

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTN.M. Oil & Gas  
1301 W. Grand Avenue  
Arlington, NM 88210FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

CISF

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☒GAS  
WELL ☐

OTHER

198407

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

CONCHO OIL &amp; GAS CORP. (ERICK NELSON 915-683-7443)

## 3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface  
660' FNL & 1980' FWL SEC. 10 T24S-R31E EDDY CO. NM  
At proposed prod. zone SAME

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 30 miles East of Carlsbad New Mexico

## 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

320

## 17. NO. OF ACRES ASSIGNED

TO THIS WELL  
40

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1980'

## 19. PROPOSED DEPTH

8500'

## 20. ROTARY OR CABLE TOOLS

ROTARY

## 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3464' GR. Carlsbad Controlled Water Basin

## 22. APPROX. DATE WORK WILL START\*

WHEN APPROVED

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

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
17 1/2"	H-40 13 3/8"	48	675' 725'	600 Sx. circulate cement to sur.
11"	J-55 8 5/8"	32	4300'	1100 Sx. " " " "
7 7/8"	J-55 5 1/2"	17 & 15.5	8500'	1000 Sx. Estimate TC 4000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 675'. Run and set 675' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" cement + 2% CaCl<sub>2</sub> + 1/4# Flocele/Sx, circulate cement to surface.
3. Drill 11" hole to 4300'. Run and set 4300' of 8 5/8" 32# J-55 ST&C casing. Cement with 1100 Sx. of Class "C" cement. 600 Sx. of Light weight cement, tail in with 500 Sx. of Class "C" cemen + 2% CaCl<sub>2</sub>, 1/4# Flocele/Sx. circulate cement to surface.
4. Drill 7 7/8" hole to 8500'. Run and set 8500' of 5 1/2" casing as follows: 1500' of 5 1/2" 17# J-55 LT&C, 7000' of 15.5# J-55 LT&C casing. Cement with 500 Sx. of Class "C" light weight cement, tail in with Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4000' from surface.

R-111-P-POTASH

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.

## 24.

SIGNED

Jesse J. Juen

TITLE Agent

DATE 08/28/02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

Application approval does not warrant or certify that the applicant holds a valid lease or that the proposed lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Jesse J. Juen

TITLE

ASSOC. STATE DIRECTOR

DATE

NOV 05 2002

\*See Instructions On Reverse Side

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 53815	Pool Name SAND DUNES DELAWARE-WEST
Property Code	Property Name LOTUS "10" FEDERAL	Well Number 4
OGRID No. 193407	Operator Name CONCHO OIL & GAS CORP.	Elevation 3464'

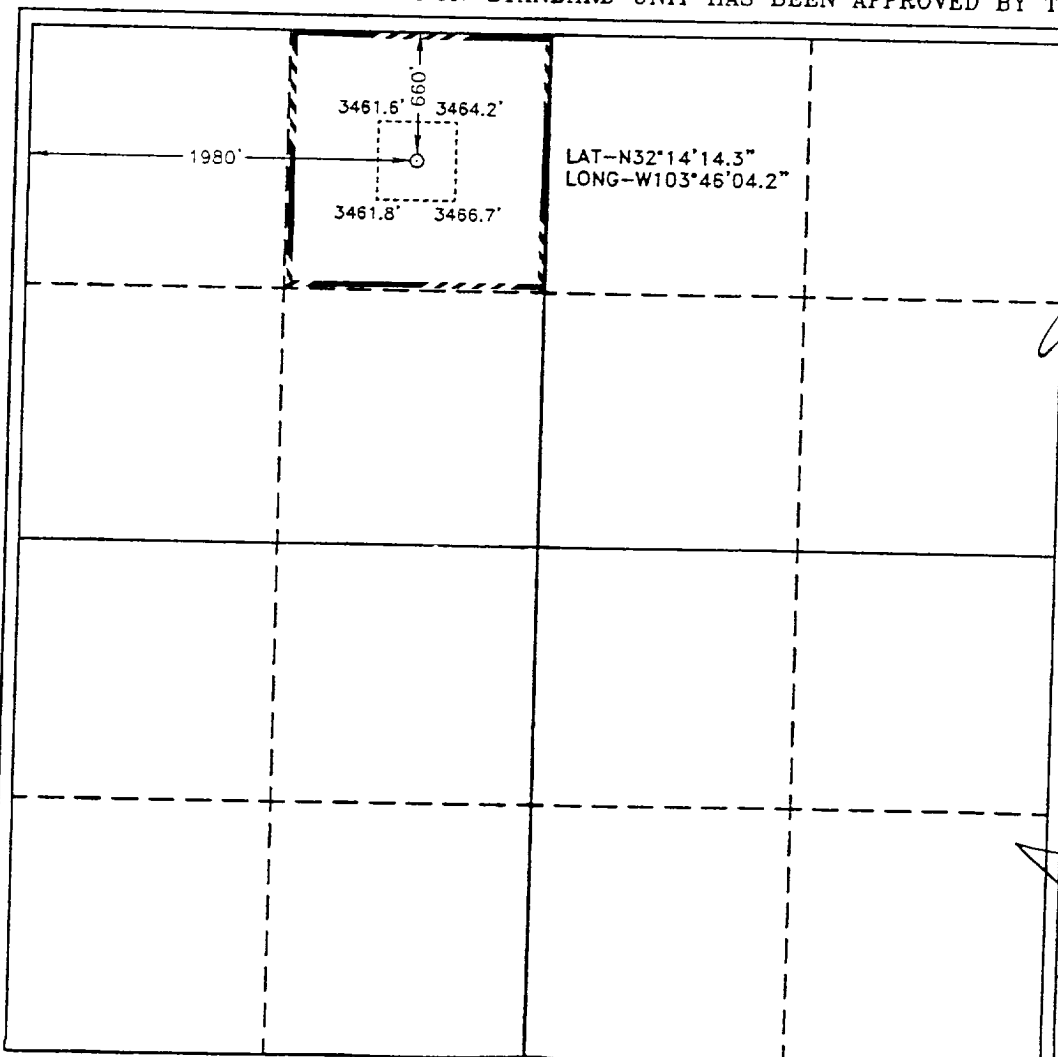
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	24 S	31 E		660	NORTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information  
contained herein is true and complete to the  
best of my knowledge and belief

*Joe T. Janica*  
Signature

Joe T. Janica

Printed Name  
Agent

Title  
08/28/02  
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown  
on this plat was plotted from field notes of  
actual surveys made by me or under my  
supervision and that the same is true and  
correct to the best of my belief

