

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

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual-Laterolog, CNL Density, Gamma Ray, Caliper from TD to 1500'. Run Gamma Ray, Neutron from 1500' to surface.
- B. Mud logger will be rigged up on hole at the choice of Geologist.
- C. DST's will be run as shows dictate, no cores 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. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4200 PSI, estimated BHT 150°.

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 25 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.