

CONCHO RESOURCES, INC.  
TESUQUE "35" FEDERAL # 2  
UNIT "L" SECTION 35  
T25S-R29E EDDY CO. NM

12. Testing, Logging and Coring Program:
- A. Open hole logs: Run Dual Induction, SNP, Gamma Ray, Caliper from TD to 3200'. Run Gamma Ray, Neutron from 3200' to surface.
  - B. Rig up mud logger on hole at 3200' and keep on hole to TD.
  - C. No cores of 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. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3500 PSI, estimated BHT 135°.
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 20 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 Delaware pay will be perforated and stimulated. The well will be swab tested and potentialized 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 blosie 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 the location is near to a dwelling a closed DST will be performed.