AUGUST 7, 2002

Date Surveyed, L. JONES  
Signature & Seal of  
Professional Surveyor

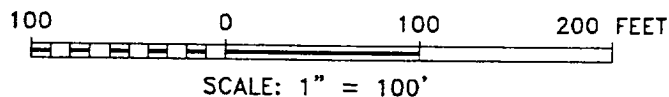
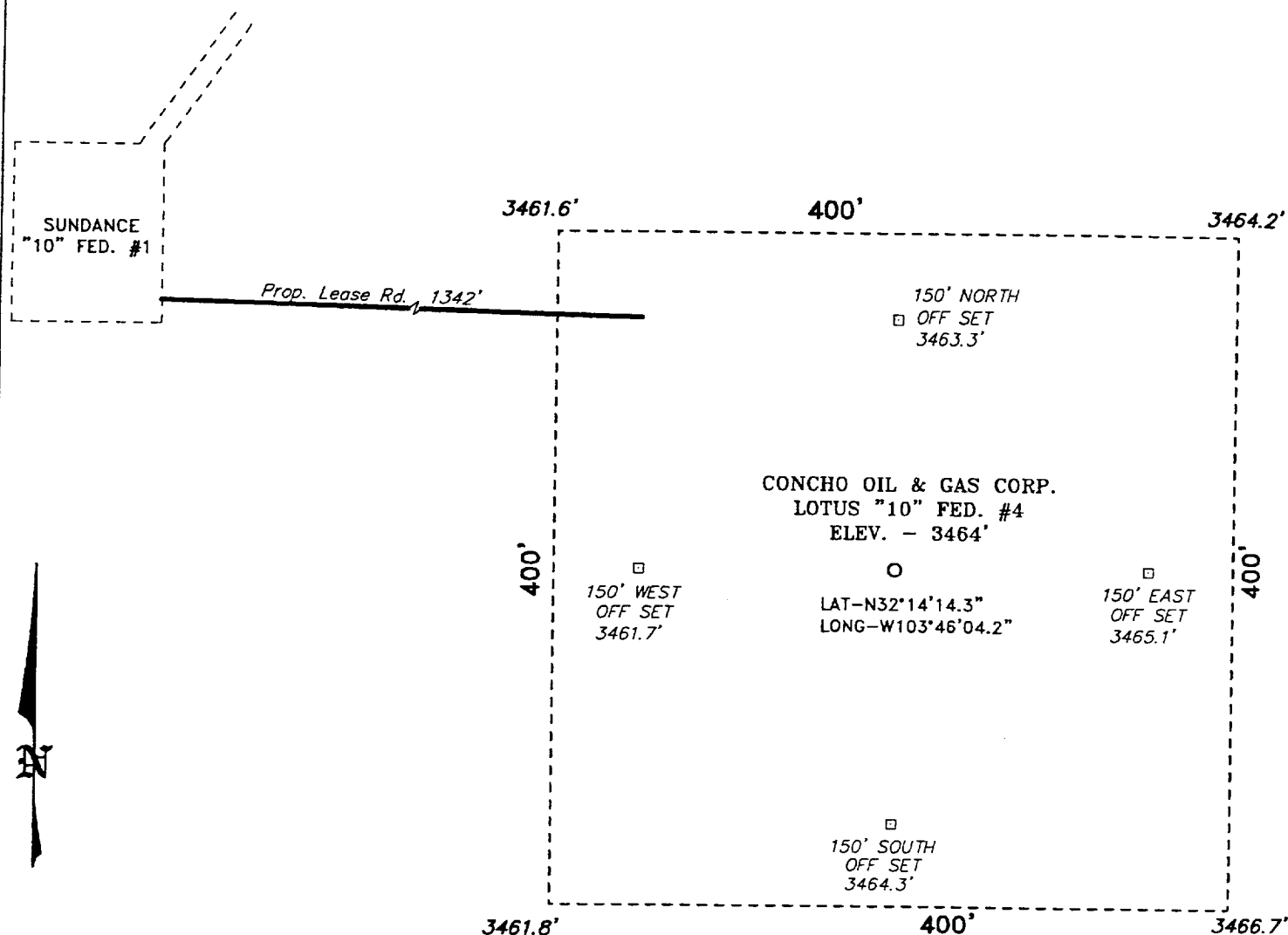
*L. Jones*  
7977

W.O. No. 2676A

Certificate No. Gary L. Jones 7977

Printed Name

SECTION 10, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF CO. RD. C-29 AND STATE HWY 128, GO WEST ON 128 FOR 0.1 MILE TO LEASE ROAD; THENCE SOUTHWEST ON LEASE ROAD FOR 1.2 MILE; THENCE WEST FOR 0.8 MILE; THENCE SOUTH 0.2 MILE TO THE SUNDANCE "10" FED. #1 AND PROPOSED LEASE ROAD.

**CONCHO OIL & GAS CORP.**

REF: LOTUS "10" FED. No. 4 / Well Pad Topo

THE LOTUS "10" FED. No. 4 LOCATED 660' FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF SECTION 10, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

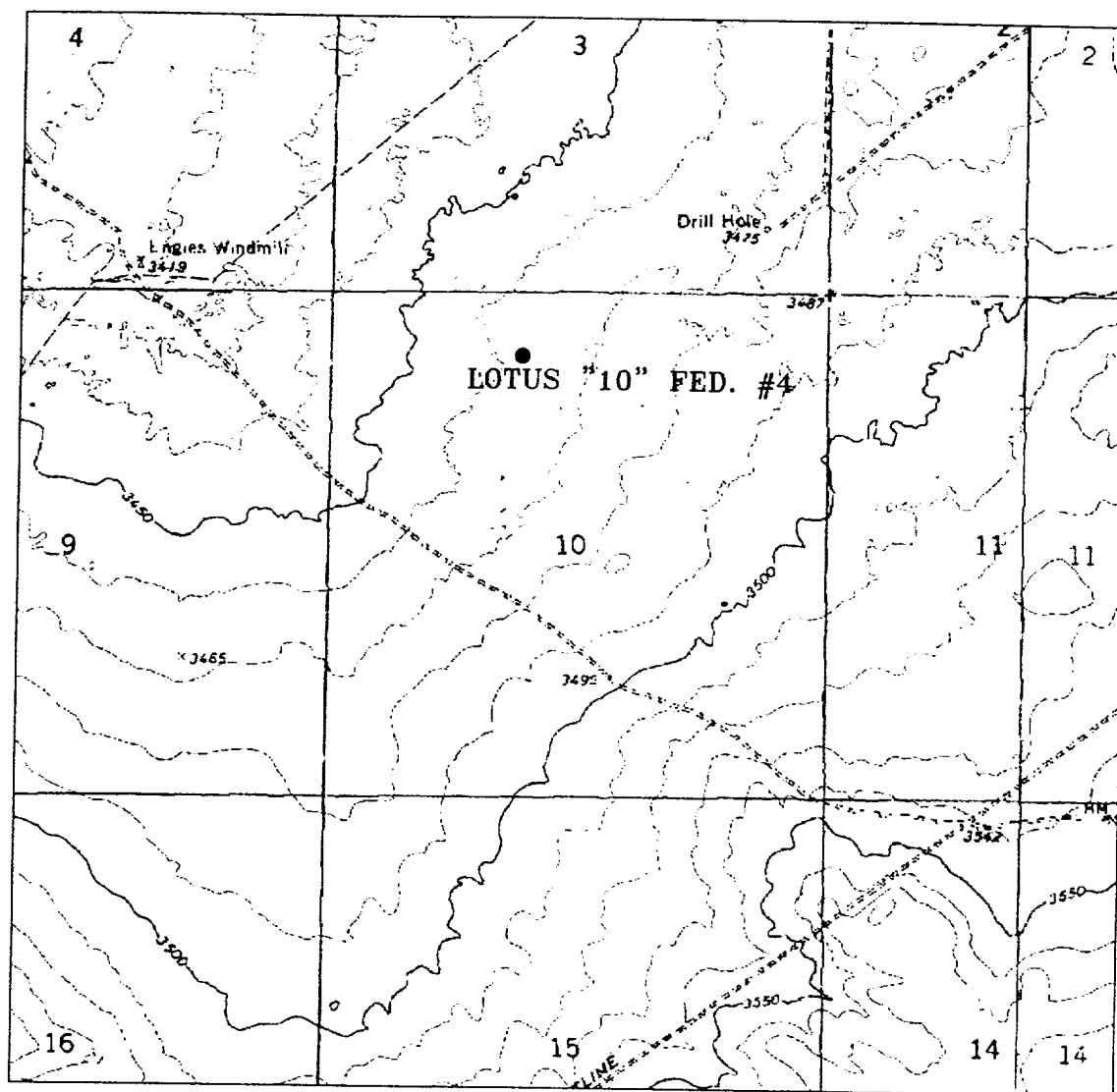
**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 2676

