

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second St. Roswell, New Mexico 88201 www.nm.blm.gov



IN REPLY REFER TO:

3180 NM 94493X JAN 13 200



CERTIFIED MAIL RETURN RECEIPT REQUESTED 7099 3220 0004 0011 3442

Concho Resources Incorporated 110 West Louisiana Suite 410 Midland, Texas 79701

Re: Initial Cisco Canyon Participating Area Not Holding Paying Quantities for Wagon Wheel Unit

Dear Gentlemen:

A review of our records indicate that the Wagon Wheel Unit No. 01 located 2080 Ft. FNL and 1980 Ft. FEL, Section 22, T. 22 S., R. 22 E., Eddy County, New Mexico has not performed to produce unitized substances in paying quantities.

Cumulative production as of 10/2000 is approximately 107,000 MCF of gas. After 30 months of performance, it is our decision to rescind the commercial well determination dated July 03, 1997. The Initial Cisco Canyon Participating Area (NMNM94493-A) will therefore be terminated in 30 (thirty) days from the receipt of this letter. Lease NM 92740 will be held by production (HBP) by this well and all production from this well beyond the termination date will be reported on a lease basis.

The unit agreement shall return to exploration status and according to Section 09: <u>Drilling To Discovery</u> of the agreement Concho Resources Incorporated as unit operator will have 1 (one) year to continue exploration for unitized substances in paying quantities. A Plan of Development and Operations (POD) shall be submitted to this office by March 01, 2001 addressing any future plans to drill and develop the Wagon Wheel Unit.







Job separation sheet

Form 3160-5 June 1990)

12

N. M. Oil Cons. Division

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

811 S. 1ST ST. ARTESIA, NM 88210-2834

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No. NM 92740

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE 1. Type of Well Oil Well Gas X Well Other 2. Name of Operator CONCHO RESOURCES INC 3. Address and Telephone No. 110 W. LOUISIANA STE 410; MIDLAND TX 79701 (915) 683-7443 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2080' FNL & 1980' FEL, SEC. 22, T-22, R-22E

7. If Unit or CA, Agreement Designation NMNM 94493A 8. Well Name and No. Wagon Wheel '22' Federal #1 9. API Well No. 30015-29101

10. Field and Pool, or Exploratory Area **ROCKY ARROYO CANYON**

11. County or Parish, State

EDDY, NM

CHECK APPROPRIATE BOX(s)	TO INDICATE NATURE OF NOTICE, REPORT, C	OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION			
Notice of Intent ■ Property	Abandonment	Change of Plans		
	Recompletion	New Construction		
Subsequent Report	Plugging Back	Non-Routine Fracturing		
	Casing Repair	Water Shut-Off		
Final Abandonment Notice	☐ Altering Casing	Conversion to Injection		
	Other MIT/TEMP. ABANDON WELLBORE	Dispose Water		
		(Note: Report results of multiple completion on Well		

13. Describe Proposed or Completed Operations (Clearly state all pertinet details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markders and zones pertinent to this work.)*

CONCHO RESOURCES INC. RESPECTFULLY REQUESTS APPROVAL TO TEMPORARILY ABANDON THE WAGON WHEEL '22' FEDERAL NO 1 WELL ACCORDING TO THE FOLLOWING PROCEDURE:

1. NOTIFY BLM TO WITNESS TEST.

2. POOH W/ TBG.

3. RU WL. RIH W/ 7" CIBP & SET @ 7375'.

4. LOAD HOLE W/ 2 % KCL AND TEST TO 500 PSI.

Shory will call 10/5/99 - Jim Blust 915-683-7443

RBP At 7890 will amend procedure

SEE ATTACHED FOR **CONDITIONS OF APPROVAL**

10/5/99 ALD					
4.1 hereby cents that the foregoing is true and correct Signed	Title	PRODUCTION ANALYST	Date	09/10/99	
This-space for Federal or State office use)		PETROLEUM ENGINEER	Date	SEP 1 4 1999	

Approved by Onia. St. Conditions of approval, if any: UNIG. SQL. PALENIS U. SHUBULA

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 as to any matter within its jurisdiction.