

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

reverse side)

Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

Artesia, NM 88210

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

CONCHO OIL & GAS CORP.

ERICK NELSON 915-683-7443

3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701 (915-683-7443)

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

At surface

660' FSL & 1980' FEL SEC. 3 T16S-R28E EDDY CO. NM

At proposed prod. zone

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

CROW FLATS "3" FEDERAL # 2

9. API WELL NO.

30-015-32444

10. FIELD AND POOL, OR WILDCAT

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

SECTION 3 T16S-R28E

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

Approximately 15 miles Northeast of Artesia New Mexico

12. COUNTY OR PARISH

EDDY CO.

13. STATE

NEW MEXICO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

860

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2600'

19. PROPOSED DEPTH

9800

20. ROTARY OR CABLE TOOLS

ROTARY

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

3596' GR.

22. APPROX. DATE WORK WILL START*

When approved

23. PROPOSED CASING AND CEMENTING PROGRAM

Koswell Controlled Water Basin

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	350'	400 Sx. circulate cement.
12 1/4"	J-55 8 5/8"	32	2000'	800 Sx. " "
7 7/8"	N-80 4 1/2"	11.6	9800'	900 Sx. estimate top cement 6000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 1/4# Flocele/Sx. + 2% CaCl, circulate cement to surface.
3. Drill 12 1/4" hole to 2000'. Run and set 2000' of 8 5/8" 32# J-55 ST&C casing. Cement with 600 Sx. of Class "C" Light cement + 1/4# Flocele/Sx, + 5# Gilsonite/Sx, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 9800'. Run and set 9800' of 4 1/2" 11.6# N-80 LT&C casing. Cement with 400 Sx. of Class "H" Light weight cement + additives, tail in with 500 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 6000' from surface.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If deepening, 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.

24.

SIGNED

Just Janica

TITLE

Agent

DATE 06/20/02

(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:

/s/ Mary J. Rugwell

TITLE

FIELD MANAGER

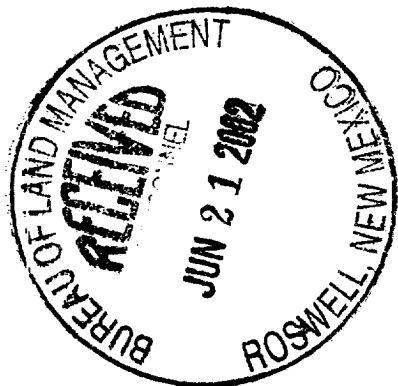
DATE

SEP 11 2002

APPROVED BY

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR



DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76079	Pool Name DIAMOND MOUND-MORROW
Property Code	Property Name CROW FLATS "3" FEDERAL	Well Number 2
OGRID No. 193407	Operator Name CONCHO RESOURCES, INC.	Elevation 3596'

Surface Location

UL or lot No. I	Section 3	Township 16 S	Range 28 E	Lot Idn -	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County EDDY
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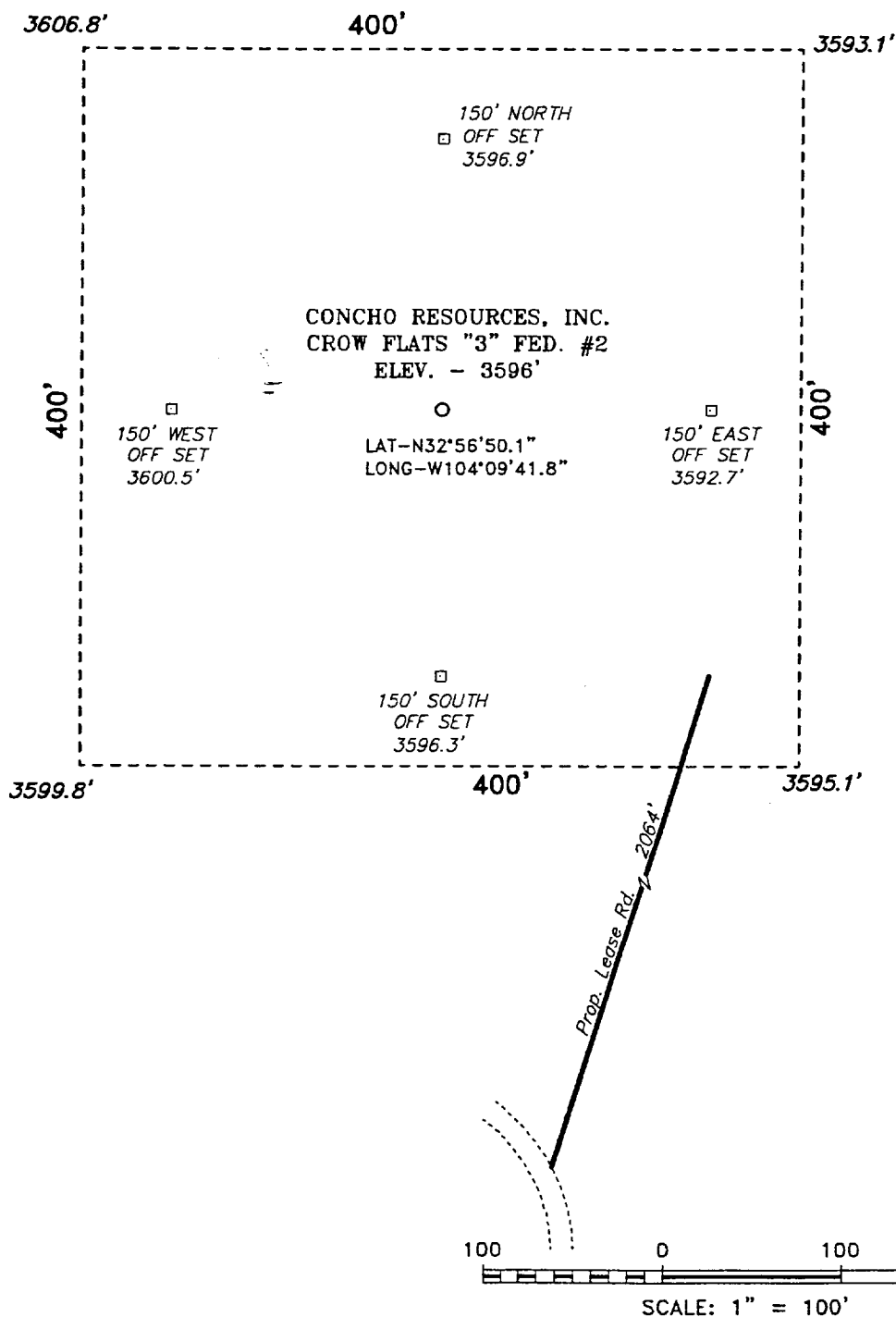
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 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