Drawn By: **K. GOAD**

Date: 08-08-2002 Disk: KJG CD#4 - 2676A DWG

Survey Date: 08-07-2002 Sheet 1 of 1 Sheets



**LOTUS "10" FEDERAL #4**  
 Located at 660' FNL and 1980' FWL  
 Section 10, Township 24 South, Range 31 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

P.O. Box 1736  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

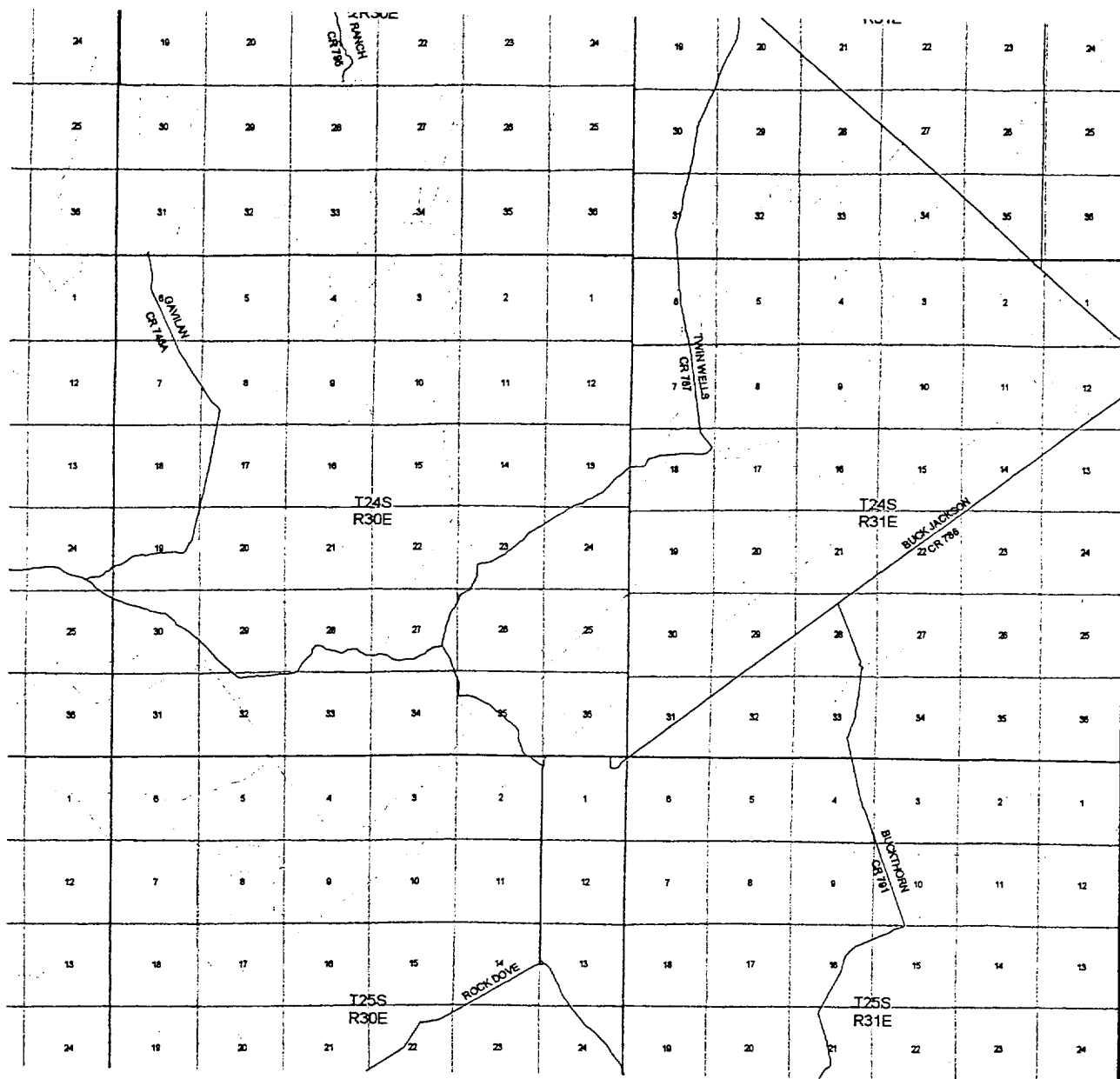
W.O. Number: 2676AA - KJG CD#5

Survey Date: 08-07-2002

Scale: 1" = 2000'

Date: 08-08-2002

**CONCHO**  
**OIL & GAS**  
**CORP.**



LOTUS "10" FEDERAL #4  
 Located at 660' FNL and 1980' FWL  
 Section 10, Township 24 South, Range 31 East,  
 N.M.P.M., Eddy County, New Mexico.

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 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 2676AA - KJG CD#5

Survey Date: 08-07-2002

Scale: 1" = 2 MILES

Date: 08-08-2002

CONCHO  
 OIL & GAS  
 CORP.

