### CONCHO OIL & GAS CORP.

Suite 410 110 W. Louisiana Midland, Texas 79701

(915) 683-7443 Fax 683-7441

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

MAILED W/ 11.6.01 Letter to TRINAC. RR# 7099 3400 0017 1724 9 607

November 7, 2001

B & P Resources, Inc.

Mr. William J. Rome

Mr. George B. Rome

Ms. Linda L. Tuggle

Mr. William G. Kluck and Ms. Nancy Kluck

Mr. Robert D. L. Gardiner

Mr. Rodney A. Weary

Mr. John C. Cory

Avalon Petroleum Company

c/o TrinAca Investment

P. O. Box 2325

Corrales, New Mexico 87048-2325

Mr. Frank G. Holtemann

P. O. Box 703

Nipomo, California 93444

Mr. Larry Hunnicutt

3110 Thomas Avenue, Apt. 113

Dallas, Texas 75204-3976

Hunnicuttrefuses to puck y

Registered - return receipt mail.

Also mailed roular

Big "D" State #1

Township 16 South, Range 34 East Section 6: Lots 3, 4, 5, 6, 11, 12, 13 & 14

Lea County, New Mexico

#### Gentlemen:

We have previously furnished you with an AFE and Operating Agreement for the drilling of the captioned well. We are enclosing a Revised Authority For Expenditure dated October 19. 2001, which has been revised from our previous Authority For Expenditure dated July 16, 2001. Note, that the estimated dry hole costs and completed well costs in the October 19, 2001 AFE is considerably less than the previous AFE due to falling drilling costs. You have not yet executed an Authority For Expenditure indicating your desire to participate in the drilling of our proposed Big "D" State #1 Well. If you now desire to participate in the well, please execute and return the enclosed Revised Authority For Expenditure dated October 19, 2001 along with an executed copy of the Operating Agreement dated July 27, 2001.

BEFORE THE OIL CONSERVATION DIVISION

Case No.12775 Exhibit No.\_ A -/5

Submitted By:

Concho Resources, Inc.

Hearing Date: December 6, 2001

Yours truly,

Michael M. Grav

Senior Landman

enclosure MMG/tb:sundance(85)

IDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
complete items 1, 2, and 3. Also complete em 4 if Restricted Delivery is desired. Irint your name and address on the reverse to that we can return the card to you. Ittach this card to the back of the mailpiece, or on the front if space permits.  Any Hunnicutt  3110 Thomas Ale	A. Received by (Please Print Clearly)  C. Signature  Agent  Addressee  D. Is delivery address different from item 1?  Yes  If YES, enter delivery address below:  No
113 Dalla Ix 75204.3976	3. Service Type  Lack Certified Mail
rticle Number (Copy from service label) 7000 1530 0004 24	52 0964
form 3811, July 1999 Domestic Ret	turn Receipt 102595-00-M-0952

NDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
Complete items 1, 2, and 3. Also complete tem 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Deceived by (Please Print Clearly)  B. Date of Delivery  C. Signature  Agent  Addressee		
Article Addressed to:  Frank G Holtemann  PO Ba 703	D. Je denvely address different from item 1?		
Nipomo CA 93444	3. Service Type  ☐ Certified Mail ☐ Registered ☐ Insured Mail ☐ C.O.D.  4. Restricted Delivery? (Extra Fee) ☐ Yes		

