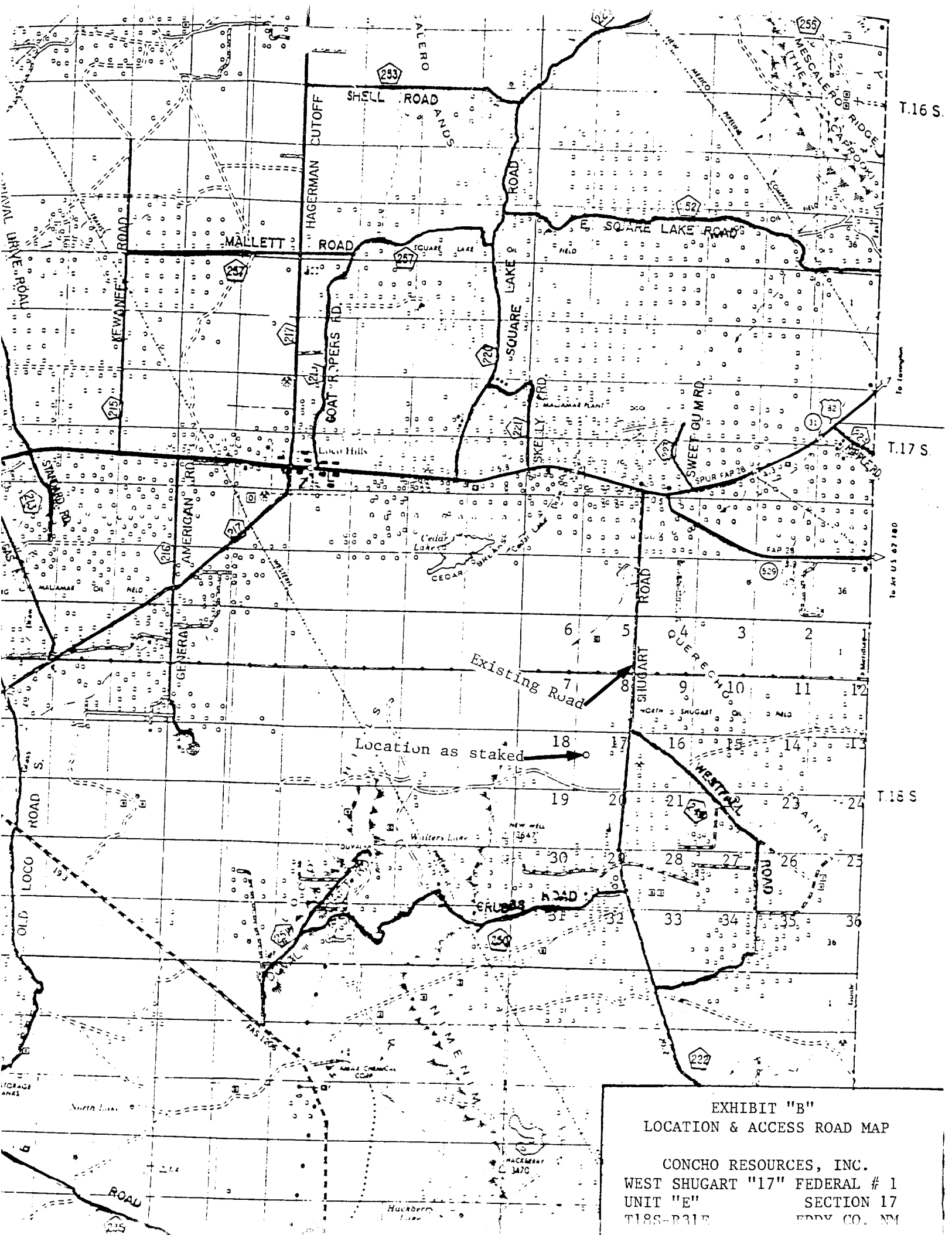
