

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
M. OIL CONS. Division  
811 S. 1ST ST.  
ARTESIA, N.M. 87004-2804

OMB NO. 1004-0136  
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

12. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

CONCHO RESOURCES, INC. (JIM BLOUNT) 915-883-7843

3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79702 (915-684-7443)

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

At surface

990' FSL & 990' FEL SEC. 14 T16S-R27E EDDY CO. NM

At proposed prod. zone

SAME

UNIT P

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

Approximately 11 miles Northeast of Artesia New Mexico.

13. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any) 990'

13. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

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

3608' GR.

5. LEASE DESIGNATION AND SERIAL NO.

NM-84851

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

25368

8. FARM OR LEASE NAME, WELL NO.

CARBON VALLEY "14" FED.

9. AN WELL NO.

30-015-30972

10. FIELD AND POOL, OR WILDCAT

DIAMOND MOUND-MORROW 76074

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SEC. 14 T16S-R27E

12. COUNTY OR PARISH

EDDY CO.

13. STATE

NEW MEXICO

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START

When Approved

PROPOSED CASING AND CEMENTING PROGRAM

Post 2-25-00

| 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 min          | 800' 400'     | 450 Sx. Circulate to surface.   |
| 12 1/2"      | J-55 8 5/8"           | 24              | 1500' 1800'   | 1000 Sx. " " "                  |
| 7 7/8"       | J-55, N-80 5 1/2"     | 15.5 & 17       | 9400'         | 1500 Sx. Use DV tool circulate  |

1. Drill 25" hole to 40'. Set 40' of 20" Conductor and cement to surface with Redi-mix.

2. Drill 17 1/2" hole to 400'. Run and set 400' of 13 3/8" H-40 48# ST&C casing. Cement with 450 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.

3. Drill 12 1/2" hole to 1800'. Run and set 1800' of 8 5/8" J-55 24# ST&C casing. Cement with 1000 Sx. of Class "C" cement + 1/2# flocele/Sx. + 2% CaCl, circulate cement to surface.

4. Drill 7 7/8" hole to 9400'. Run and set 9400' of 5 1/2" casing as follows: 1700' of 17# N-80 LT&C, 6000' of 15.5# J-55 LT&C, 1700' of 17# N-80 LT&C casing. Cement 1st stage with 900 Sx. of Class "H" Premium Plus + additives, 2nd stage with 600 Sx. of Class "C" + additives, circulate cement to surface.

Notify OCD at SPUD & TIME  
to witness cementing the  
8 5/8" casing.

APPROVAL SUBJECT TO  
GENERAL REQUIRE  
SPECIAL STIPULATIONS  
ATTACHED

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.

SIGNED Joel Jovine TITLE Agent

DATE 01/04/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY LARRY D. BRAY

TITLE

Assistant Field Manager,  
Lands And Minerals

DATE

FEB 16 2000

\*See Instructions On Reverse Side

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.

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                     |                                           |                                   |
|---------------------|-------------------------------------------|-----------------------------------|
| API Number          | Pool Code<br>76079                        | Pool Name<br>DIAMOND MOUND-MORROW |
| Property Code       | Property Name<br>CARBON VALLEY 14 FEDERAL | Well Number<br>1                  |
| OGRID No.<br>166111 | Operator Name<br>CONCHO RESOURCES, INC    | Elevation<br>3608                 |