DER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
mpiete items 1, 2, and 3. Also complete n 4 if Restricted Delivery is desired. nt your name and address on the reverse that we can return the card to you. ach this card to the back of the mailpiece, on the front if space permits.	A. Received the Please Pint Clearly)  B. Date of Delivery  - 9-0  C. Signature  Agent  Addressee  D. Is delivery address different from item 1?  Yes
cle Addressed to:	If YES, enter delivery address below:
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irrales NM 87048,2325	☐ Registered ☐ Return Rescipt for Merchandise ☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
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orm 3811, July 1999 Domestic Re	turn Receipt 102595-00-M-0952
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WELL NAME: Big "D" State #1 PROSPECT NAME: Sundance Lot 11, Sec 6-T16S-R34E LOCATION: COUNTY & STATE: Lea, NM 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well **INTANGIBLE COSTS** BCP <u>ACP</u> TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1.000 LOCATION/PITS/ROAD EXPENSE 12,000 2,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5.000 30.000 **BITS & REAMERS** 40,000 1,000 41,000 **MUD & CHEMICALS** 35,000 35,000 DRILL STEM TEST 5,000 5.000 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 8.000 5.000 **FISHING TOOLS & SERVICE** 0 CONTRACT LABOR 5,000 10,000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25.000 6.000 31.000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 27,000 25,000 2.000 WELDING SERVICES 2,000 1,000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 3,000 1,500 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 727,500 207,000 934,500 **TANGIBLE COSTS** SURFACE CASING 7,000 7,000 400' 13 3/8 INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 0 **PUMPING UNIT** RODS 0 0 PUMPS TANKS 12,000 12,000 **FLOWLINES** 2,000 2.000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 8.000 8.000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2,000 CONTINGENCY 20,000 25,800 5.800 TOTAL TANGIBLES 281,800 63.800 218,000 **TOTAL WELL COSTS** 791,300 425,000 1,216,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp By: Erick W.Nelson 10/19/01 Date Prepared: We approve: 1.2045853% WI This AFE is only an estimate. By signing you agree to pay your share Company:LARRY HUNNICUTT of the actual costs incurred. By:

Printed Name: Larry Hunnicutt

PROSPECT NAME: Sundance

WELL NAME: Big "D" State #1

Drintad Name

LOCATION: Lot 11, Sec 6-T16S-R34E COUNTY & STATE: Lea, NM 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS **BCP TOTAL ACP** TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 12,000 2,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382.500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30,000 BITS & REAMERS 40.000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 CORING & ANALYSIS 0 CEMENT SURFACE 5.000 5.000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 8,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 5,000 15,000 COMPANY SUPERVISION 2,000 2.000 4.000 CONTRACT SUPERVISION 25,000 6,000 31,000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12.000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2,000 1.000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1.500 1.500 3,000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 207,000 727,500 934.500 **TANGIBLE COSTS** SURFACE CASING 7,000 7,000 400' 13 3/8" INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2' 41,000 TUBING 12,800' 2 7/8" N-80 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 0 PUMPING UNIT ō RODS 0 PUMPS 12,000 12,000 TANKS 2,000 2,000 **FLOWLINES** HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** ō PACKERS/ANCHORS/HANGERS 8.000 8,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2.000 2,000 MISCELLANEOUS 2.000 20,000 25,800 CONTINGENCY 5,800 281,800 218,000 63,800 TOTAL TANGIBLES 1,216,300 TOTAL WELL COSTS 791,300 425,000 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. 10/19/01 By: Erick W.Nelson Date Prepared: We approve: 1.624997% WI

Stanks / \_\_\_\_\_ % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: B & P RESOURCES, INC. of the actual costs incurred. Ву:

WELL NAME: Big "D" State #1 PROSPECT NAME: Sundance Lot 11, Sec 6-T16S-R34E COUNTY & STATE: Lea, NM LOCATION: 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS **ACP** <u>BCP</u> TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 12,000 2.000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30,000 BITS & REAMERS 40,000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 **CORING & ANALYSIS** 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 5.000 10.000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6,000 31,000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 15,000 RENTALS 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2,000 1,000 3.000 FLOAT EQUIPMENT & CENTRALIZERS 1.500 1.500 3,000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 727,500 207,000 934,500 TANGIBLE COSTS SURFACE CASING 7,000 7,000 400' 13 3/8" INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 PUMPING UNIT 0 RODS 0 PUMPS 0 TANKS 12,000 12,000 **FLOWLINES** 2.000 2.000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 8.000 8,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2,000 CONTINGENCY 5,800 20,000 25,800 TOTAL TANGIBLES 63,800 218,000 281,800 TOTAL WELL COSTS 791.300 425,000 1,216,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W.Nelson Date Prepared: 10/19/01 0.3749955% WI We approve: \_% Before Tanks /\_\_ \_\_ % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: WILLIAM J. ROME of the actual costs incurred. Ву:

WELL NAME: Big "D" State #1 PROSPECT NAME: Sundance Lot 11, Sec 6-T16S-R34E LOCATION: COUNTY & STATE: Lea, NM 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS BCP **ACP** TOTAL TITLE/CURATIVE/PERMIT 1.000 1.000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 12,000 2,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1.000 1,000 2,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30,000 **BITS & REAMERS** 40,000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 **CORING & ANALYSIS** CEMENT SURFACE 5,000 5.000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 8,000 FISHING TOOLS & SERVICE Ö CONTRACT LABOR 5.000 10,000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6,000 31.000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4.000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 27,000 25,000 2,000 WELDING SERVICES 2,000 1,000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1.500 3.000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 727,500 207,000 934,500 TANGIBLE COSTS SURFACE CASING 7,000 7,000 400' 13 3/8' INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 10,000 16,000 6,000 0 **PUMPING UNIT** ō RODS 0 PUMPS 12,000 12,000 TANKS **FLOWLINES** 2,000 2,000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 8,000 8,000 COUPLINGS/FITTINGS/VALVES 10.000 10.000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2 000 CONTINGENCY 5,800 20,000 25,800 63,800 218,000 281,800 **TOTAL TANGIBLES TOTAL WELL COSTS** 791,300 425,000 1,216,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp. 10/22 By: Erick W.Nelson 10/19/01 Date Prepared: We approve: 0.3749955% WI \_\_\_\_\_ % Before Tanks / \_\_\_\_\_ % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: GEORGE B. ROME of the actual costs incurred. Ву

Printed Name:

George B. Rome

 WELL NAME: Big "D" State #1
 PROSPECT NAME: Sundance

 LOCATION: Lot 11, Sec 6-T16S-R34E
 COUNTY & STATE: Lea, NM

 3498' FNL & 1200' FWL
 OBJECTIVE: D&C 13,000' Morrow Well

INTANGIBLE COSTS	ВСР	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000	<del></del>	5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000		5,000
CORING & ANALYSIS CEMENT SURFACE	5.000		5,000
CEMENT INTERMEDIATE	13,000	******************************	13,000
CEMENT PRODUCTION	13,000	17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0,000
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT	<del></del>	20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES FLOAT EQUIPMENT & CENTRALIZERS	2,000	1,000	3,000
MISCELLANEOUS	1,500 1,000	1,500	3,000
CONTINGENCY	66,000	1,000 19,000	2,000 85,000
TOTAL INTANGIBLES	727,500	207,000	934,500
	721,000	201,000	354,000
TANGIBLE COSTS			
SURFACE CASING	7,000		7,000
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,000
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,000
13,000' 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,000
WELLHEAD EQUIPMENT	6,000	10,000	16,000
PUMPING UNIT	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		0
RODS PUMPS	<del></del>		
TANKS		12,000	12,000
FLOWLINES		2,000	2,000
HEATER TREATER/SEPARATOR		15,000	15,000
ELECTRICAL SYSTEM	<del></del>		0
PACKERS/ANCHORS/HANGERS		8,000	8,000
COUPLINGS/FITTINGS/VALVES		10,000	10,000
GAS COMPRESSORS/METERS		2,000	2,000
MISCELLANEOUS		2,000	2,000
CONTINGENCY	5,800	20,000	25,800
TOTAL TANGIBLES	63,800	218,000	281,800
TOTAL WELL COSTS	791,300	425,000	1,216,300
PLUGGING COST	<del></del>	•	
TOTAL DRY HOLE	<del></del>	-	,
Caraba Cil I Can Cara			
Concho Oil & Gas Corp.			
By: Erick W. Nelson ETW 10/22/01	Date Prepared:	10/19/01	
by. Cher Wittelson 1010	Date i repared.	(0) (3) (1)	
We approve: 0.3749955% WI			
% Before Tanks / % After Tanks			

Drinted Name. Rodney A. Weary

Ву:

OCATION: Lot 11, Sec 6-T16S-R34E 3498' FNL & 1200' FWL	PROSPECT NAME: Sundance COUNTY & STATE: Lea, NM		
3498 FINE & 1200 FVVE	OBJECTIVE: D&C 13,000' Morrow Well		
NTANGIBLE COSTS	<u>BCP</u>	ACP	TOTAL
TITLE/CURATIVE/PERMIT	1,000		1,000
DAMAGES/ROW	5,000	•	5,000
SURVEY/STAKE LOCATION	1,000		1,000
LOCATION/PITS/ROAD EXPENSE	12,000	2,000	14,000
DRILLING/COMPLETION OVERHEAD RATE	1,000	1,000	2,000
TURNKEY CONTRACT			0
FOOTAGE CONTRACT			0
DAYWORK-CONTRACT \$8500/DAY	365,500	17,000	382,500
FUEL & POWER	30,000	1,500	31,500
WATER	25,000	5,000	30,000
BITS & REAMERS	40,000	1,000	41,000
MUD & CHEMICALS	35,000		35,000
DRILL STEM TEST	5,000	<del></del>	5,000
CORING & ANALYSIS CEMENT SURFACE			0
CEMENT INTERMEDIATE	5,000 13,000	<del></del>	5,000 13,000
CEMENT PRODUCTION	13,000	17,000	17,000
CASING CREWS & EQUIPMENT	3,000	5,000	8,000
FISHING TOOLS & SERVICE			0,000
CONTRACT LABOR	5,000	10,000	15,000
COMPANY SUPERVISION	2,000	2,000	4,000
CONTRACT SUPERVISION	25,000	6,000	31,000
TESTING CASING/TUBING	1,500	2,000	3,500
MUD LOGGING UNIT	12,000		12,000
LOGGING/WIRELINE SERVICES	30,000	4,000	34,000
PERFORATING		7,000	7,000
STIMULATION/TREATING		75,000	75,000
COMPLETION UNIT		20,000	20,000
RENTALS	15,000	7,000	22,000
TRUCKING/FORKLIFT/RIG MOBILIZATION	25,000	2,000	27,000
WELDING SERVICES	2,000	1,000	3,000
FLOAT EQUIPMENT & CENTRALIZERS	1,500	1,500	3,000
MISCELLANEOUS	1,000	1,000	2,000
CONTINGENCY TOTAL INTANGIBLES	66,000	19,000	85,000
TOTAL INTANGIBLES	727,500	207,000	934,500
TANGIBLE COSTS			
SURFACE CASING	7,000		7,00
400' 13 3/8"			
INTERMEDIATE CASING	45,000		45,00
4300' 8 5/8"			
PRODUCTION CASING / LINER		96,000	96,00
13,000′ 5 1/2"			
TUBING 12,800' 2 7/8" N-80		41,000	41,00
WELLHEAD EQUIPMENT	6,000	10,000	16,00
PUMPING UNIT		·	<del></del>
PUMPS			
TANKS		12,000	12,0
FLOWLINES		2,000	2,0
HEATER TREATER/SEPARATOR	<del></del>	15,000	15,0
ELECTRICAL SYSTEM		10,000	
PACKERS/ANCHORS/HANGERS	·	8,000	8,0
COUPLINGS/FITTINGS/VALVES		10,000	10,0
GAS COMPRESSORS/METERS		2,000	2,0
MISCELLANEOUS		2,000	2,0
CONTINGENCY	5,800	20,000	25,8
TOTAL TANGIBLES	63,800	218,000	281,
TOTAL WELL COSTS	791,300	425,000	1,216,
PLUGGING COST			
TOTAL DRY HOLE			
Concho Oil & Gas Corp.			
By: Erick W.Nelson EJW 22 01	Date Prepared:	10/19/01	
			,
We approve: 0.3749955% WI% Before Tanks / % After Tanks			
	•	estimate. By signing you	agree to pay your sha
Company: JOHN C. CORY	of the actual costs in	ocurred	