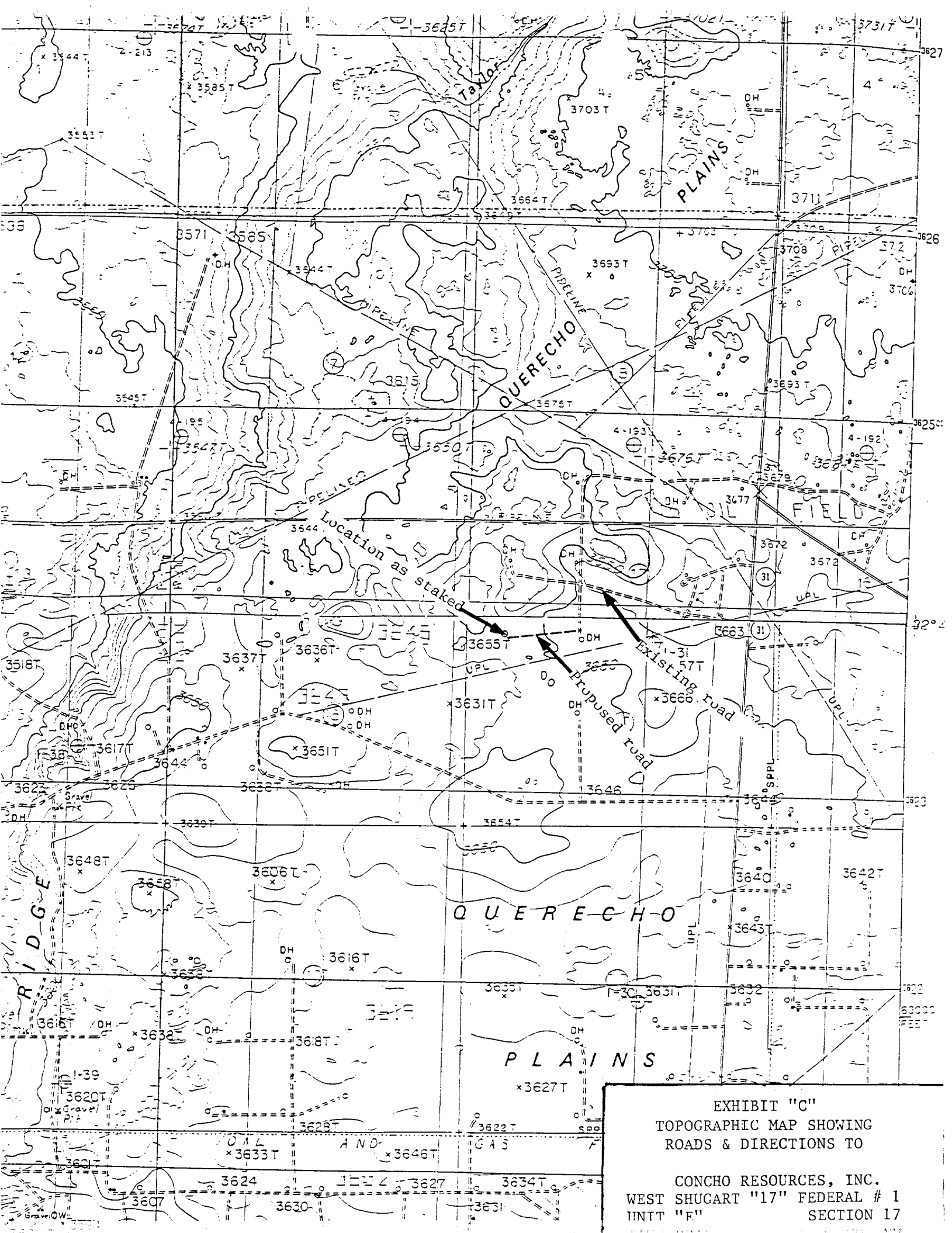