## APPLICATION TO DRILL

CONCHO OIL & GAS CORP.  
 LOTUS "10" FEDERAL # 4  
 UNIT "C" SECTION 10  
 T24S-R31E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 660' FNL & 1980' FWL SEC. 10 T24S-R31E EDDY CO. NM
2. Elevation above Sea Level: 3464' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 8500'
6. Estimated tops of geological markers:

Rustler Anhydrite	650'	Delaware	4400'
Salt	1000'	Bone spring lime	8280'
7. Possible mineral bearing formations:

Bone Spring	Oil
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8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0- <sup>725'</sup> <del>675'</del>	13 3/8"	48	8-R	ST&C	H-40
11"	0-4300'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-8500'	5½"	17 & 15.5	8-R	LT&C	J-55

## APPLICATION TO DRILL

CONCHO OIL & GAS CORP.  
 LOTUS "10" FEDERAL # 4  
 UNIT "C" SECTION 10  
 T24S-R31E 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 <sup>725'</sup> <del>675'</del> of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" cement + 2% CaCl <sub>2</sub> + 1/4# Flocele/Sx circulate cement to surface.
8 5/8"	Intermediate	Set 4300' of 8 5/8" 32# J-55 ST&C casing. Cement with 600 Sx. of Light weight cement + additives, tail in with 500 Sx. of Class "C" cement + 2% CaCl <sub>2</sub> + 1/4# Flocele/Sx. circulate cement to surface.
5 1/2"	Production	Set 8500' of 5 1/2" casing as follows: 1500' of 5 1/2" 17# J-55 LT&C casing, 7000' of 5 1/2" 15.5# J-55 LT&C casing. Cement with 500 Sx. of Class "C" light weight cement + additives tail in with 500 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4000' from surface

**CIRCULATE**

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipped up on the 8 5/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
<sup>725'</sup> 40- <del>675'</del>	8.4-8.7	29-34	NC	Fresh water Spud mud add paper to control seepage.
<sup>725'</sup> <del>675'</del> -4300'	10.1-10.3	29-36	NC	Brin water add paper to control seepage and high viscosity sweeps to clean hole.
4300-8000'	8.4-8/7	29-38	NC	Fresh water use High viscosity sweeps to clean hole.
8000-8500'	8.4-8.7	32-40	10 cc or less	Fresh water Polymer system for water loss control and high viscosity sweeps to clean hole.

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 viscosity and/or water loss may have to be adjusted to meet these needs.

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Dual INDuction, SNP, LDT, Gamma Ray, Caliper from TD back to 4300'. Run GAMMA RAY, Neutron from 4300' back to surface.
- B. Rig up mud logger on hole at 4300'.
- C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence of unsafe levels of H<sub>2</sub>S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 3750 PSI & estimated BHT 135°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APP. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 30 days. If production casing is run an additional 30 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the Bone Spring pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an oil well.



## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If location is near any dwelling a closed D.S.T. will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects  $H_2S$  has on tubular goods and other mechanical equipment.
9. If  $H_2S$  is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with  $H_2S$  scavengers if necessary.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

1. EXISTING ROADS: Area roads, Exhibit "B" is a reproduction of a County General Hiway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
  - A. Exhibit "A" shows the proposed well site location as staked.
  - B. From Hobbs New Mexico take U.S. Hi-way 62-180 West toward Carlsbad go 38.5 miles CO-29, turn South go 21.5 miles to State Hi-way 128 turn Right go .1 mile turn Left go 1.3 miles on lease road, turn West go .8 miles turn South go .2 miles turn Left go 1400' to location.
2. PLANNED ACCESS ROADS: Approximately 1400' of new road will be constructed.
  - A. The access road will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
  - B. Gradient on all roads will be less than 5%.
  - C. Turnouts will be constructed as required or as directed by the BLM.
  - D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Center line for the new access road has been staked and flagged. Earthwork will be done as required by field and topographic conditions.
  - F. Culverts in the access road will be used where necessary. The road will be constructed to utilize low water crossings for drainage as dictated by the topography.
3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS SHOWN ON EXHIBIT "A-1".
  - A. Water wells None known
  - B. Disposal wells None known
  - C. Drilling wells None known
  - D. Producing wells As shown on Exhibit "A-1"
  - E. Abandoned wells As shown on Exhibit "A-1"
  - F. Injection wells None known

## SURFACE USE PLAN

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthred drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

# SURFACE USE PLAN

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

## 9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

## 10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinnery oak, native grasses, and an occasional mesquite tree.
- B. The surface and minerals are owned by The U. S. Department of Interior, and is administered by The Bureau of Land Management. The surface is used for the production of oil and gas in addition to livestock grazing.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.
- D. There are no dwellings in the near vicinity of this location.

12. OPERATORS REPRESENTATIVES:

Before construction:

TIERRA EXPLORATION, INC  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
OFFICE Ph. 505-391-8503  
JOE T. JANICA

During and after construction:

CONCHO OIL & GAS CORP.  
110 WEST LOUISIANA SUITE 410  
MIDLAND, TEXAS 79701  
ERICK NELSON  
PHONE 915-683-7443

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge true and correct, and that the work associated with the operations proposed herein will be performed by CONCHO OIL & GAS CORP. it's contractors/subcontractors is in compfornity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME : Joe T Janica  
DATE : 08/28/02  
TITLE : Agent

