

CONCHO RESOURCES, INC.
FILAREE "24" FEDERAL # 2
UNIT "P" SECTION 24
T22S-R25E EDDY CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual-Laterolog, Micro SFL, LDT, Gamma Ray, Caliper from TD to 2250'
- B. Mud logger on at 2250' to TD.
- C. No cores or DST's are planned at this time
- D. Gamma Ray , Neutron from TD to surface.

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 5500 PSI, estimated BHT 170° .

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 40-45 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.