Surface Location

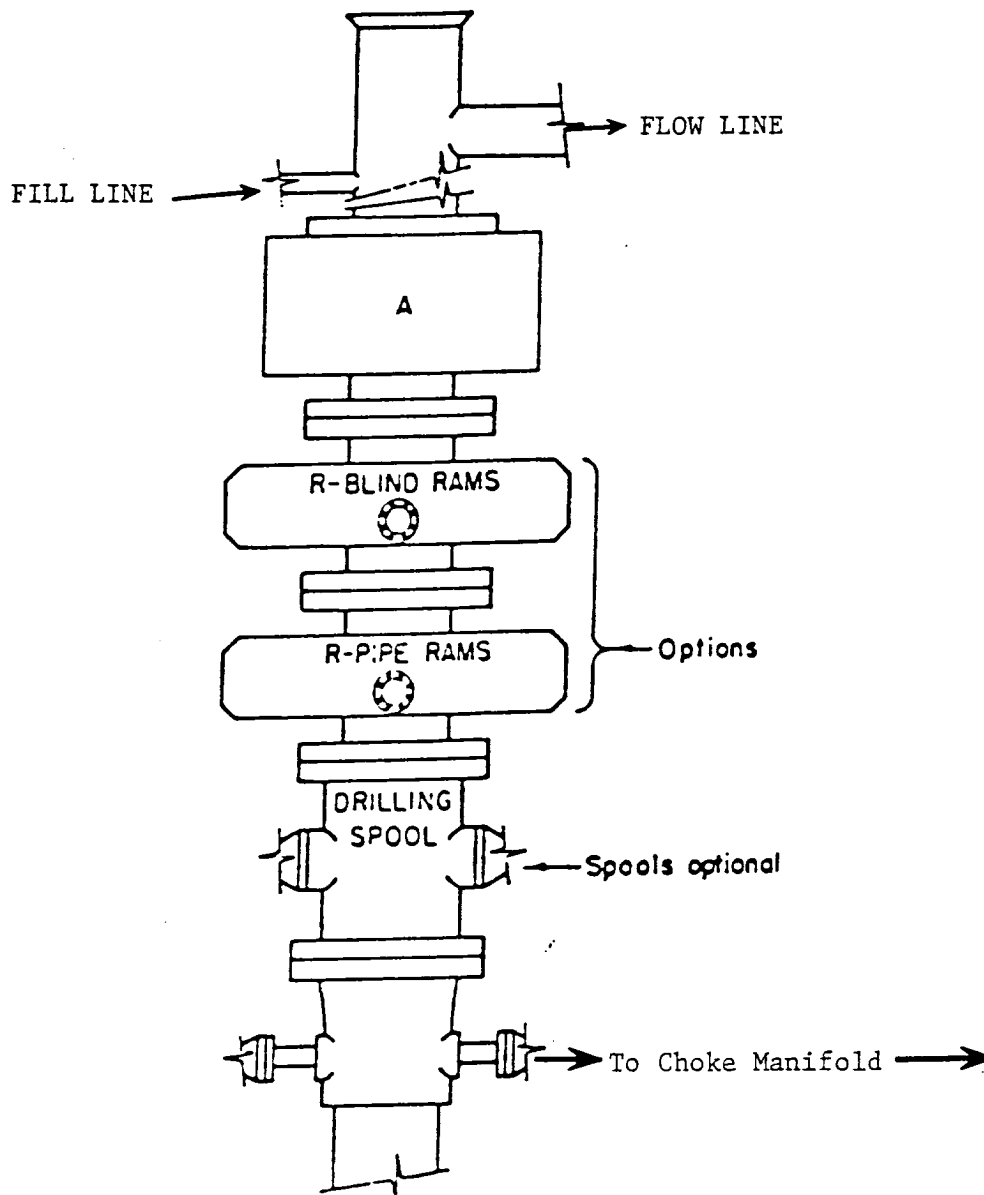
|                    |               |                  |               |         |                      |                           |                      |                        |                |
|--------------------|---------------|------------------|---------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No.<br>P | Section<br>14 | Township<br>16 S | Range<br>27 E | Lot Idn | Feet from the<br>990 | North/South line<br>SOUTH | Feet from the<br>990 | East/West line<br>EAST | County<br>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<br>320 | 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