LOT 12 - 40 ACRES	LOT 11 - 40 ACRES	LOT 10 - 40 ACRES	LOT 9 - 40 ACRES	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent</p> <p>Title</p> <p>06/20/02 Date</p>
LOT 13 - 40 ACRES	LOT 14 - 40 ACRES	LOT 15 - 40 ACRES	LOT 16 - 40 ACRES	
<p>1/4 COR.</p> <p>1/4 COR.</p> <p>Crow Flats 13' Federal</p> <p># 1</p> <p>LAT-N32°56'50.1" LONG-W104°09'41.8"</p> <p>3606.8' 3593.1' 3599.8' 3595.1'</p> <p>660'</p> <p>1980'</p>				<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 11, 2002</p> <p>Date Surveyed</p> <p>Signature & Seal Professional Surveyor</p> <p>W.O. No. 2553A</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

SECTION 3, TOWNSHIP 16 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 214 (BARNAVAL DRAW RD.) 4.3 MILES WEST OF LOCO HILLS, GO NORTHERLY ON 214 FOR 6.8 MILES TO A LEASE ROAD LEFT; THENCE GO NORTHWESTERLY 4.3 MILES TO A "Y" AND TAKE LEFT FORK FOR 1.9 MILE TO A LEASE ROAD RIGHT; THENCE GO NORTHWESTERLY FOR 1.0 MILE TO PROPOSED LEASE ROAD RIGHT.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 2553 Drawn By: **K. GOAD**

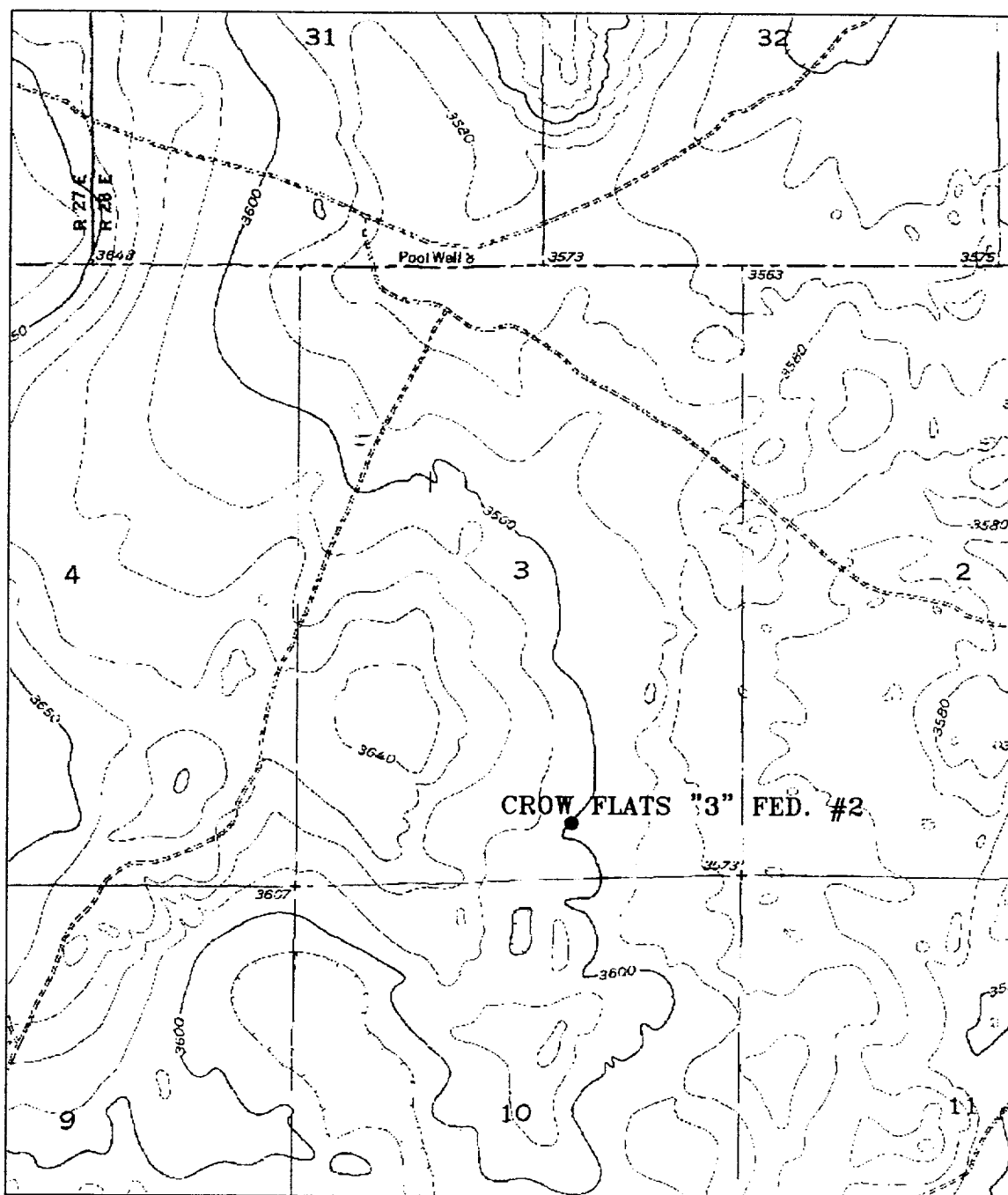
Date: 06-12-2002 Disk: KJG CD#4 - 2553A.DWG

CONCHO RESOURCES, INC.