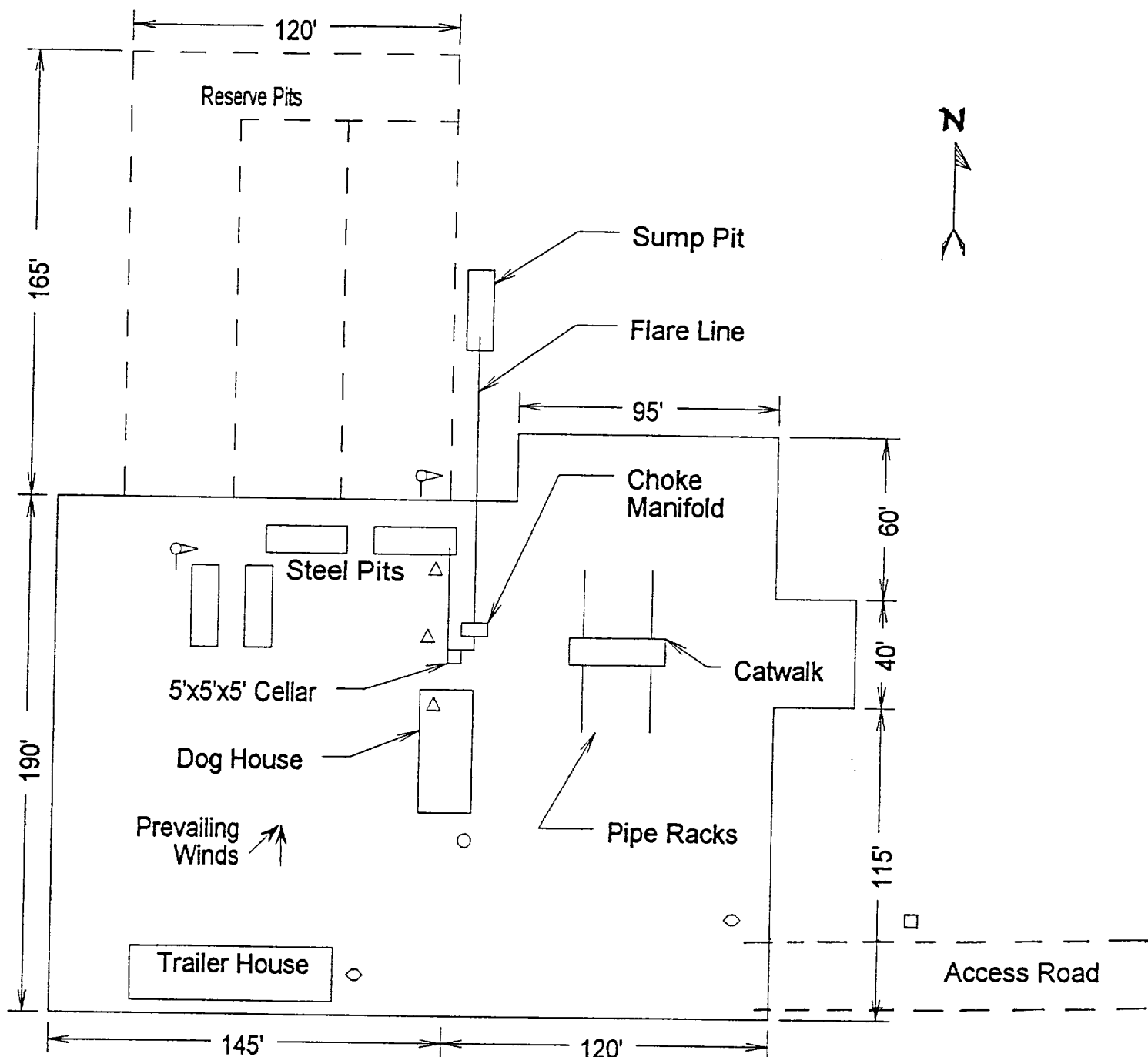