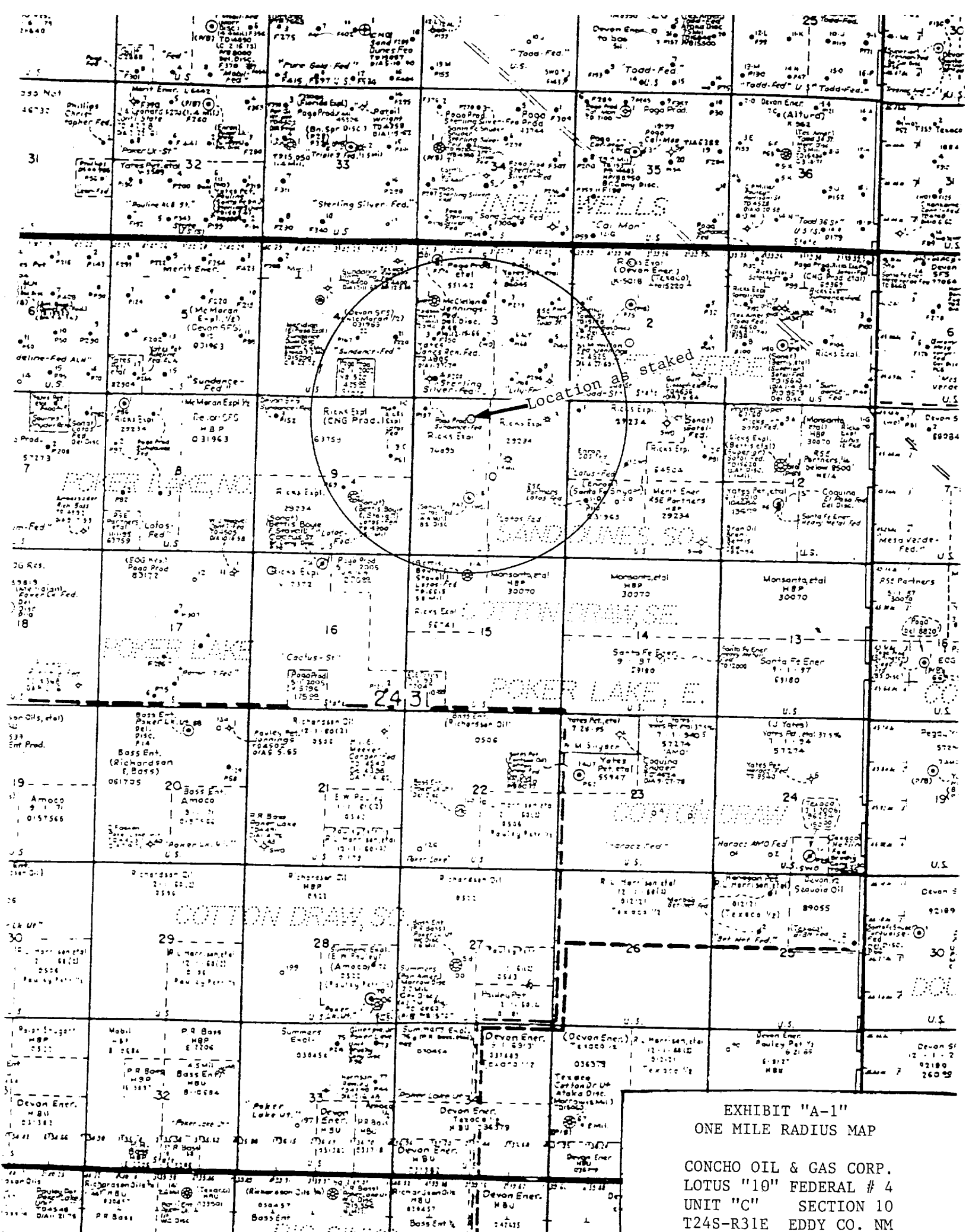
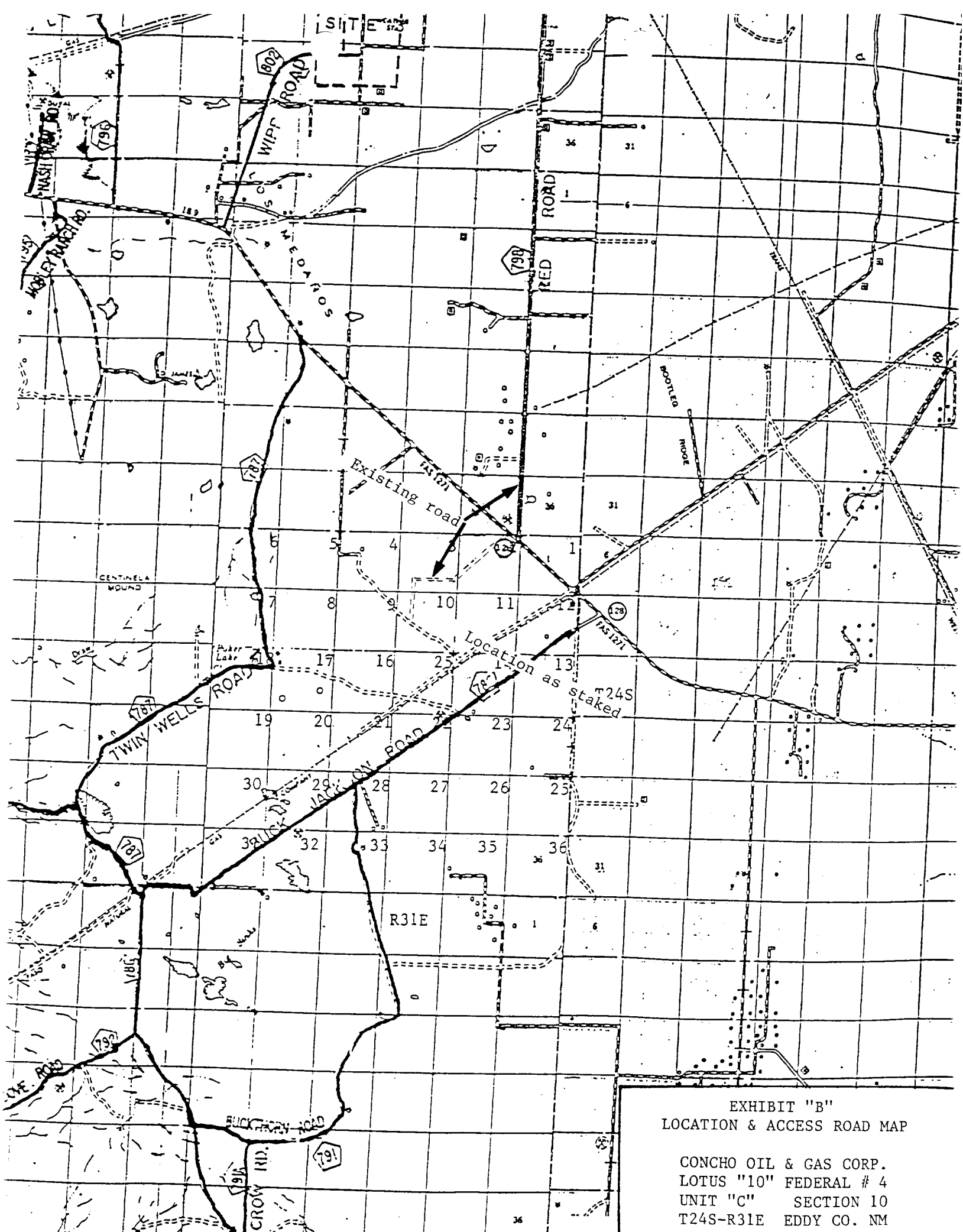
