

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

9. Cementing and Setting Depth:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
17½"	Surface	Set 600' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" + 25 CaCl, circulate cement to surface.
12½"	Intermediate	Set 2250' of 9 5/8" 36# J-55 ST&C casing. Cement with 200 Sx. of Thixotropic "C" + 10% Cal-seal + 2% CaCl, follow with 950 Sx. Class "C" Halco Light + ½# flocele/Sx + 1# Gilsonite/Sx + 6% Gel + 12% salt, tail in with 200 Sx Class "C" + 2% CaCl circulate cement to surface.
5½"	Production	Set 11500' of 5½" 17# S-95 LT&C casing. Cement 1st stage with 1100 Sx. Modified Super "H" + additives 2nd stage with 1050 Sx. Class "C" Halco Light + ½# flocele/Sx. + 1# Gilsonite/Sx. + 6% Gel, tail in with 200 Sx Class "C" neat. Top cement 2000'.

10. Pressure Control Equipment: Exhibit "E". A 1500 Series 5000 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". Choke manifold and closing unit. BOP will be nipped up on 13 3/8" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, FVT, 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.	Visc.	Fluid Loss	Type Mud
40-600'	8.5-8.8	29-34	NC	Fresh water Spud mud and paper to control seepage.
600-2250'	10-10.5	29-34	NC	Fresh water add Paper to control seepage & lime for pH control.
2250-9000'	10-10.6	29-34	NC	Brine water add paper for seepage control and lime for pH control add Gel for viscosity.
9000-11,500'	10-10.8	32-38	10 cc or less	Brine water Dris-Pac system add soda ash for pH control and starch to control water loss.

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 to meet these needs.