|  |  |  |  |  |  |  |  |                                                                                                                                                                                                               |  |
|--|--|--|--|--|--|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  |  |  |  |  |  |  | <b>OPERATOR CERTIFICATION</b>                                                                                                                                                                                 |  |
|  |  |  |  |  |  |  |  | I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.                                                                                                |  |
|  |  |  |  |  |  |  |  | Signature<br><i>Joe T. Janica</i>                                                                                                                                                                             |  |
|  |  |  |  |  |  |  |  | Printed Name<br>Joe T. Janica                                                                                                                                                                                 |  |
|  |  |  |  |  |  |  |  | Title<br>Agent                                                                                                                                                                                                |  |
|  |  |  |  |  |  |  |  | Date<br>01/04/00                                                                                                                                                                                              |  |
|  |  |  |  |  |  |  |  | <b>SURVEYOR CERTIFICATION</b>                                                                                                                                                                                 |  |
|  |  |  |  |  |  |  |  | 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. |  |
|  |  |  |  |  |  |  |  | DECEMBER 20, 1999                                                                                                                                                                                             |  |
|  |  |  |  |  |  |  |  | Date Surveyed                                                                                                                                                                                                 |  |
|  |  |  |  |  |  |  |  | Signature & Seal of<br>Professional Surveyor                                                                                                                                                                  |  |
|  |  |  |  |  |  |  |  | Professional Surveyor                                                                                                                                                                                         |  |
|  |  |  |  |  |  |  |  | Certificate No. RONALD E. EDSON 3239                                                                                                                                                                          |  |
|  |  |  |  |  |  |  |  | GARY EIDSON 12641                                                                                                                                                                                             |  |
|  |  |  |  |  |  |  |  | MACON McDONALD 12185                                                                                                                                                                                          |  |
|  |  |  |  |  |  |  |  |                                                                                                                                                                                                               |  |

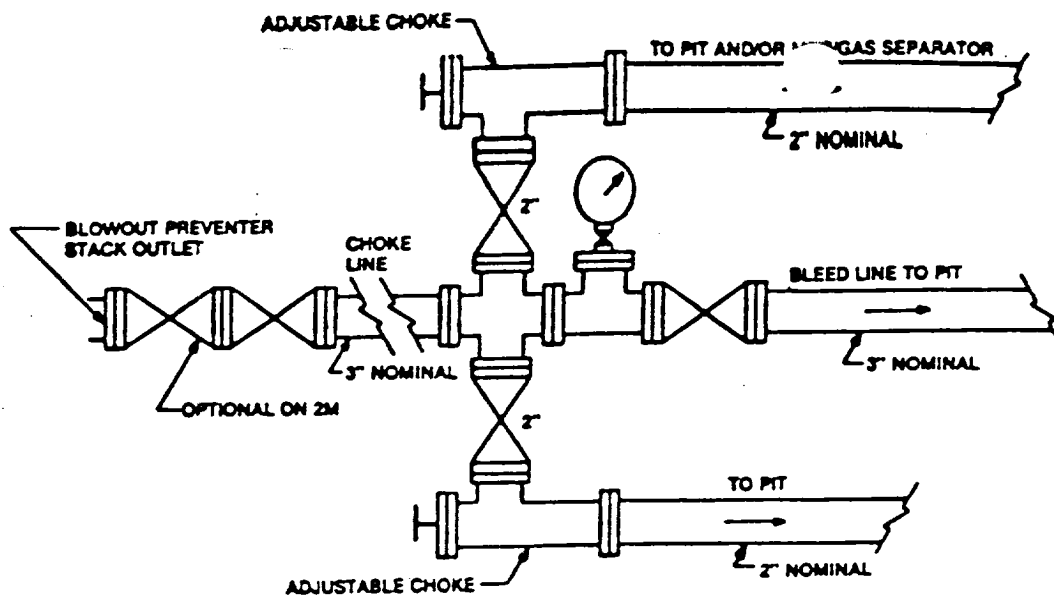


# **ARRANGEMENT SRRA**

900 Series  
3000 PSI WP

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

CONCHO RESOURCES, INC.  
CARBON VALLEY "14" FEDERAL # 1  
UNIT "P" SECTION 14  
T16S-R27E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

