

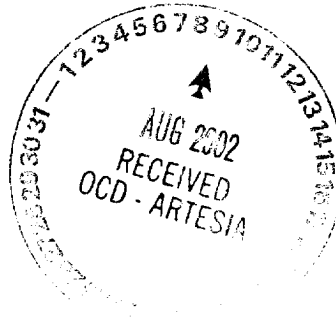


United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220
Tel. (505) 234-5972
Fax (505) 885-9264

IN REPLY REFER TO:

3162.4 (080)
NM-0245247, LC-029393-B,
NM-98822,

AUG 15 2002



Concho Resources, Inc.
110 West Louisiana, Suite 410
Midland, TX 79702

Gentlemen:

Your Applications for Permit to Drill (APDs), for the following wells have expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

NM-0245247	Edith Federal #4	1980'S & 1975'W	Sec. 25, T.18S, R.33E
APD approved on 06/05/01			
LC-029393-B	West Shugart "17" Federal #2	990'N & 330'W	Sec. 17, T.18S, R.31E
APD approved on 04/20/01			
NM-98822	Tesuque "35" Federal #1	660'S & 660'W	Sec. 35, T.25S, R.29E
APD approved on 06/14/01			
NM-98822	Tesuque "35" Federal #2	1980'S & 660'W	Sec. 35, T.25S, R.29E
APD approved on 06/14/01			

If drilling operations have commenced on the referenced wells, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies for each well) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, so we may correct our records.

If the wells have not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.