

CONCHO RESOURCES, INC.  
 SPRINGS "2" FEDERAL # 1  
 LOT 10 SECTION 2  
 T21S-R25E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

|         |              |   |
|---------|--------------|---|
| 20"     | Conductor    | Set 40' of 20" conductor and cement to surface with Redi-mix.   |
| 13 3/8" | Surface      | Set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 500 Sx. of Class "C" cement + additives, circulate cement to surface. |
| 8 5/8"  | Intermediate | Set 2250' of 8 5/8" J-55 32# ST&C casing. Cement with 600 Sx. of Class "C" cement + additives, circulate cement to surface. |
| 5 1/2"  | Production   | Set 10,904' of 5 1/2" N-80 17# LT&C casing. Cement with 850 Sx of Super "C" Modified cement, estimate top of cement 2000'.  |

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E". A Series 900 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. The B.O.P. unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. The B.O.P. will be nipped up on 13 3/8" casing and will be operated at least once each 24 hour period while drilling and blind rams will be operated when out of hole on trips. 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 System  |
|----------------|-----------|-------|---------------|--|
| 0-450'         | 8.4-8.6   | 29-34 | NC            | Fresh water Spud Mud use paper to control seepage.   |
| 450-2250'      | 10.1-10.5 | 29-36 | NC            | <del>Brine</del> <b>FRESH</b> water add paper to control seepage, lime for pH control. Use high viscosity sweeps to clean hole |
| 2250-10,00     | 10.1-10.3 | 29-38 | NC            | Cut Brine add paper to control seepage, Gel if necessary to clean add Soda-ash for pH control.                                 |
| 10,000- 10,904 | 10.2-10.5 | 30-38 | 10 cc or less | Brine water add Gel for viscosity, starch for water loss control & Soda-ash for pH control.                                    |

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing the viscosity and/or water loss may have to be adjusted to meet these needs.