WELL NAME: Big "D" State #1 PROSPECT NAME: Sundance Lot 11, Sec 6-T16S-R34E COUNTY & STATE: Lea, NM LOCATION: 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well **INTANGIBLE COSTS BCP ACP** TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 2,000 12,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT ō **FOOTAGE CONTRACT** 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 FUEL & POWER 30,000 1,500 31,500 WATER 25,000 5,000 30,000 **BITS & REAMERS** 40,000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 **CORING & ANALYSIS** ō CEMENT SURFACE 5.000 5,000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 **CASING CREWS & EQUIPMENT** 3,000 5,000 8,000 FISHING TOOLS & SERVICE Ó CONTRACT LABOR 5.000 10.000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6,000 31,000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75.000 **COMPLETION UNIT** 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2,000 1.000 3.000 FLOAT EQUIPMENT & CENTRALIZERS 1.500 1.500 3.000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 934,500 TOTAL INTANGIBLES 727,500 207,000 TANGIBLE COSTS SURFACE CASING 7,000 7,000 400' 13 3/8" INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8' PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41.000 10,000 WELLHEAD EQUIPMENT 6,000 16,000 PUMPING UNIT 0 0 RODS PUMPS 0 TANKS 12,000 12,000 **FLOWLINES** 2,000 2,000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** ō PACKERS/ANCHORS/HANGERS 8.000 8.000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2 000 CONTINGENCY 5,800 20,000 25,800 TOTAL TANGIBLES 63,800 218,000 281,800 **TOTAL WELL COSTS** 1,216,300 425,000 791,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W.Nelson Date Prepared: 10/19/01 We approve: 0.8750390% WI % Before Tanks /\_\_\_\_ \_\_ % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: AVALON PETROLEUM COMPANY of the actual costs incurred. Ву

WELL NAME: Big "D" State #1

Printed Name: Robert D. L. Gardiner

Title

PROSPECT NAME: Sundance Lot 11, Sec 6-T16S-R34E COUNTY & STATE: Lea, NM LOCATION: 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS **BCP** ACP TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1.000 LOCATION/PITS/ROAD EXPENSE 12,000 2,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 **FOOTAGE CONTRACT** 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30,000 **BITS & REAMERS** 40,000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 **CORING & ANALYSIS** 0 5,000 CEMENT SURFACE 5,000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 8,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 5,000 10,000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6.000 31,000 TESTING CASING/TUBING 1,500 2,000 3,500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75.000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2.000 1.000 3.000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1,500 3,000 MISCELLANEOUS 1,000 1,000 2,000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 727,500 207,000 934,500 **TANGIBLE COSTS** SURFACE CASING 7,000 7,000 400' 13 3/8" INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 **PUMPING UNIT** ō RODS 0 PUMPS Ó 12,000 12,000 TANKS 2,000 FLOWLINES 2,000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** a PACKERS/ANCHORS/HANGERS 8,000 8,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2,000 CONTINGENCY 5,800 20,000 25,800 TOTAL TANGIBLES 218,000 281,800 63,800 TOTAL WELL COSTS 791,300 425,000 1,216,300 **PLUGGING COST** TOTAL DRY HOLE Concho Oil & Gas Corp. EJU By: Erick W.Nelson Date Prepared: 10/19/01 We approve: 0.1806856% % After Tanks \_% Before Tanks / This AFE is only an estimate. By signing you agree to pay your share ROBERT D. L. GARDINER of the actual costs incurred. Ву:

**AUTHORITY FOR EXPENDITURE** WELL NAME: Big "D" State #1

LOCATION: Lot 11, Sec 6-T16S-R34E PROSPECT NAME: Sundance COUNTY & STATE: Lea, NM 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS **BCP** <u>ACP</u> TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5.000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 12,000 2.000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 FOOTAGE CONTRACT 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30.000 BITS & REAMERS 40,000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 **CORING & ANALYSIS** CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 13,000 13.000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 8,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 5.000 10,000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6,000 31,000 TESTING CASING/TUBING 1.500 2,000 3.500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 30,000 4,000 34,000 PERFORATING 7.000 7.000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7.000 22.000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2,000 1,000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1,500 3.000 MISCELLANEOUS 1.000 1.000 2.000 CONTINGENCY 66,000 19,000 85,000 TOTAL INTANGIBLES 727,500 207,000 934,500 **TANGIBLE COSTS** SURFACE CASING 7,000 7,000 400' 13 3/8' INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 PUMPING UNIT 0 RODS 0 PUMPS Ō TANKS 12,000 12,000 **FLOWLINES** 2.000 2,000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** ō PACKERS/ANCHORS/HANGERS 8,000 8,000 COUPLINGS/FITTINGS/VALVES 10,000 10,000 GAS COMPRESSORS/METERS 2,000 2.000 MISCELLANEOUS 2,000 2,000 CONTINGENCY 5,800 20,000 25,800 **TOTAL TANGIBLES** 63,800 218,000 281.800 **TOTAL WELL COSTS** 791,300 425,000 1,216,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp By: Erick W.Nelson Date Prepared: 10/19/01 We approve: 0.1806856% % Before Tanks / % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: LINDA L. TUGGLE of the actual costs incurred.

