

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

12. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME -----		
D. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			7. UNIT AGREEMENT NAME ----- 24302		
2. NAME OF OPERATOR CONCHO RESOURCES, INC. (ERICK NELSON) 915-683-7443			8. FARM OR LEASE NAME, WELL NO. WEST SHUGART "30" FED. #		
3. ADDRESS AND TELEPHONE NO. 110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79702 (915-683-7443)			9. AM WELL NO. 30-015-32029		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL & 1980' FEL SEC. 30 T18S-R31E EDDY CO. NM At proposed prod. zone SAME			10. FIELD AND POOL, OR WILDCAT BROOKS - MORROW		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 8 miles Southeast of Loco Hills New Mexico			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 30 T18S-R31E		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		16. NO. OF ACRES IN LEASE 470		17. NO. OF ACRES ASSIGNED TO THIS WELL 20	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 530'		19. PROPOSED DEPTH 12,400'		20. ROTARY OR CABLE TOOL ROTARY ROTARY	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3578' GR.			22. APPROX. DATE WORK WILL START* When Approved		

PROPOSED CASING AND CEMENTING PROGRAM					Capitan Controlled Water Basin
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'	800 Sx. circulate to surface
12¼"	J-55 8 5/8"		32	2800'	1000 Sx. " " "
7 7/8"	N-80 5½"		17	12,400'	1250 Sx. Estimate TOC 2600'

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" 48# H-40 ST&C casing. Cement with 800 Sx. of Class "C" cement + 2% CaCl + ¼# of Flocele/Sx. circulate cement to surface.
3. Drill 12¼" hole to 2800'. Run and set 2800' of 8 5/8" 32# ST&C casing. CEment with 750 Sx. of Class "C" Light cement + additives, tail in with 250 Sx. of Class "C" cement + 25 CaCl, + ¼# Flocele/Sx. circulate cement to surface.
4. Drill 7 7/8" hole to 12,400'. Run and set 12,400' of 5½" as follows: 2200' of 5½" S-95 17# LT&C, 9100' of 5½" 17# N-80 LT&C, 1100' of 5½" 17# N-80 Buttress thread. Cement in 2 stages. Set DV tool at 6500'±. Cement 1st stage with 600 Sx. of Class "H" Super Premium Plus + additives. cement 2nd stage with 450 Sx. of Class "C" Light + additives, tail in with 250 Sx. of Class "C" + 2% CaCl + ¼# Flocele/Sx. Estimate top of cement 2500'.

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.

SIGNED Joe L. Tanya TITLE Agent

DATE 07/19/01

(This space for Federal or State office use)

PERMIT NO.

Application approval does not warrant or certify that the applicant holds legal or equitable title to the rights in the subject matter of the application. The applicant is responsible for conducting a thorough search of the public records to determine the status of the subject matter and for providing accurate information to the County Clerk. The County Clerk is not responsible for the accuracy of the information provided by the applicant.

CONDITIONS OF APPROVAL IF ANY:

APPROVED BY

/s/ LESLIE A. THE

TITLE **FIELD MANAGER**

DATE _____

OCT 01 2001

DATE _____
APPROVAL FOR 1 YEAR

***See Instructions On Reverse Side**

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 records.

RECEIVED
JUL 20 01
GLM
ROSWELL, NM