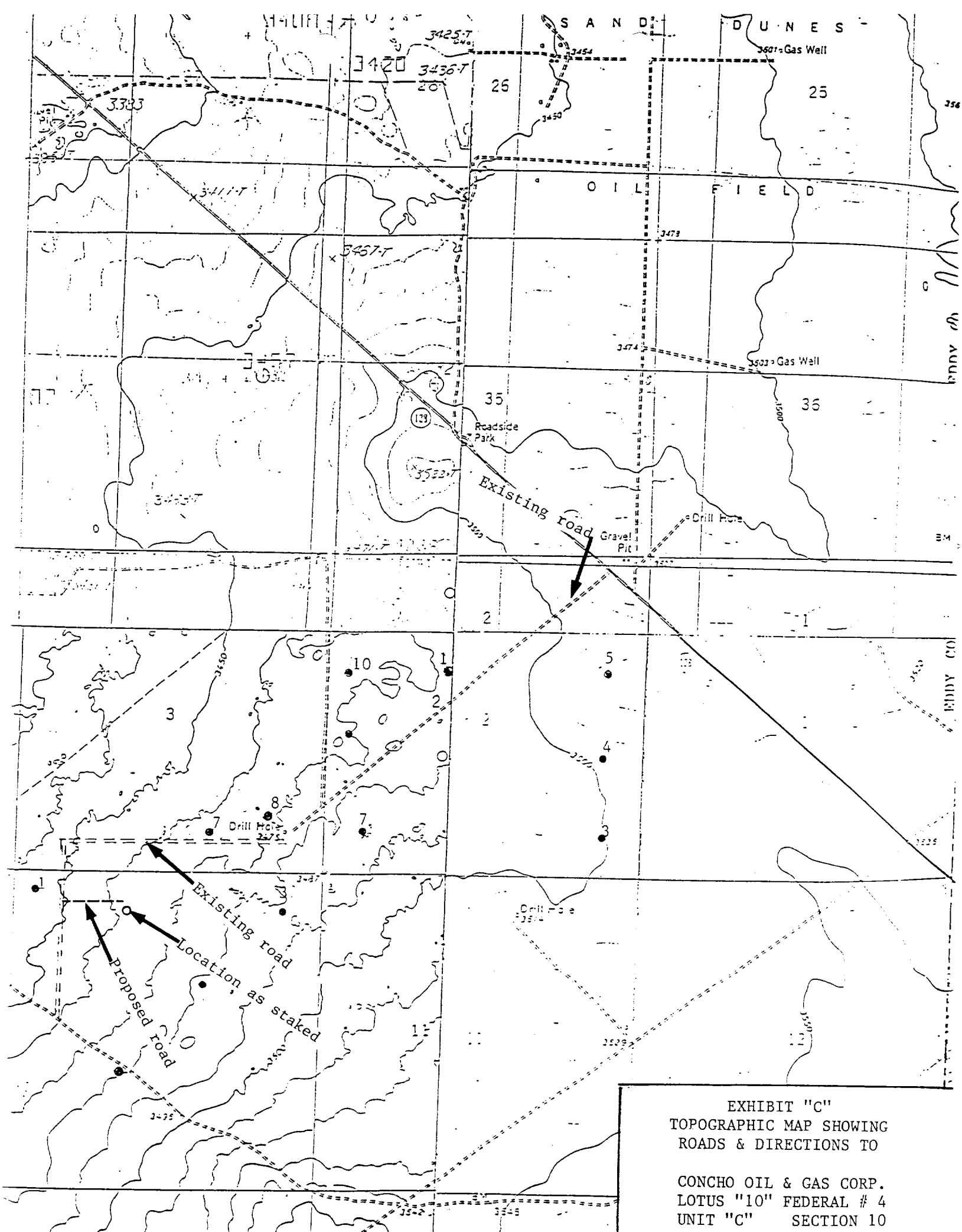