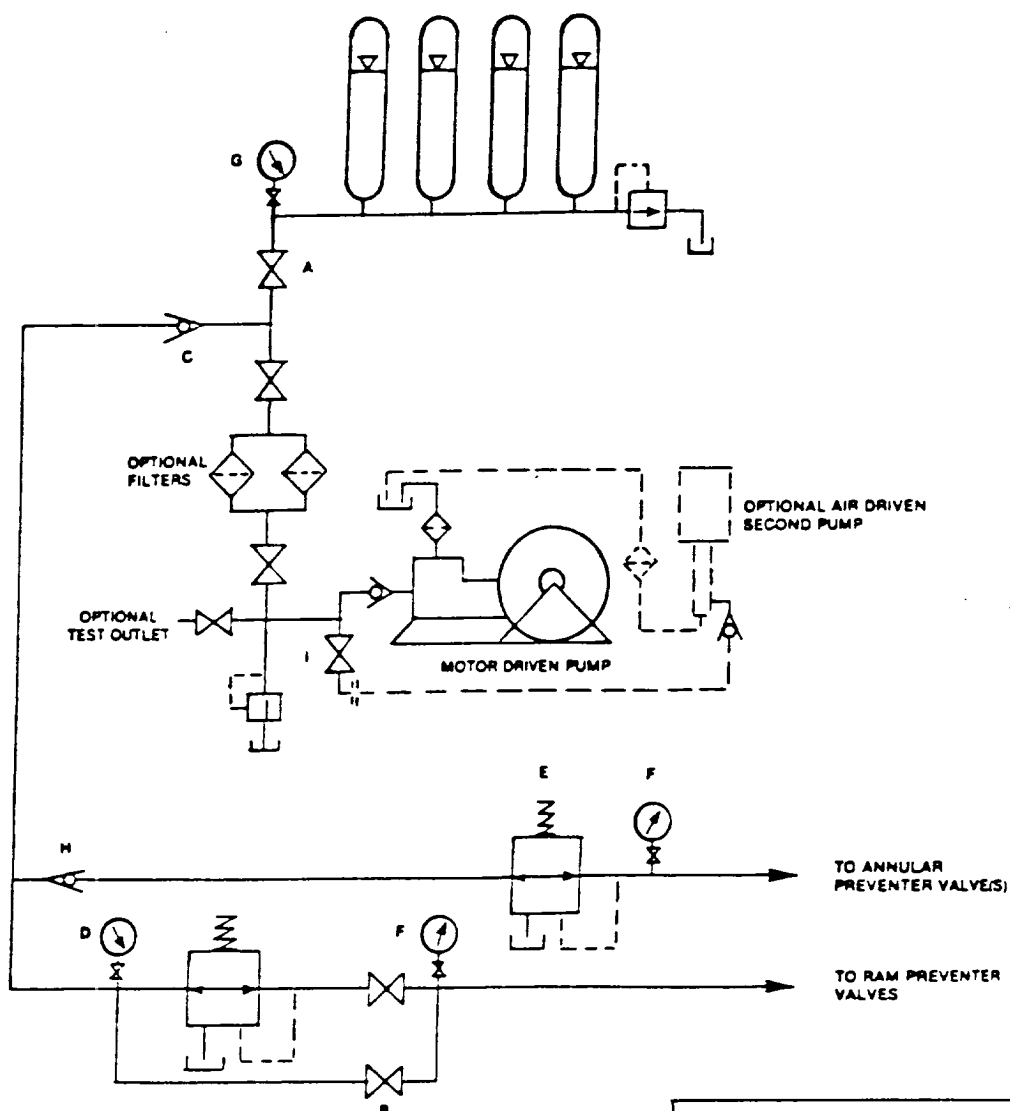
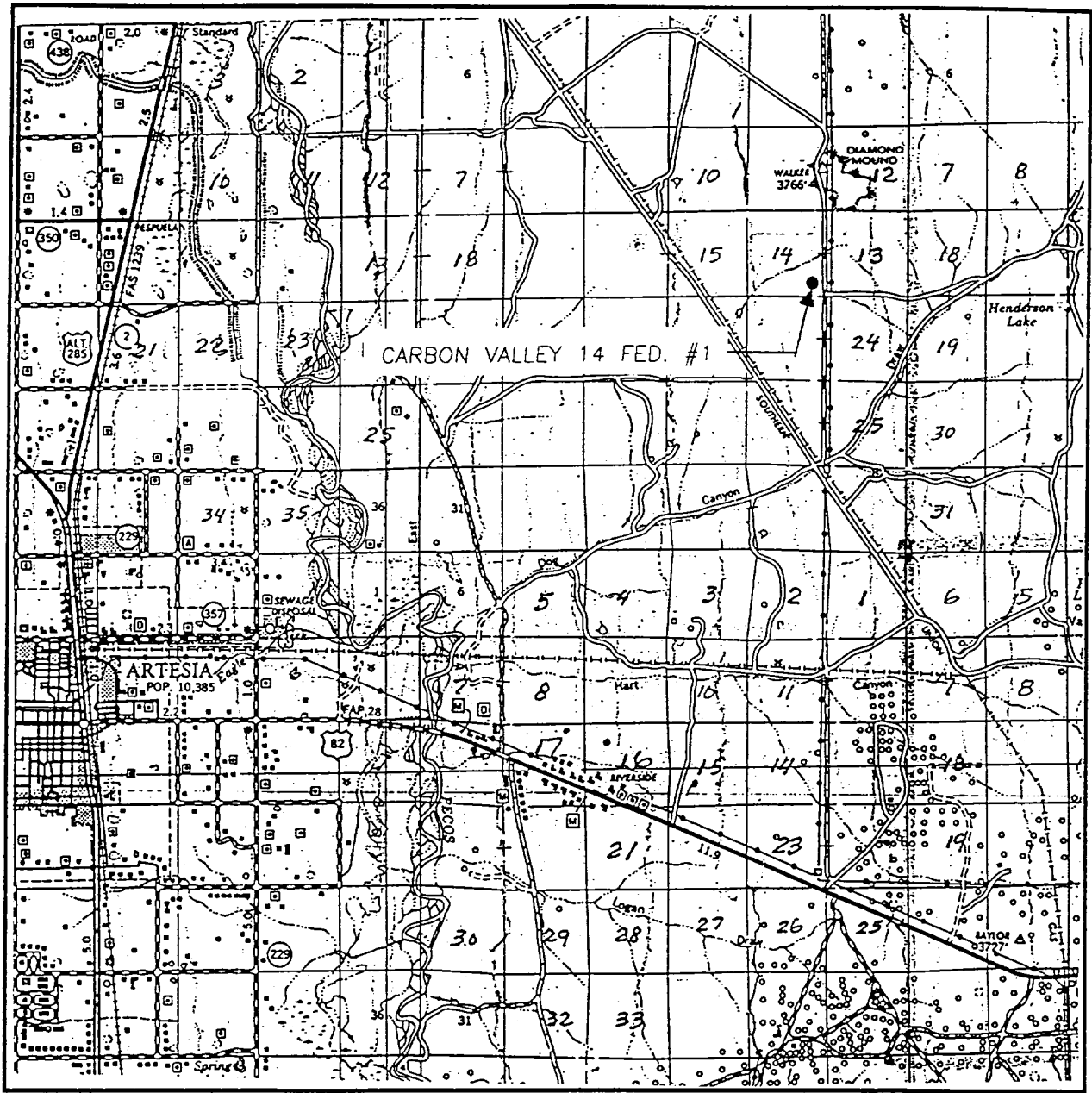


EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

CHONCHO RESOURCES, INC.  
CARBON VALLEY "14" FEDERAL # 1  
UNIT "P" SECTION 14  
T16S-R27E EDDY CO. NM

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 14 TWP. 16-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 990' FSL & 990' FEL

ELEVATION 3608

OPERATOR CONCHO RESOURCES, INC.

LEASE CARBON VALLEY 14 FED.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505 393-3117)

## APPLICATION TO DRILL

CONCHO RESOURCES, INC.  
 CARBON VALLEY "14" FEDERAL # 1  
 UNIT "P" SECTION 14  
 T16S-R27E 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: 990' FSL & 990' FEL SECTION 14 T16S-R27E EDDY CO. NM
2. Elevation above Sea Level: 3608' 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: 9400'
6. Estimated tops of geological markers:

|              |       |          |       |
|--------------|-------|----------|-------|
| Seven Rivers | 250'  | Wolfcamp | 7300' |
| Grayburg     | 1150' | Strawn   | 8300' |
| San Andres   | 1450' | Morrow   | 9200' |
7. Possible mineral bearing formations:

|          |     |
|----------|-----|
| Wolfcamp | Oil |
| Strawn   | Oil |
| Morrow   | Gas |
8. Casing program:

| Hole size | Interval | OD of casing | Weight    | Thread | Collar | Grade        |
|-----------|----------|--------------|-----------|--------|--------|--------------|
| 25"       | 0-40'    | 20"          | Conductor | NA     | NA     | Conductor    |
| 17½"      | 0-400'   | 13 3/8"      | 48        | 8-R    | ST&C   | H-40         |
| 12½"      | 0-1800'  | 8 5/8"       | 24        | 8-R    | ST&C   | J-55         |
| 7 7/8"    | 0-9400'  | 5½"          | 15.5 & 17 | 8-R    | LT&C   | N-80<br>J-55 |