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

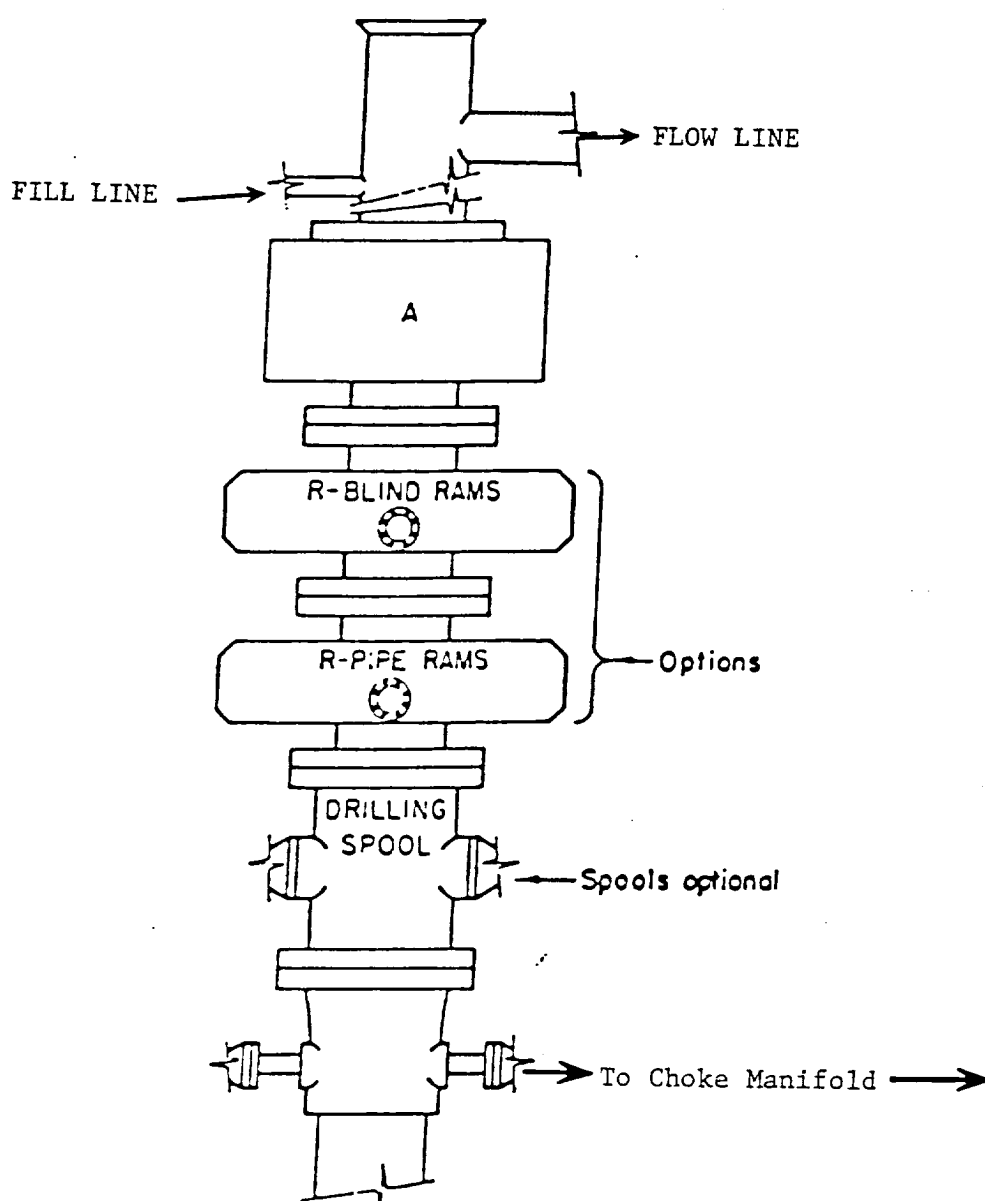




- Wind Direction Indicators
(wind sock or streamers)
- △ H2S Monitors
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