Printed Name: Linda L. Tuggle

Title:

PROSPECT NAME: Sundance WELL NAME: Big "D" State #1 Lot 11, Sec 6-T16S-R34E LOCATION: COUNTY & STATE: Lea, NM 3498' FNL & 1200' FWL OBJECTIVE: D&C 13,000' Morrow Well INTANGIBLE COSTS BCP ACP TOTAL TITLE/CURATIVE/PERMIT 1,000 1,000 DAMAGES/ROW 5,000 5,000 SURVEY/STAKE LOCATION 1,000 1,000 LOCATION/PITS/ROAD EXPENSE 12,000 2,000 14,000 DRILLING/COMPLETION OVERHEAD RATE 1,000 1,000 2,000 TURNKEY CONTRACT 0 **FOOTAGE CONTRACT** 0 DAYWORK-CONTRACT \$8500/DAY 365,500 17,000 382,500 **FUEL & POWER** 30,000 1,500 31,500 WATER 25,000 5,000 30,000 **BITS & REAMERS** 40.000 1,000 41,000 MUD & CHEMICALS 35,000 35,000 DRILL STEM TEST 5,000 5,000 CORING & ANALYSIS 0 CEMENT SURFACE 5,000 5,000 CEMENT INTERMEDIATE 13,000 13,000 CEMENT PRODUCTION 17,000 17,000 CASING CREWS & EQUIPMENT 3,000 5,000 8,000 FISHING TOOLS & SERVICE 0 CONTRACT LABOR 5.000 10,000 15,000 COMPANY SUPERVISION 2,000 2,000 4,000 CONTRACT SUPERVISION 25,000 6,000 31,000 TESTING CASING/TUBING 2,000 1,500 3.500 MUD LOGGING UNIT 12,000 12,000 LOGGING/WIRELINE SERVICES 4,000 34,000 30,000 PERFORATING 7,000 7,000 STIMULATION/TREATING 75,000 75,000 COMPLETION UNIT 20,000 20,000 RENTALS 15,000 7,000 22,000 TRUCKING/FORKLIFT/RIG MOBILIZATION 25,000 2,000 27,000 WELDING SERVICES 2,000 1,000 3,000 FLOAT EQUIPMENT & CENTRALIZERS 1,500 1,500 3,000 MISCELLANEOUS 1.000 1,000 2.000 CONTINGENCY 66,000 19,000 85,000 207,000 TOTAL INTANGIBLES 727,500 934,500 TANGIBLE COSTS SURFACE CASING 7,000 7,000 400' 13 3/8" INTERMEDIATE CASING 45,000 45,000 4300' 8 5/8" PRODUCTION CASING / LINER 96,000 96,000 13,000' 5 1/2" TUBING 12,800' 2 7/8" N-80 41,000 41,000 WELLHEAD EQUIPMENT 6,000 10,000 16,000 PUMPING UNIT 0 RODS 0 PUMPS 0 TANKS 12,000 12,000 2,000 **FLOWLINES** 2,000 HEATER TREATER/SEPARATOR 15,000 15,000 **ELECTRICAL SYSTEM** 0 PACKERS/ANCHORS/HANGERS 8,000 8.000 COUPLINGS/FITTINGS/VALVES 10,000 10.000 GAS COMPRESSORS/METERS 2,000 2,000 MISCELLANEOUS 2,000 2,000 CONTINGENCY 5,800 20,000 25,800 281,800 TOTAL TANGIBLES 63,800 218,000 **TOTAL WELL COSTS** 425,000 1,216,300 791,300 PLUGGING COST TOTAL DRY HOLE Concho Oil & Gas Corp. By: Erick W.Nelson Date Prepared: 10/19/01 We approve: 0.1806856% % Before Tanks /\_\_\_\_ \_ % After Tanks This AFE is only an estimate. By signing you agree to pay your share Company: WILLIAM G. & NANCY KLUCK, as of the actual costs incurred. Joint Tenants with Rights of Survivorship Printed Name: William G. Kluck

Nancy Kluck

Title: