

(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

OMB NO. 1004-0136
Expires: February 28, 1995**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1625 N. French Drive

NM 88240

1a. TYPE OF WORKDRILL ☒DEEPEN ☐**b. TYPE OF WELL**OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐**2. NAME OF OPERATOR**

CONCHO OIL & GAS CORP. (GREG WILKS 915-683-7443)

3. ADDRESS AND TELEPHONE NO.

110 WEST LOUISIANA SUITE 410 MIDLAND, TEXAS 79701

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

At surface

430 330' FSL & 330' FWL SECTION 10 T19S-R33E LEA CO. NM

At proposed prod. zone SAME

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

Approximately 35 miles Southwest of Hobbs New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1980'

19. PROPOSED DEPTH

3900'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3672' GR.

22. APPROX. DATE WORK WILL START*

WHEN APPROVED

23.**PROPOSED CASING AND CEMENTING PROGRAM**

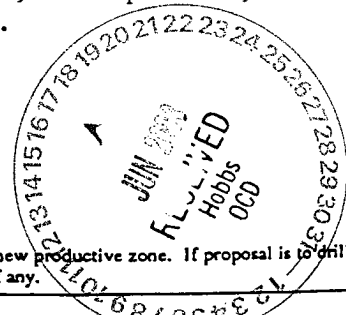
Controlled Controlled Water Basin

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
12 1/4"	J-55 8 5/8"	32	1500'	850 Sx. circulate cement
7 7/8"	J-55 5 1/2"	15.5	3900'	700 Sx. " "

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-Mix.
2. DRILL 12 1/4" hole to 1500'. Run and set 1500' of 8 5/8" 32# J-55 ST&C casing. Cement with 650 Sx. of Class "C" 35/65 POZ + 6% Gel, + 2% CaCl, + 1/4# Flocele/Sx., tail in with 200 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. Circulate cement to surface.
3. Drill 7 7/8" hole to 3900'. Run and set 3900' of 5 1/2" 15.5# J-55 ST&C casing. Cement with 400 Sx. of Class "C" 50/50 POZ + 10% Gel, + 5% Salt, + 3# Gilsonite/Sx. + 1/4# Flocele/Sx. tail in with 300 Sx. of Class "C" cement + fluid loss, + dispersant, + 5% Salt. This amount of cement should circulate cement to surface.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OPER. OGRID NO. 193407
PROPERTY NO. 30693
POOL CODE 59470
EFF. DATE 6-18-03
API NO. 30-025-



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

TITLE

Agent

DATE 04/21/03

(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:

FOR

APPROVED BY

/s/ Mary J. Rugwell

TITLE

FIELD MANAGER

DATE

JUN 13 2003

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CONCHO OIL & GAS CORP.

3a. Address 110 WEST LOUISIANA SUITE 410
MIDLAND, TEXAS 797013b. Phone No. (include area code)
432-683-7443

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

330' FWL & 430' FSL SECTION 10 T19S-R33E LEA CO. NM

5. Lease Serial No.
LC-0605496. If Indian, Allottee or Tribe Name
-----7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

TROLL "10" FEDERAL # 2

9. API Well No.

30-025-36304

10. Field and Pool, or Exploratory Area
TONTON-SEVEN RIVERS

11. County or Parish, State

LEA CO. NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Move location</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. CONCHO OIL & GAS CORP. requests the approval to move their TROLL "14" FEDERAL # 2 from 330' FSL & 330' FWL of Section 10 T19S-R33E to 330' FWL & 430' FSL Section 10 T19S-R33E LEA CO. New Mexico.

2. The reason for the move is to comply with the request of the BLM.

RECEIVED
JUN 20 PM 12 31
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Joe T. Janica

Title

Agent

Signature

Date

05/19/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Mary J. Rugwell

FOR FIELD MANAGER

Date

JUN 13 2003

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

P.O. Box 1989, Hobbs, NM 88241-1989

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer 20, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36304	Pool Code 59470	Pool Name TONTON-SEVEN RIVERS
Property Code 30693	Property Name TROLL 10 FEDERAL	Well Number 2
OCRID No. 193407	Operator Name CONCHO OIL & GAS CORPORATION	Elevation 3674'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	19-S	33-E		430'	SOUTH	330'	WEST	LEA

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

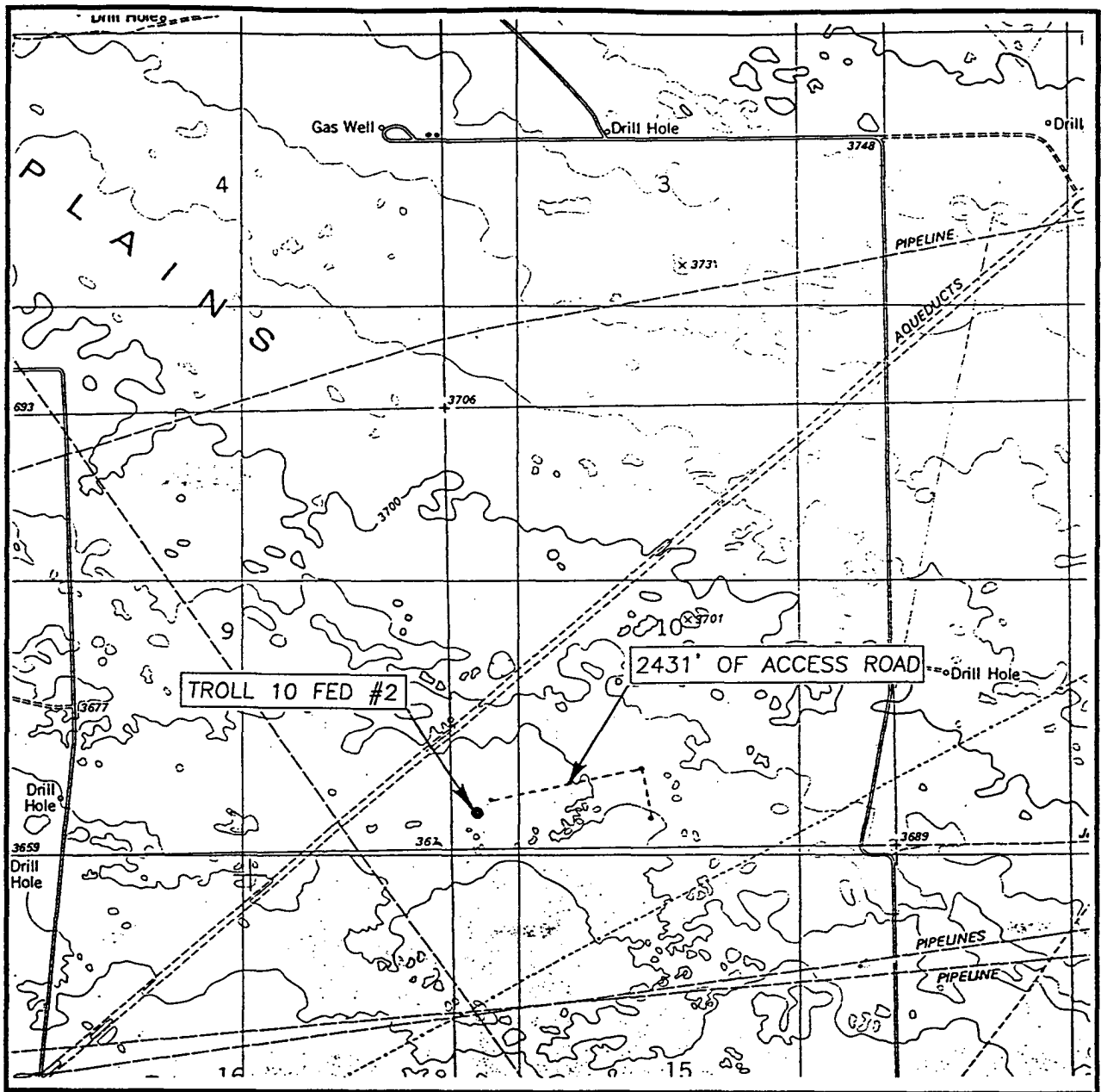
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title 05/19/03 Date			
	SURVEYOR CERTIFICATION 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. May 14, 2003 Date Surveyed Signature & Seal of Professional Surveyor 03.11.0499 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12841			
	AWB			
	5/15/03			

EXHIBIT "A"

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 10 TWP. 19-S RGE. 33-E

LAGUNA GATUNA NW, N.M.