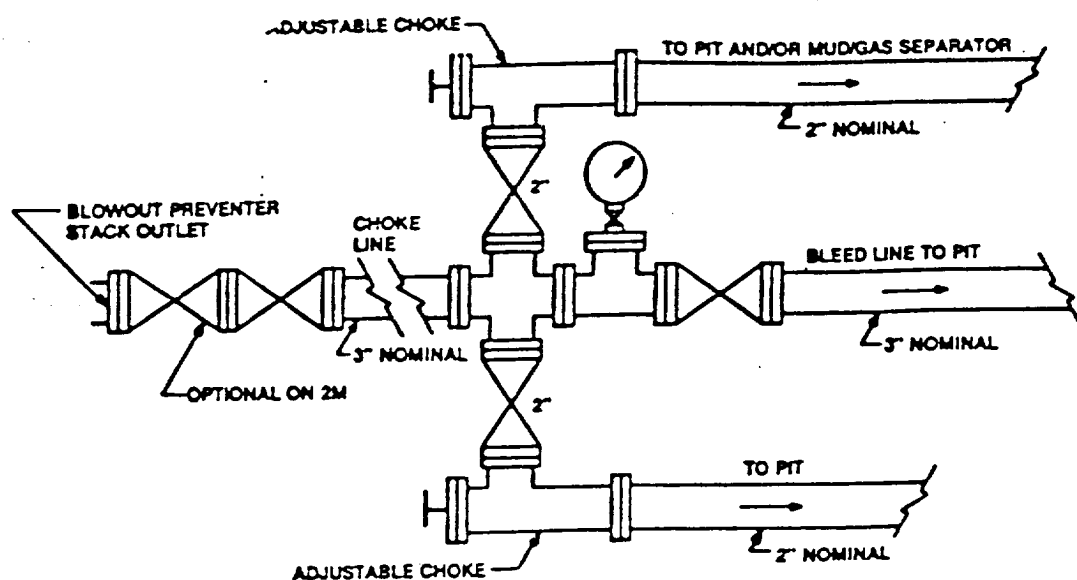


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

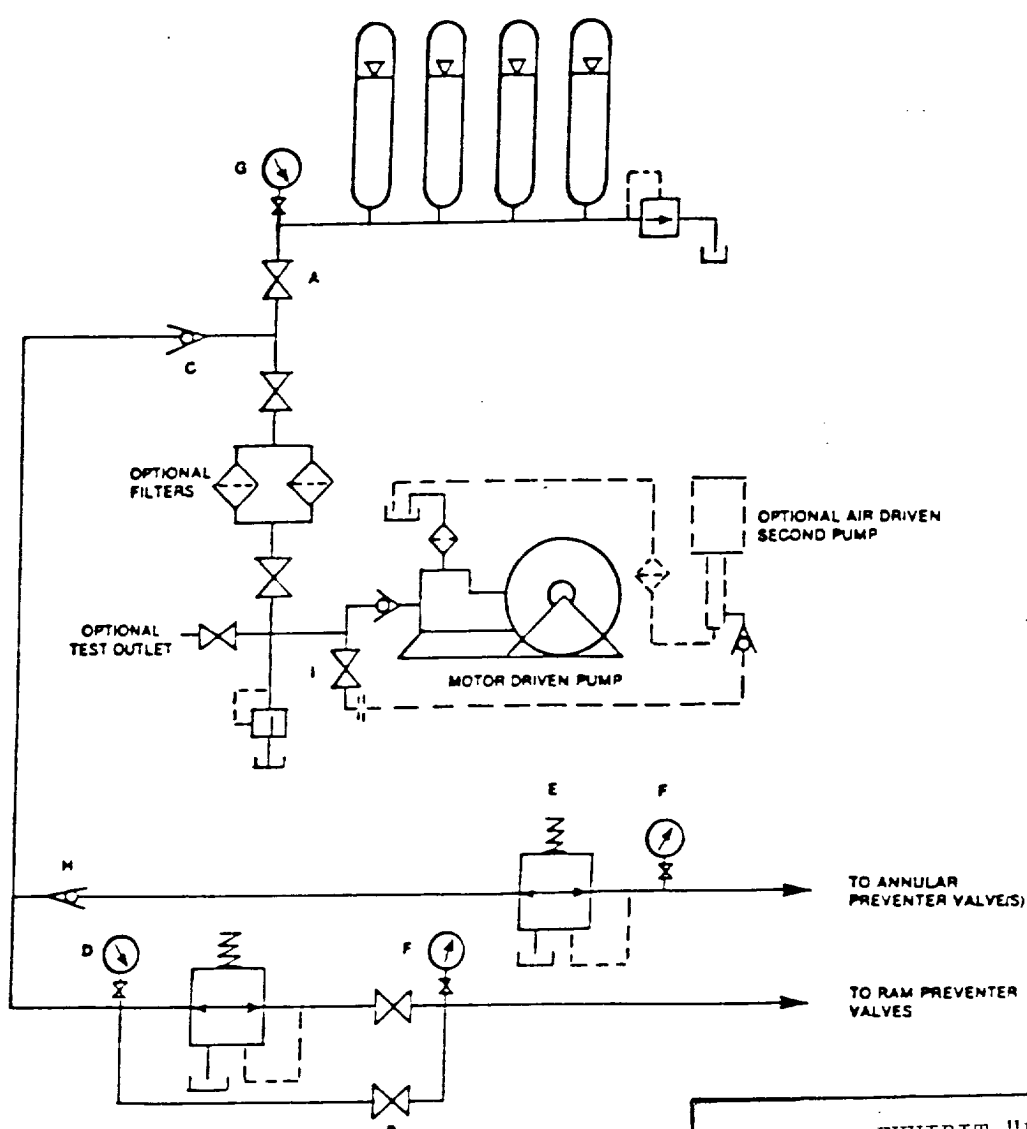


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17
T18S-R31E EDDY CO. NM

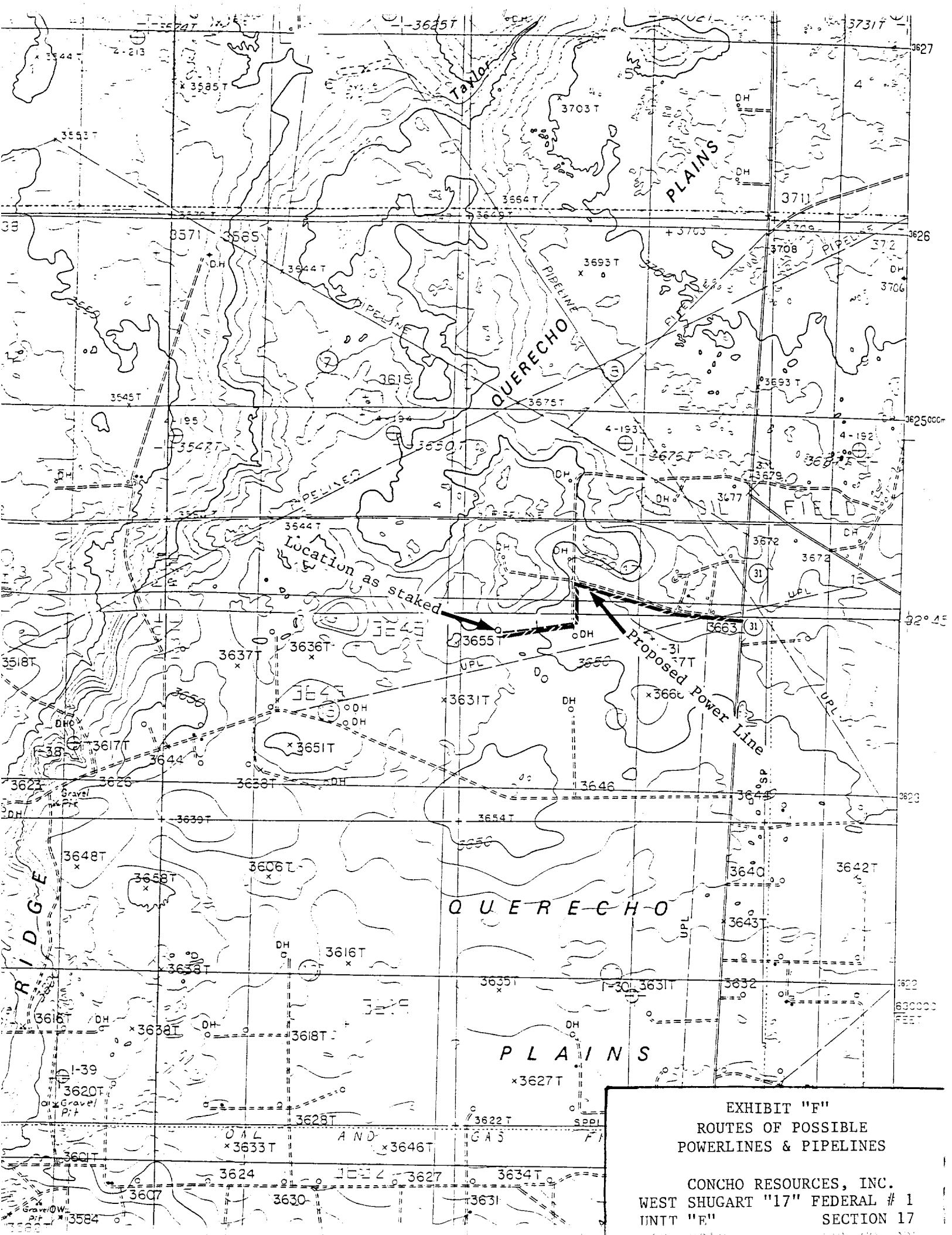
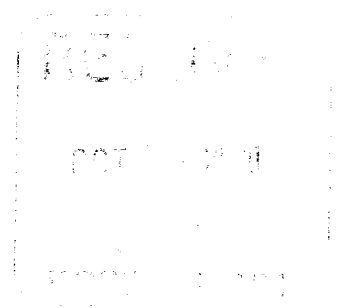


EXHIBIT "F"
ROUTES OF POSSIBLE
POWERLINES & PIPELINES

CONCHO RESOURCES, INC.
WEST SHUGART "17" FEDERAL # 1
UNIT "E" SECTION 17

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations



Operator Name: Concho Resources Inc.
Street of Box: 110 W. Louisiana, Suite 410
City, State: Midland, TX
Zip Code: 79702

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM-14847

Legal Description of Land: T-18-S, R-31-E, NMPM, Section 17: W/2 NW/4
Eddy County, New Mexico

Formation(s) (if applicable): N/A

Bond Coverage: Individually bonded

BLM Bond File No.: NM 2611

Authorized Signature: _____

Michael M. Gray

Title:

Senior Landman

Date:

October 5, 2000