

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

9. Cementing and Setting Depth:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
8 5/8"	Surface	Set 1500' of 8 5/8" 24# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + 2 % CaCl, + 1/4# Flocele/Sx., circulate cement to surface.
5 1/2"	Production	Set 9400' of 5 1/2" casing as follows: 1700' of 5 1/2" 17# N-80 LT&C, 6000' of 5 1/2" 15.5# J-55 LT&C, 1700' of 5 1/2" 17# N-80 LT&C casing. Cement in two stages. 1st stage 900 Sx of Class "H" Premium Plus + additives, 2nd stage 600 Sx. of Class "C" + additives circulate cement to surface.

10. Pressure Control Equipment: Exhibit "E". A 900 Series 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor BOP un-t will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on 8 5/8" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Visc,	Fluid Loss	Type Mud
40-1500'	8.8-8.9	29-38	NC	Fresh water use paper to control seepage, use high viscosity sweeps to clean hole.
1500-8300'	10.2-10.6	29-38	NC	Brine water add Salt Gel for viscosity and Soda-Ash for pH control.
8300-9400'	10.2-10.7	32-40	10 cc or less	Same as above & add Starch for water loss control.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered in order to do so.