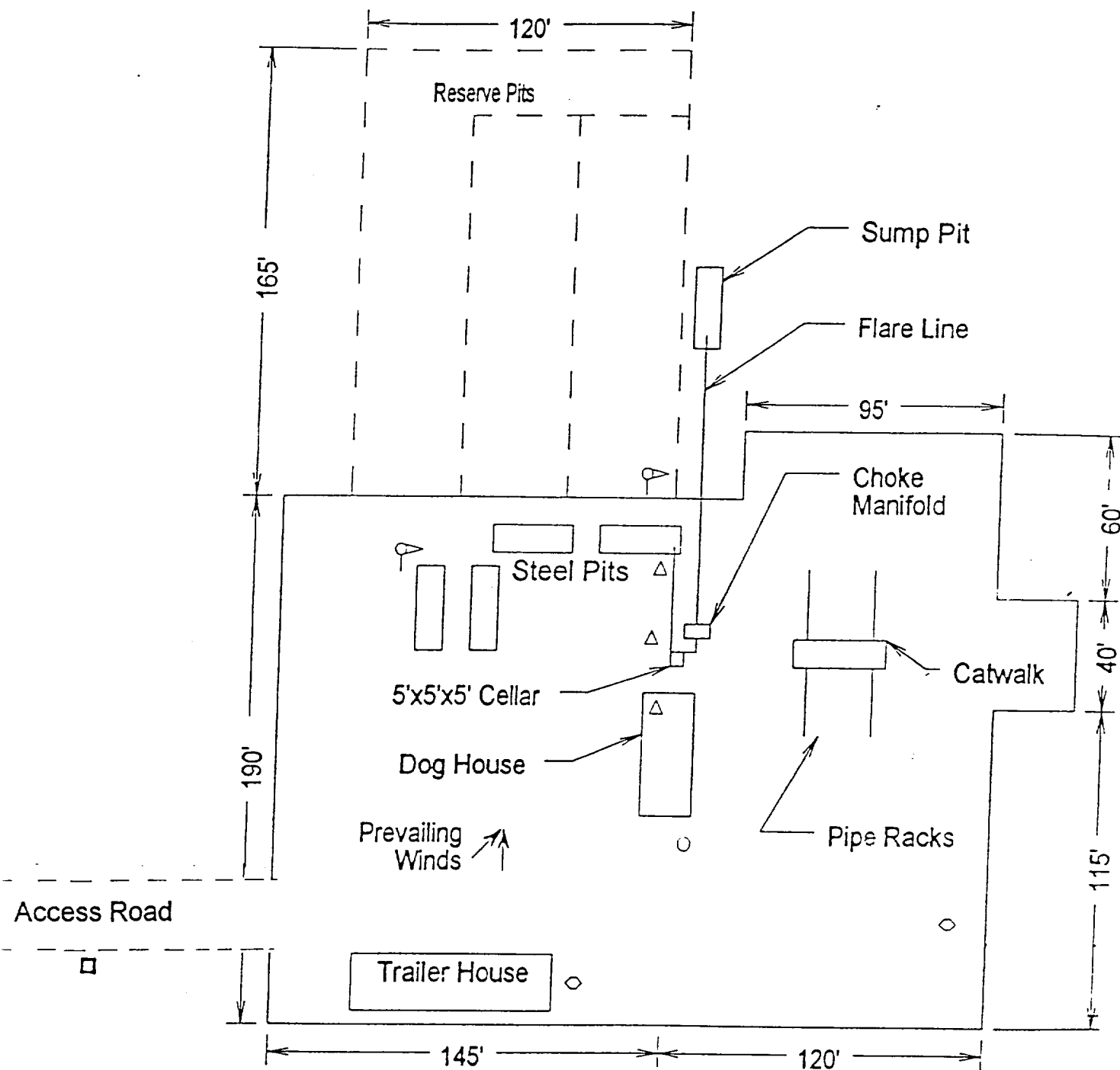
EXHIBIT "A-1"  
ONE MILE RADIUS MAP

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM





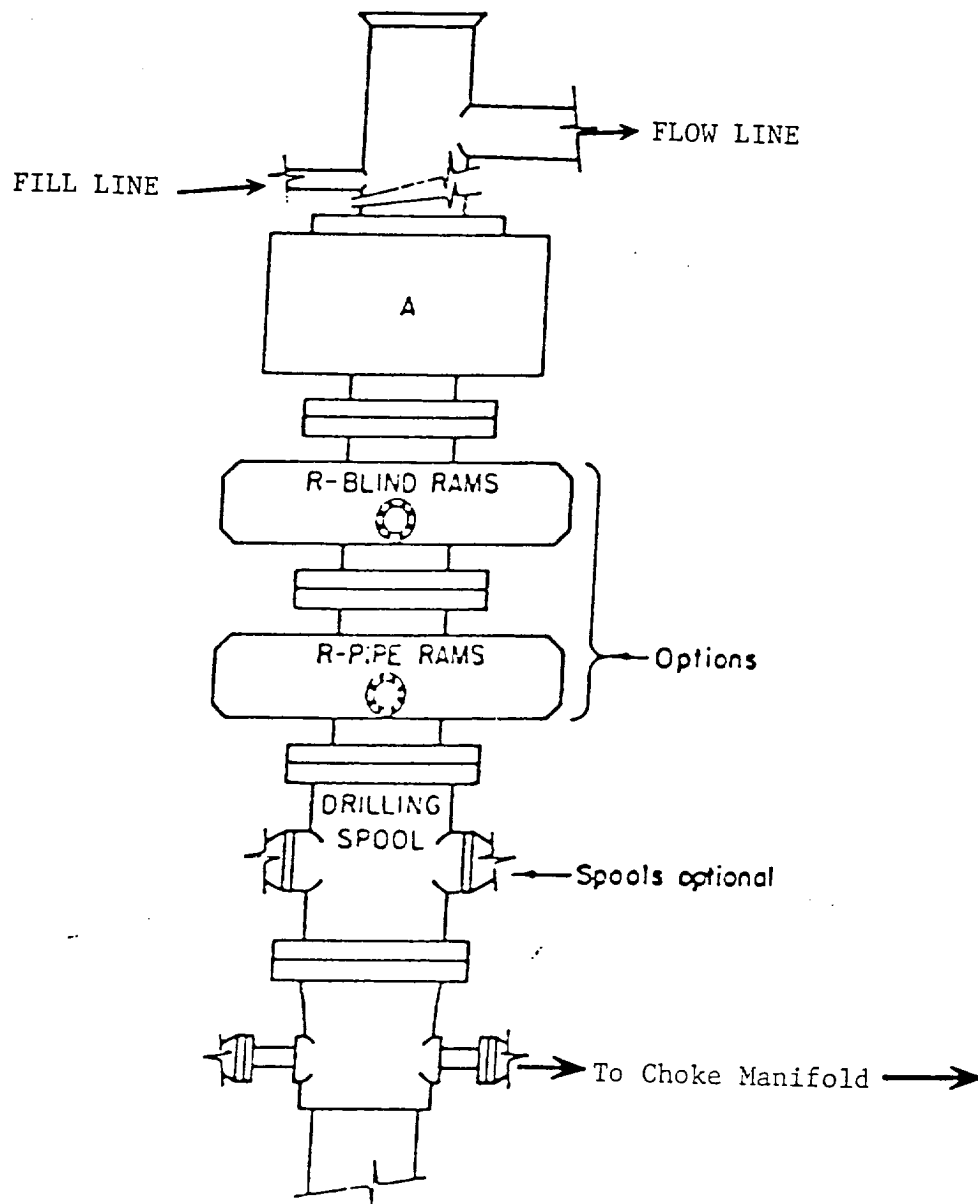




- ⌂ Wind Direction Indicators  
(wind sock or streamers)
- △ H2S Monitors  
(alarms at bell nipple and shale shaker)
- ◇ Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAY OUT PLAT

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM



# **ARRANGEMENT SRRA**

900 Series  
3000 PSI WP

EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED ON

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

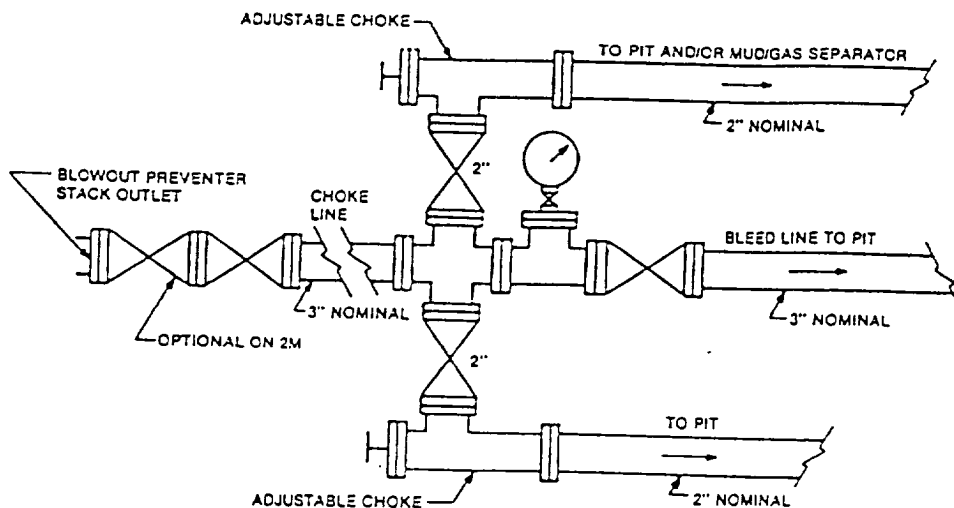


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

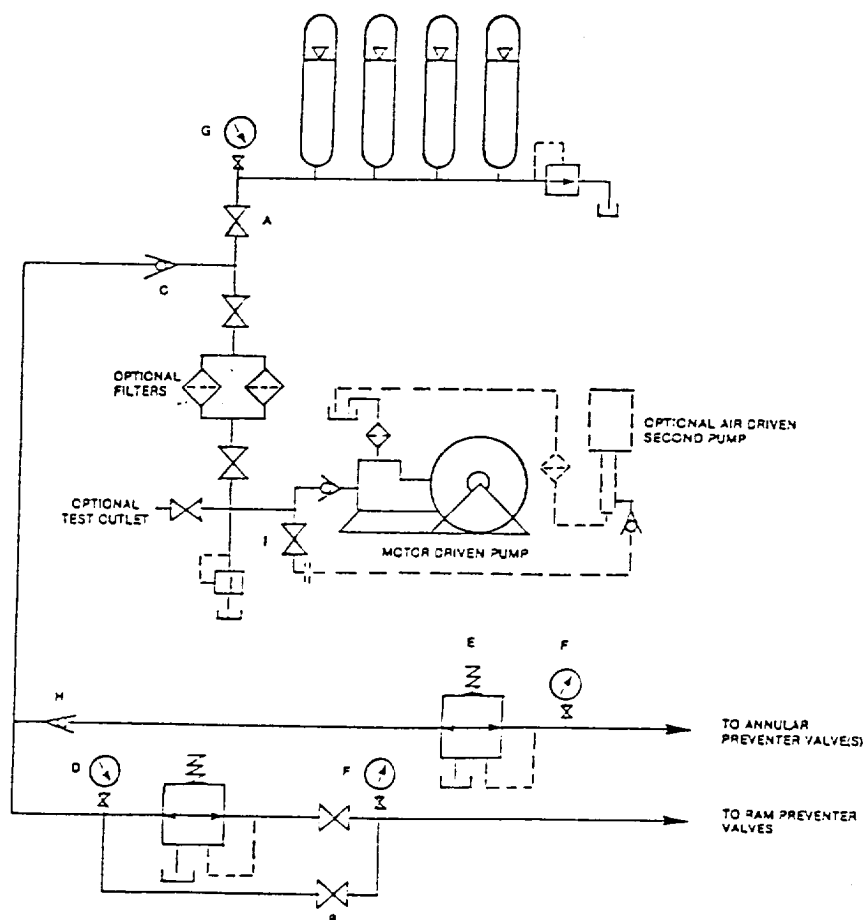


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

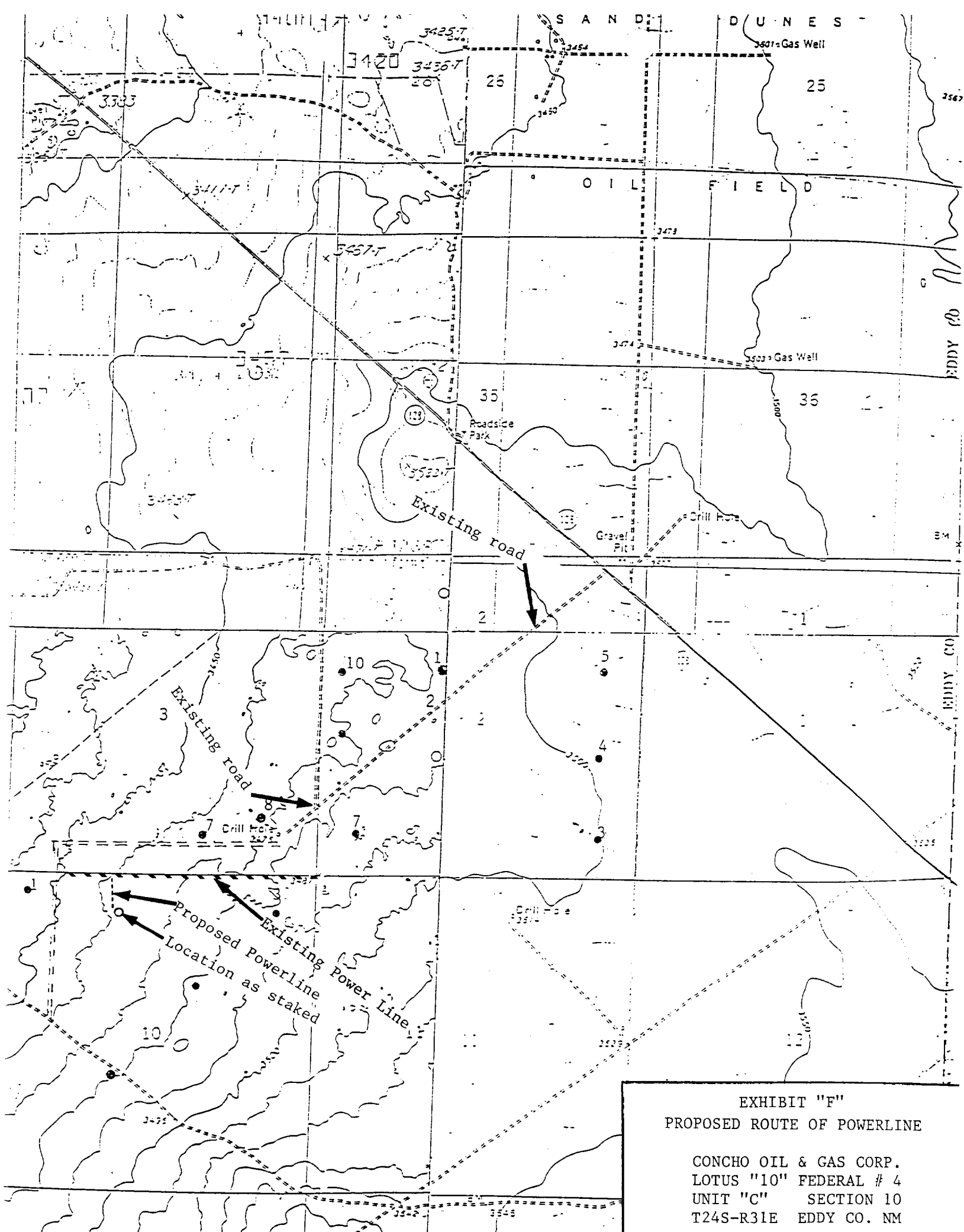


EXHIBIT "F"  
PROPOSED ROUTE OF POWERLINE

CONCHO OIL & GAS CORP.  
LOTUS "10" FEDERAL # 4  
UNIT "C" SECTION 10  
T24S-R31E EDDY CO. NM

*Statement Accepting Responsibility for Operations.*

**Operator Name:** RICKS EXPLORATION, INC.  
**Address:** 110 WEST LOUISIANA  
SUITE 410  
**City & State** MIDALND, TEXAS  
**Zip Code:** 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

**Lease No.:** NM-70895 LOTOS FEDERAL "10" WELL # 4  
**Legal Description of land.:** SECTION 10 T24S-R31E EDDY CO. NM  
**Bond Coverage.:** BLANKET  
**B.L.M. Bond File No.:** NM-589804

Authorized Signature

Title Agent

Date 10/21/02