REF: CROW FLATS "3" FED. No. 2 / Well Pad Topo

THE CROW FLATS "3" No. 2 LOCATED 660' FROM THE SOUTH LINE AND 1980' FROM THE EAST LINE OF SECTION 3, TOWNSHIP 16 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06-11-2002 Sheet 1 of 1 Sheets



CROW FLATS "3" FED. #2

Located at 660' FSL and 1980' FEL
 Section 3, Township 16 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

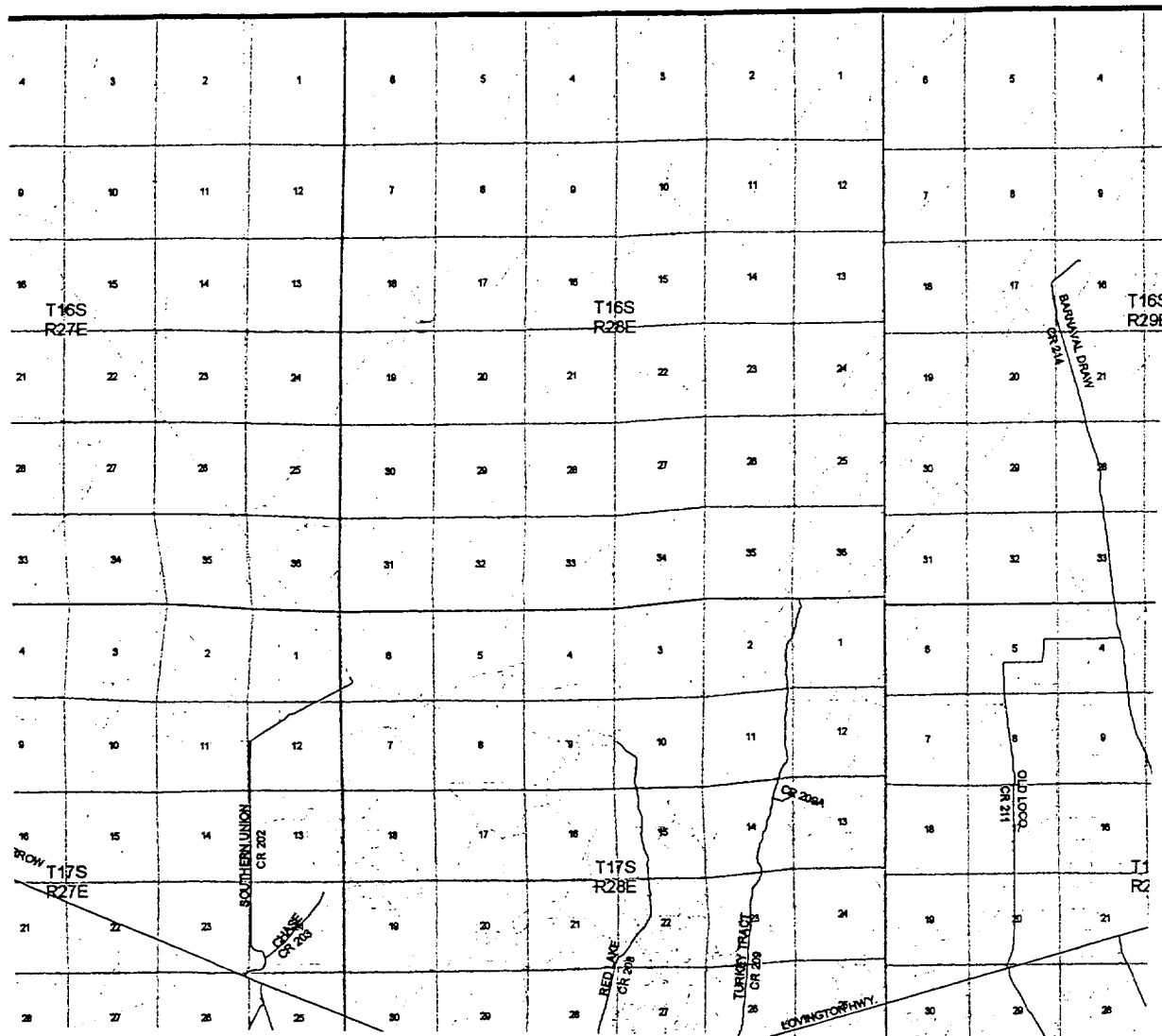
W.O. Number: 2553AA - KJG CD#5

Survey Date: 06-11-2002

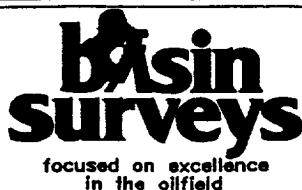
Scale: 1" = 2000'

Date: 06-12-2002

**CONCHO
 RESOURCES,
 INC.**



CROW FLATS "3" FED. #2
 Located at 660' FSL and 1980' FWL
 Section 3, Township 16 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2553AA - KJG CD#5

Survey Date: 06-11-2002

Scale: 1" = 2 MILES

Date: 06-12-2002

CONCHO
 RESOURCES,
 INC.

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
 CROW FLATS "3" FEDERAL # 2
 UNIT "I" SECTION 3
 T16S-R28E 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: 660' FSL & 1980' FEL SECTION 3 T16S-R28E EDDY CO. NM
2. Elevation above Sea Level: 3596' 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: 9800'
6. Estimated tops of geological markers:

Seven Rivers	275'	Wolfcamp	6450'
San Andres	1750'	Penn	7480'
Tubb	4410'	Morrow	8900'
Abo	5130'	Mississippian	9500'
7. Possible mineral bearing formations:

Wolfcamp	Oil	Morrow	Gas
Penn	Oil	Mississippian	Gas
8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-350'	13 3/8"	48#	8-R	ST&C	H-40
12½"	0-2000'	8 5/8"	32#	8-R	ST&C	J-55
7 7/8"	0-9800'	4½"	11.6#	8-R	LT&C	N-80

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
 CROW FLATS "3" FEDERAL # 2
 UNIT "I" SECTION 3
 T16S-R28E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 1/4# Flocele/Sx. + 2% CaCl circulate cement to surface.
8 5/8"	Intermediate	Set 2000' of 8 5/8" 32# J-55 ST&C casing. Cement with 600 Sx. of Class "C" Light Weight cement + 1/4# Flocele/Sx. + 5# Gilsonite/Sx. tail in with 200 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4 1/2"	Production	Set 9800' of 4 1/2" 11.6# N-80 LT&C casing. Cement with 400 Sx. of Class "H" Light Weight cement + additives, tail in with 500 Sx. of Class "H" Premium cement + additives, estimate top of cement 6000'.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-350'	8.5-8.7	29-32	NC	Fresh water use paper to control seepage.
350-2000'	8.5-8.7	29-38	NC	Fresh water use paper to control seepage and high viscosity sweeps to clean hole.
2000-8500'	10.1-10.3	29-38	NC	Brine water add paper to control seepage and high viscosity sweeps to clean hole, Soda Ash for pH.
8500-9800'	10.1-10.3	34-40	10 cc or less	Brine water add salt water Gel, Drispac system for water loss control lime for pH control and high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing viscosity and/or water loss may have to be adjusted to meet these needs.

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "I" SECTION 3
T16S-R28E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, CNL, LDT, Gamma Ray, Caliper from TD to 2000'. Run Gamma Ray, Neutron from 2000' to surface.
- B. Mud logger will be placed on hole at 2000' and remain on hole to TD.
- C. DST's and cores will be taken as shows dictate.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H^2S in this area. If H^2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4500 PSI, and Estimated BHT 155°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 28 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Mississippian formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie 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, H₂S 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 location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.
9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H_2S scavengers if necessary.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "1" SECTION 3
T16S-R28E EDDY CO. NM

1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
 - A. Exhibit "A" shows the proposed well site as staked.
 - B. From Loco Hills New Mexico take U.S. Hi-way 82 west go 4.5± miles to CR 214 turn North go 6.7 miles bear Northwest go 2.2 miles bear Right follow road 1.6 miles go off Caprock follow road Southwest 2.4 miles ± turn Right follow road to Dry Hole bear Right go to producing well turn Left go .4 miles turn Right go 2000' to location.
 - C. Lay flowlines along road R-O-W to sales line see Exhibit "F".
2. PLANNED ACCESS ROADS: Approximately 2000' of new road will be constructed.
 - A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
 - B. Gradient of all roads will be less than 5.00%.
 - C. If turn-outs are necessary they will be constructed.
 - D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
 - E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.
 - F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilize low water crossings for drainage as required by topography.
3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"
 - A. Water wells None known
 - B. Disposal wells None known
 - C. Drilling wells None known
 - D. Producing wells As shown on Exhibit "A-1"
 - E. Abandoned wells As shown on Exhibit "A-1"

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "I" SECTION 3
T16S-R28E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minimum of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for further drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approved disposal site. Later pits will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "I" SECTION 3
T16S-R28E EDDY CO. NM

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "I" SECTION 3
T16S-R28E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinnery oak, native grasses, and an occasional mesquite tree.
- B. Surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is used for grazing livestock and the production of oil and gas.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.
- D. There are no dwellings in the near vicinity of this location.

12. OPERATORS REPRESENTIVES:

Before construction:

TIERRA EXPLORATION, INC
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE Ph. 505-391-8503
JOE T. JANICA

During and after construction:

CONCHO OIL & GAS CORP.
110 WEST LOUISIANA
SUITE 410
MIDLAND, TEXAS 79701
ERICK NELSON 915-683-7443

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge true and correct, and that the work associated with the operations proposed herein will be performed by CONCHO OIL & GAS CORP. it's contractors/subcontractors is in compformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME :

DATE :

TITLE :

Joe T Janica
06/20/02
Agent

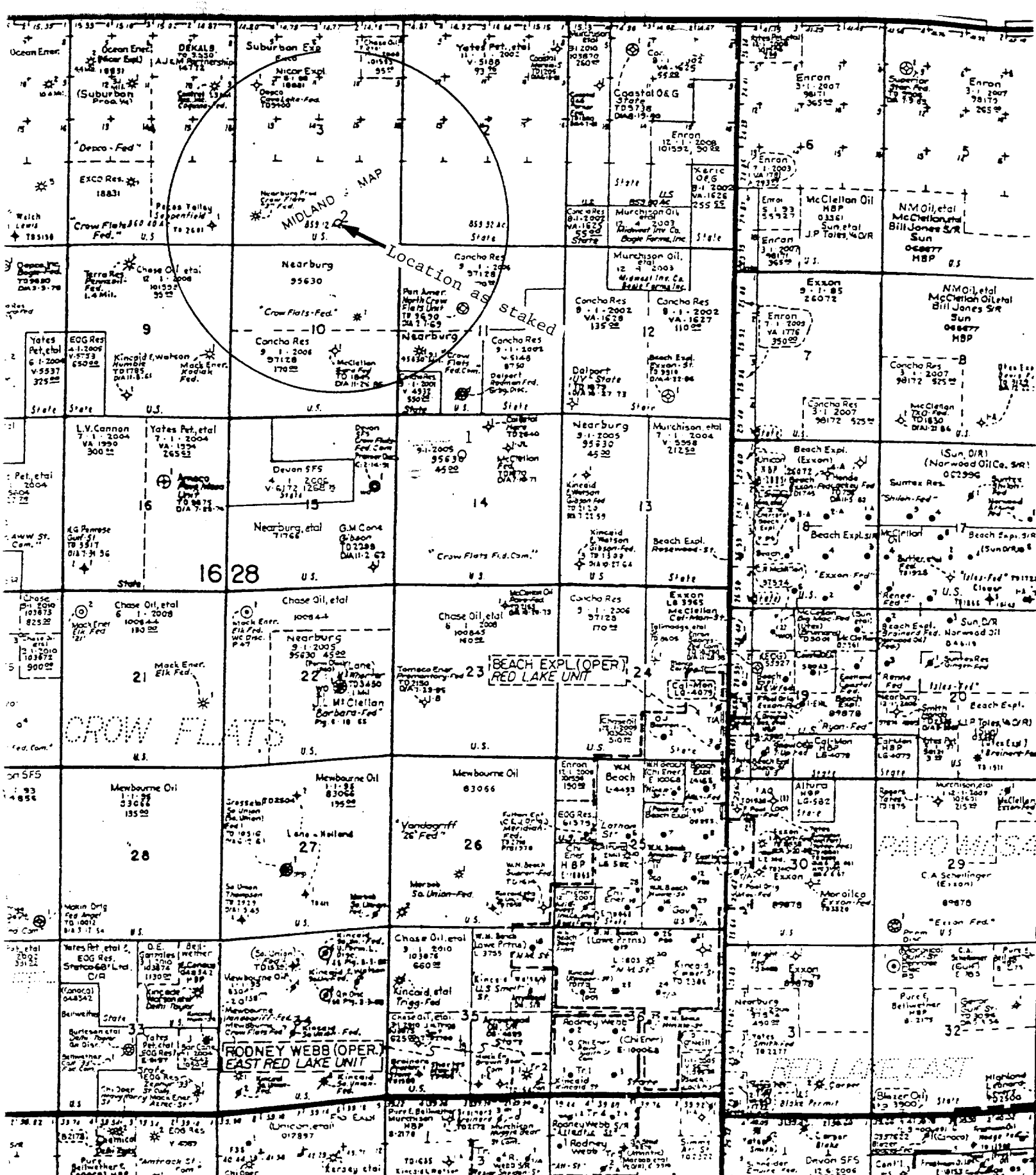
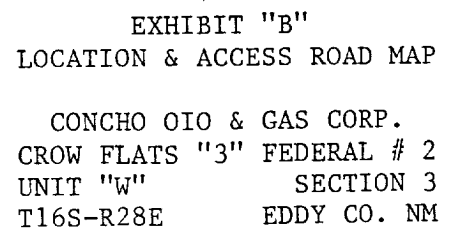
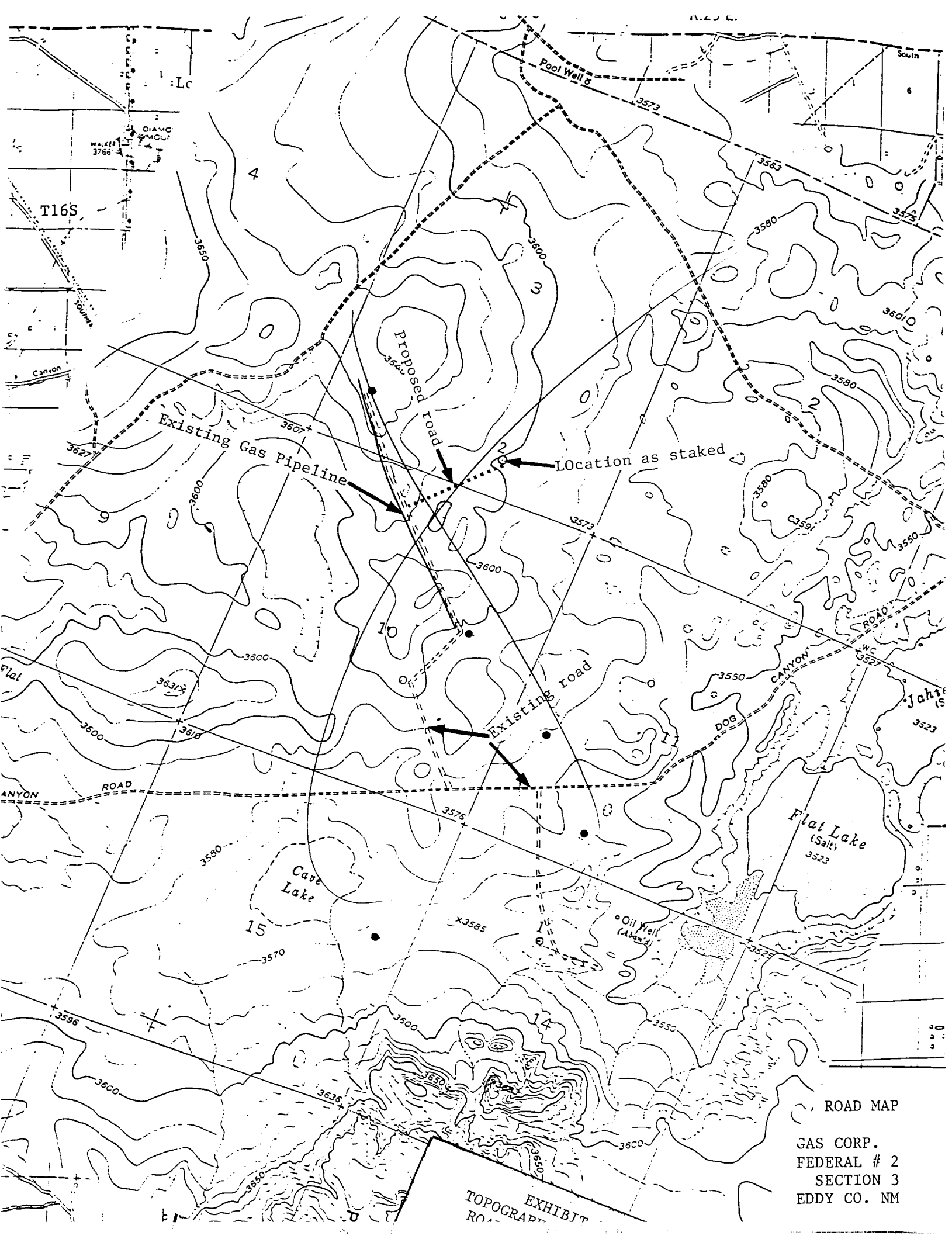


EXHIBIT "A-1"
ONE MILE RADIUS MAP

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "W" SECTION 3
T16S-R28E EDDY CO. NM

R.29 E.

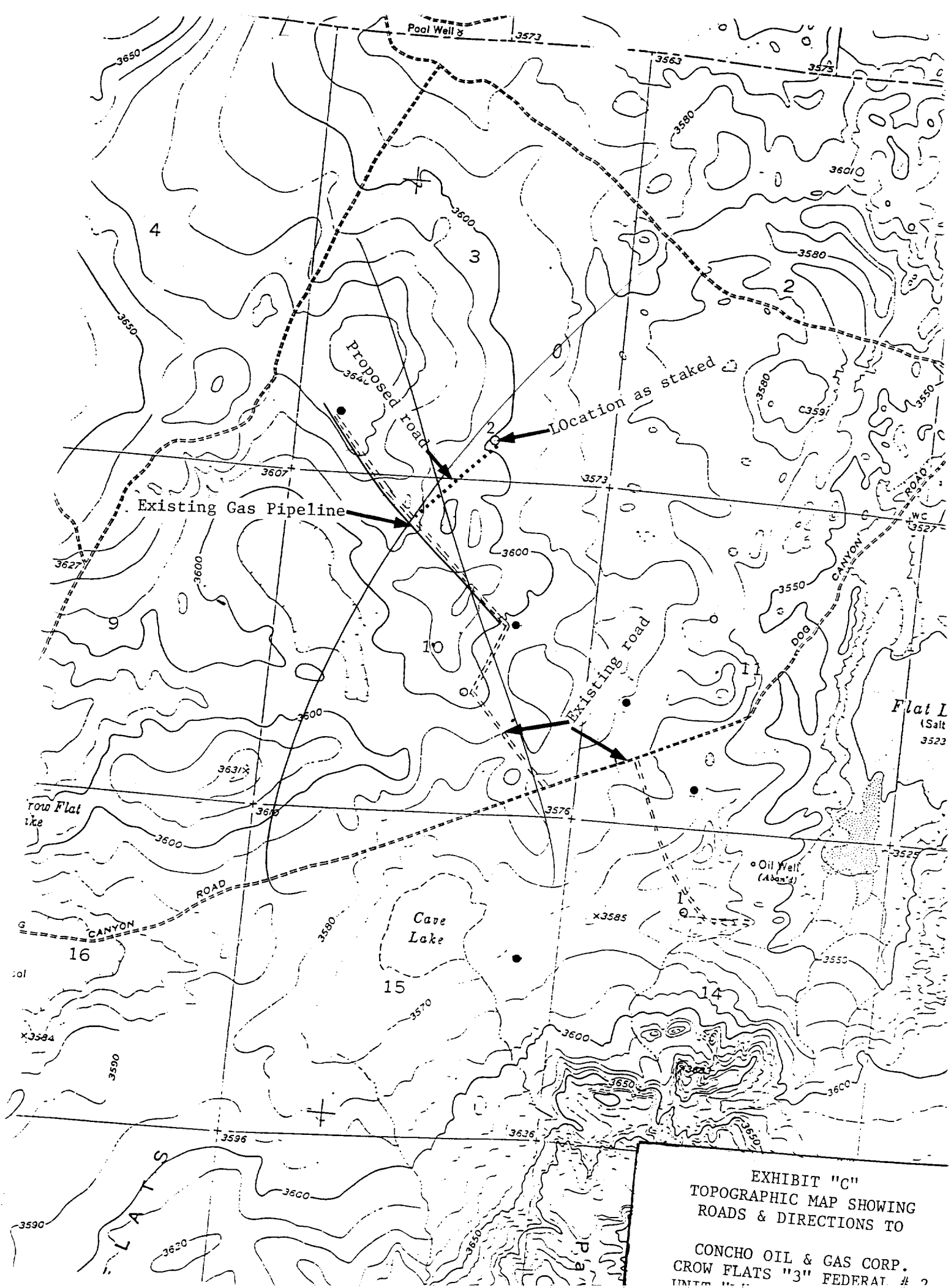


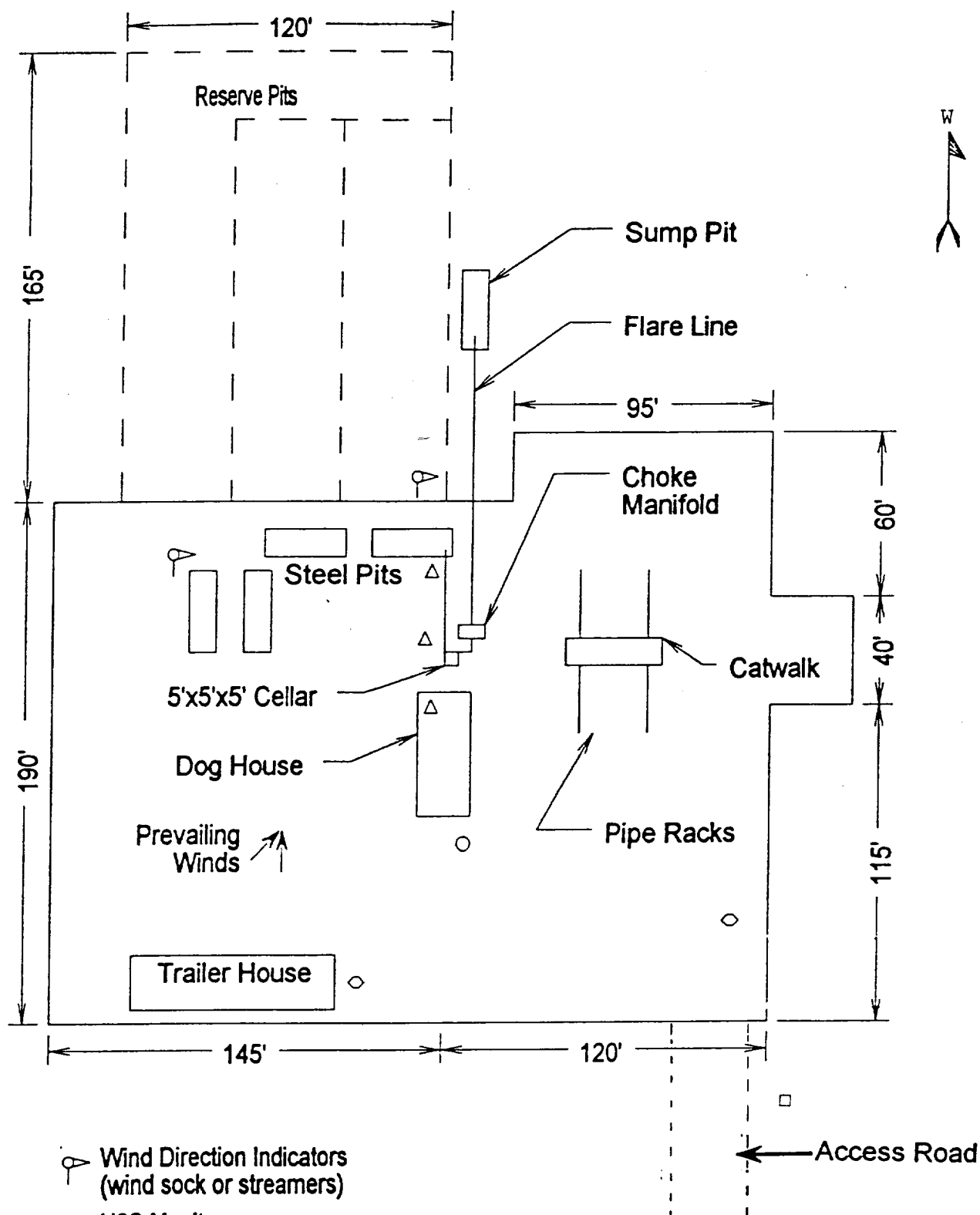


ROAD MAP

GAS CORP.
FEDERAL # 2
SECTION 3
EDDY CO. NM

TOPOGRAPHY EXHIBIT

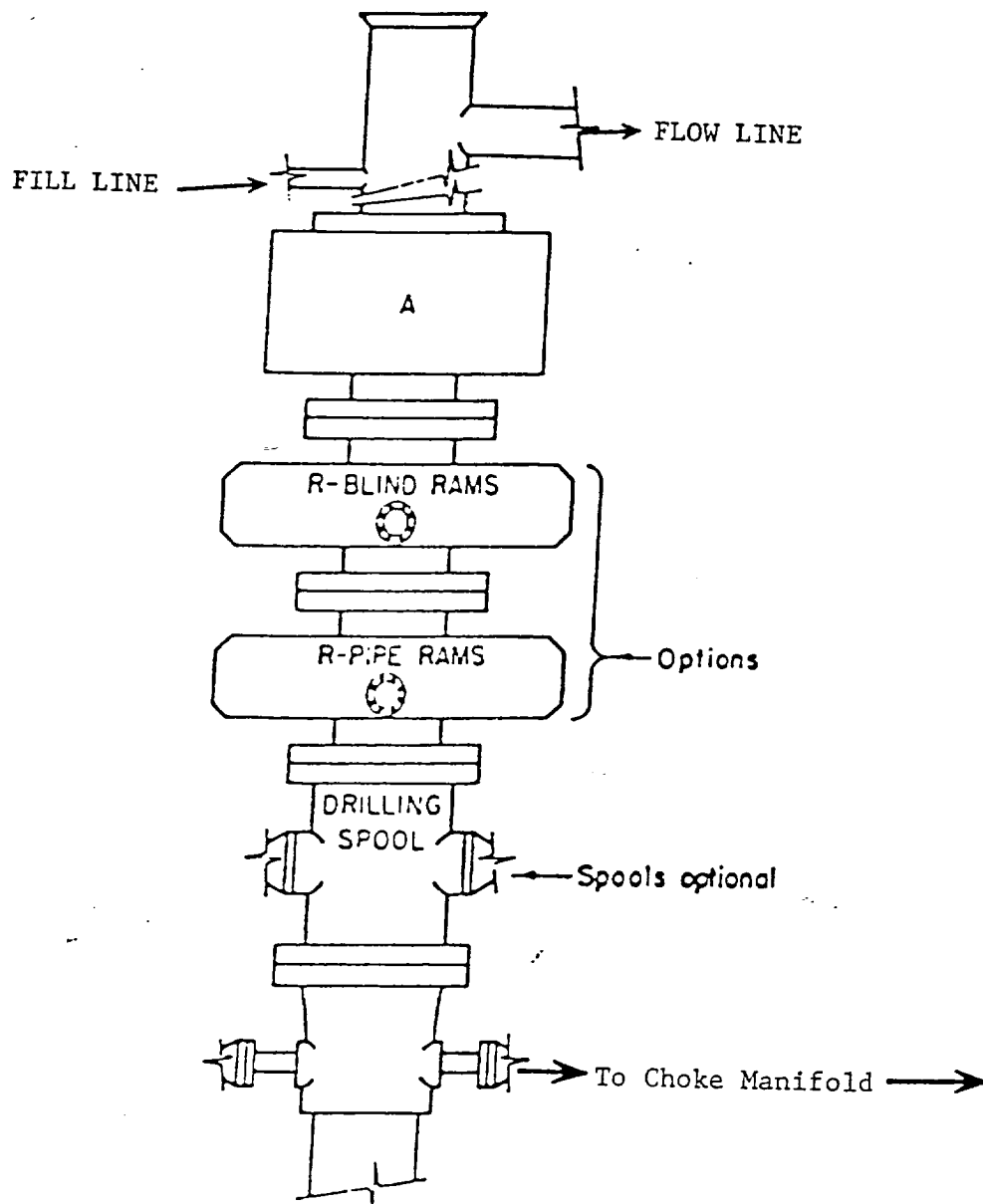




- ⊙ Wind Direction Indicators
(wind sock or streamers)
- △ H2S Monitors
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL #2
UNIT "W" SECTION 3
T16S-R28E EDDY CO. NM



ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "W" SECTION 3
T16S-R28E EDDY CO. NM

