

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
WEST SHUGART "30" FEDERAL # 6
UNIT "O" SECTION 30
T18S-R31E EDDY CO. NM

12. Testing, Logging and Coring Program:

A. Open hole logs: Dual Laterolog, SNP LDT MSFL, Gamma Ray Caliper from TD to 2800'. Run Gamma Ray, Neutron from 2800' to surface.

B. Place mud logger on hole at 4000' and keep on hole to TD.

DST's and cores will be taken where 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 5000 PSI, estimated BHT 185°.

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 45 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 Morrow pay will be perforated and stimulated. The well will be swab tested and potentialized as a gas well.