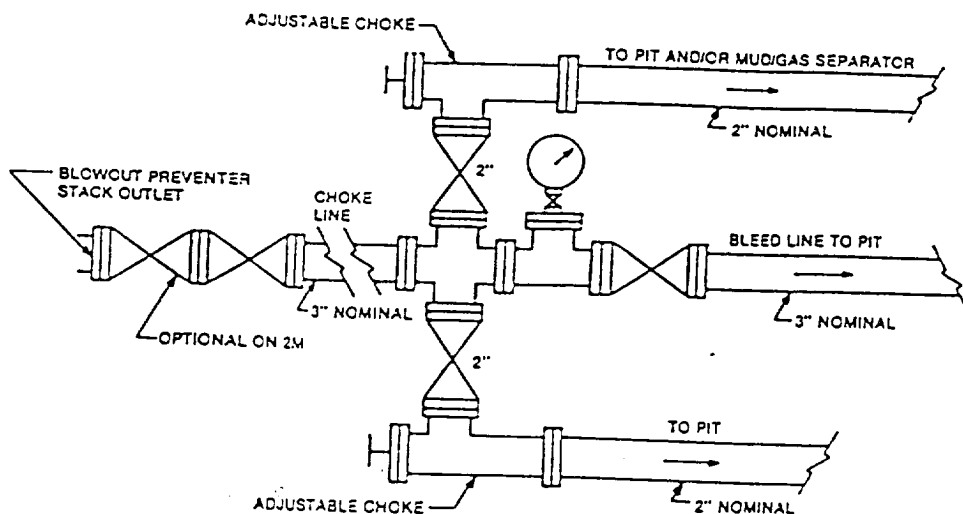


FIGURE K-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

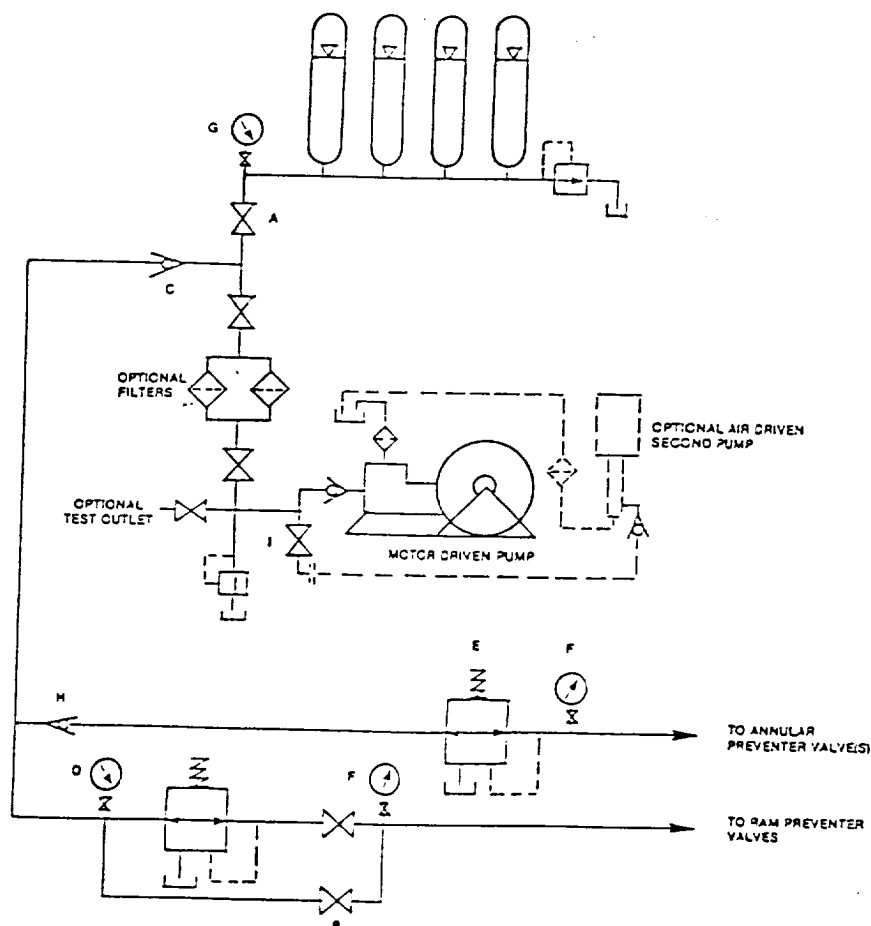


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "W" SECTION 3
T16S-R28E EDDY CO. NM

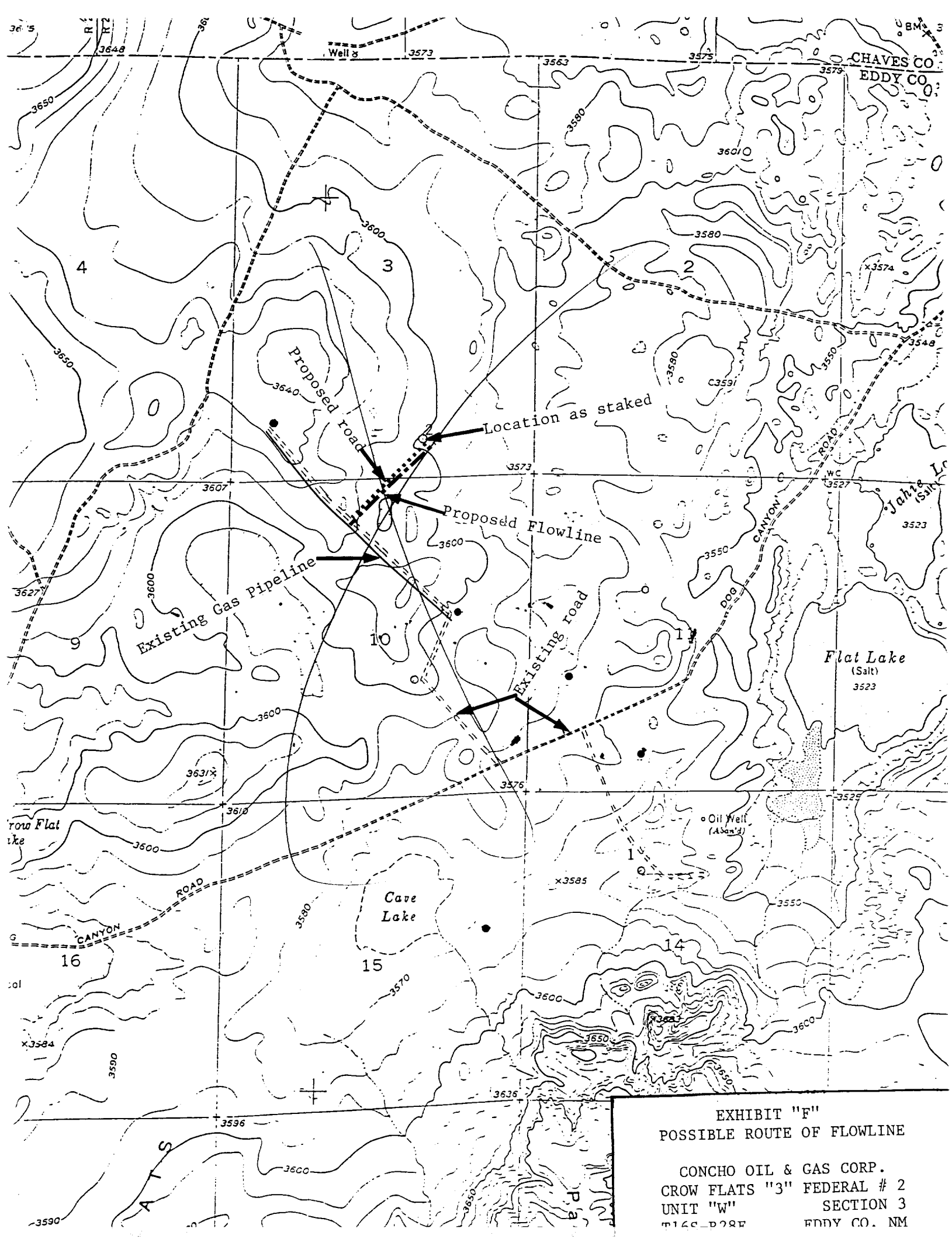


EXHIBIT "F"
POSSIBLE ROUTE OF FLOWLINE

CONCHO OIL & GAS CORP.
CROW FLATS "3" FEDERAL # 2
UNIT "W" SECTION 3
T16S-R28E EDDY CO. NM

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name : CONCHO OIL & GAS CORP.
Street or Box : 110 W. LOUISIANA, SUITE 410
City, State : MIDLAND, TEXAS
Zip Code : 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM-18831

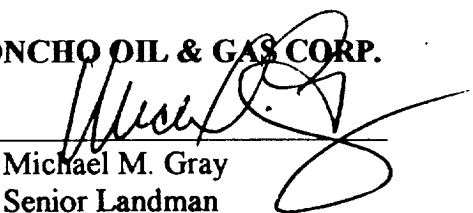
Legal Description of Land: S/2 of Section 3,
Township 16 South, Range 28 East, NMPM
Eddy County, New Mexico

Formation(s) (if applicable): Not applicable

Bond Coverage (State if individually bonded or another's bond): INDIVIDUALLY

BLM Bond File No.: NM 2611

CONCHO OIL & GAS CORP.

Authorized Signature: 

Title: Michael M. Gray
Senior Landman

Date: July 15, 2002