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 430' FSL & 330' FWL

ELEVATION 3674'

OPERATOR CONCHO OIL & GAS CORPORATION

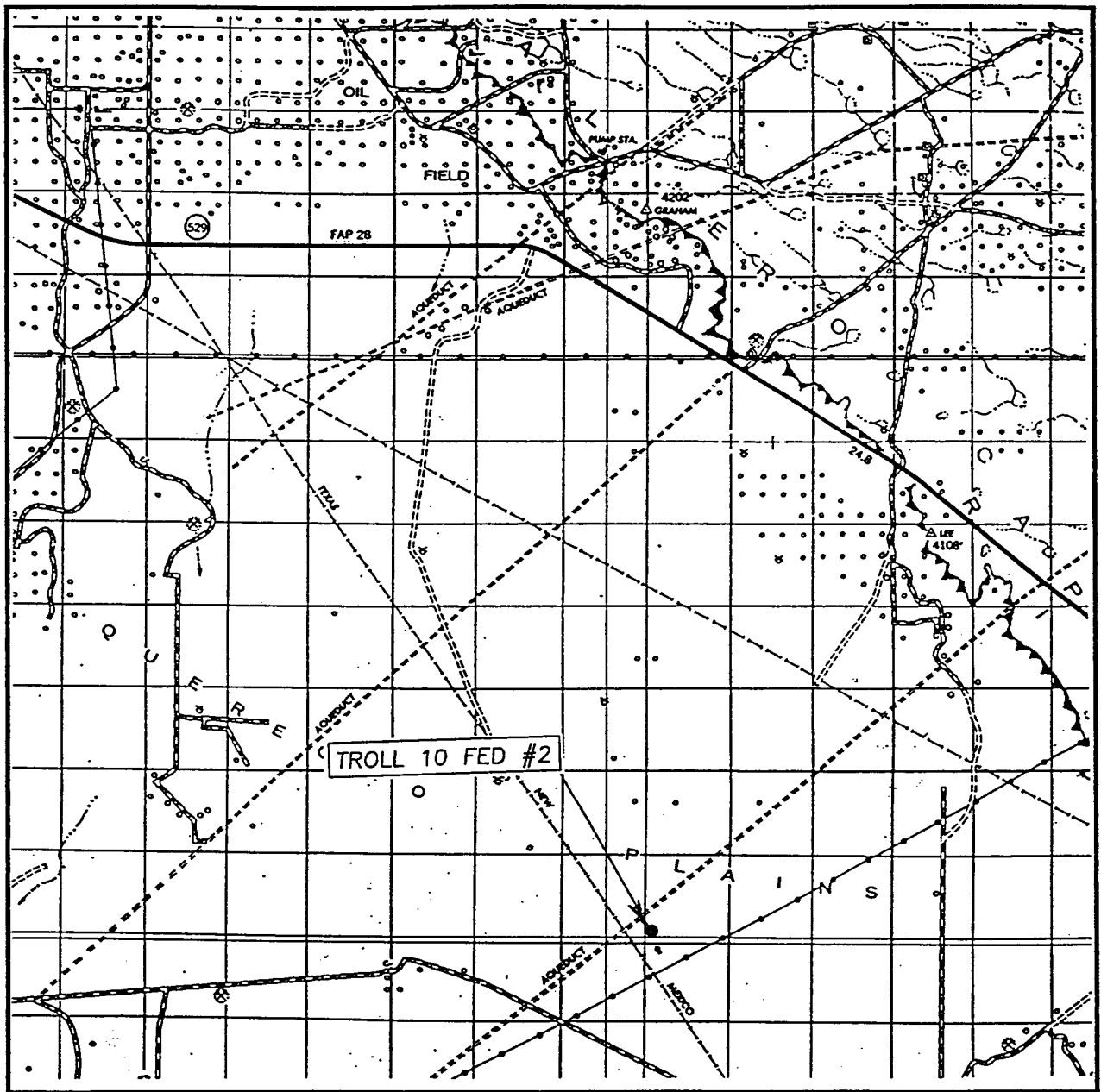
LEASE TROLL 10 FEDERAL

U.S.G.L.O. TOPOGRAPHIC MAP

LAGUNA GATUNA NW, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 19-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 430' FSL & 330' FWL

ELEVATION 3672'

OPERATOR CONCHO OIL & GAS CORPORATION

LEASE TROLL 10 FEDERAL

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA 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 of well: 330' FSL & 330' FWL SECTION 10 T19S-R33E LEA CO. NM
2. Ground Elevation above Sea Level: 3672' GR.
3. Geological age of surface formation: QUATERNARY
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.
5. Proposed drilling depth: 3900'
6. Estimated tops of geological markers:

Rustler Anhydrite	1400'	Yates	3300'
Tansill	3100'	Seven Rivers	3650'

7. Possible mineral bearing formations:

Yates	Oil
Seven Rivers	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
12 $\frac{1}{4}$ "	0-1500'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-3900'	5 $\frac{1}{2}$ "	15.5	8-R	ST&C	J-55

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM

9. CASING CEMENTING & SETTING DEPTHS:

20"	Conductor	Set 40' Of 20" conductor and cement to surface with Redi-mix.
8 5/8"	Surface	Set 1500' of 8 5/8" 32# J-55 ST&C casing. Cement with 650 Sx. of Class "C" 35/65 POZ + 6% Gel, + 2% CaCl, + 1/4# Flocele/Sx. tail in with 200 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. , circulate cement to surface.
5 1/2"	Production	Set 3900' of 5 1/2" 15.5# J-55 ST&C casing. CEment with 400 Sx. of 50/50 Class "C" POZ + 10% Gel, + 5% Salt, + 3# Gilsonite/Sx. + 1/4# Flocele/Sx., tail in with 300 Sx. of Class "C" cement + fluid loss + dispersant + 5% Salt. This should be enough volume to circulate cement to surface.

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 8 5/8" 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 3" 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
40-1500'	8.4-8.6	29-36	NC	Fresh water Spud Mud, add paper to control seepage, and high viscosity sweeps to clean hole.
1500-3600'	10-10.2	29-38	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
3600-3900'	10-10.2	36-38	10 cc or less	Same as above but add starch to mud system to control water loss.

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.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Dual Laterolog, SNP, LDT, CNL, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. Run Gamma Ray, Neutron logs from 8 5/8" casing shoe back to surface.

B. No mud logger is planned at this time. No cores or DST's are planned.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H²S in this area. If H²S 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 1700 PSI, and Estimated BHT 145°.

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 10 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 SEVEN RIVERS formation will be perforated and stimulated in order to establish production. 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 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" & "E-1"
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.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
9. If H₂S 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 H₂S scavengers if necessary.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA 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 Hobbs New Mexico take U.S. Hi-way 62-180 West toward Carlsbad New Mexico go 30 miles to Smith Ranch road turn North go 2.2 miles bear Left follow caliche road Northwest approximately 2 miles turn North go 1.8 miles turn West go by wells 4,3, & Gantryperson # 1, turn North go 1200' to well # 1 turn West go 2000' to well location on the North side of road.
 - C. Flowlines and powerline will be constructed along existing road shown on Exhibit "F".
2. PLANNED ACCESS ROADS: Aproximately 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.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA 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.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA 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.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinny 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 REPRESENTATIVES:

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
OFFICE Ph. 915-683-7443
GREG WILKES

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 :

Joe T Janica

DATE :

04/21/03

TITLE :

Agent

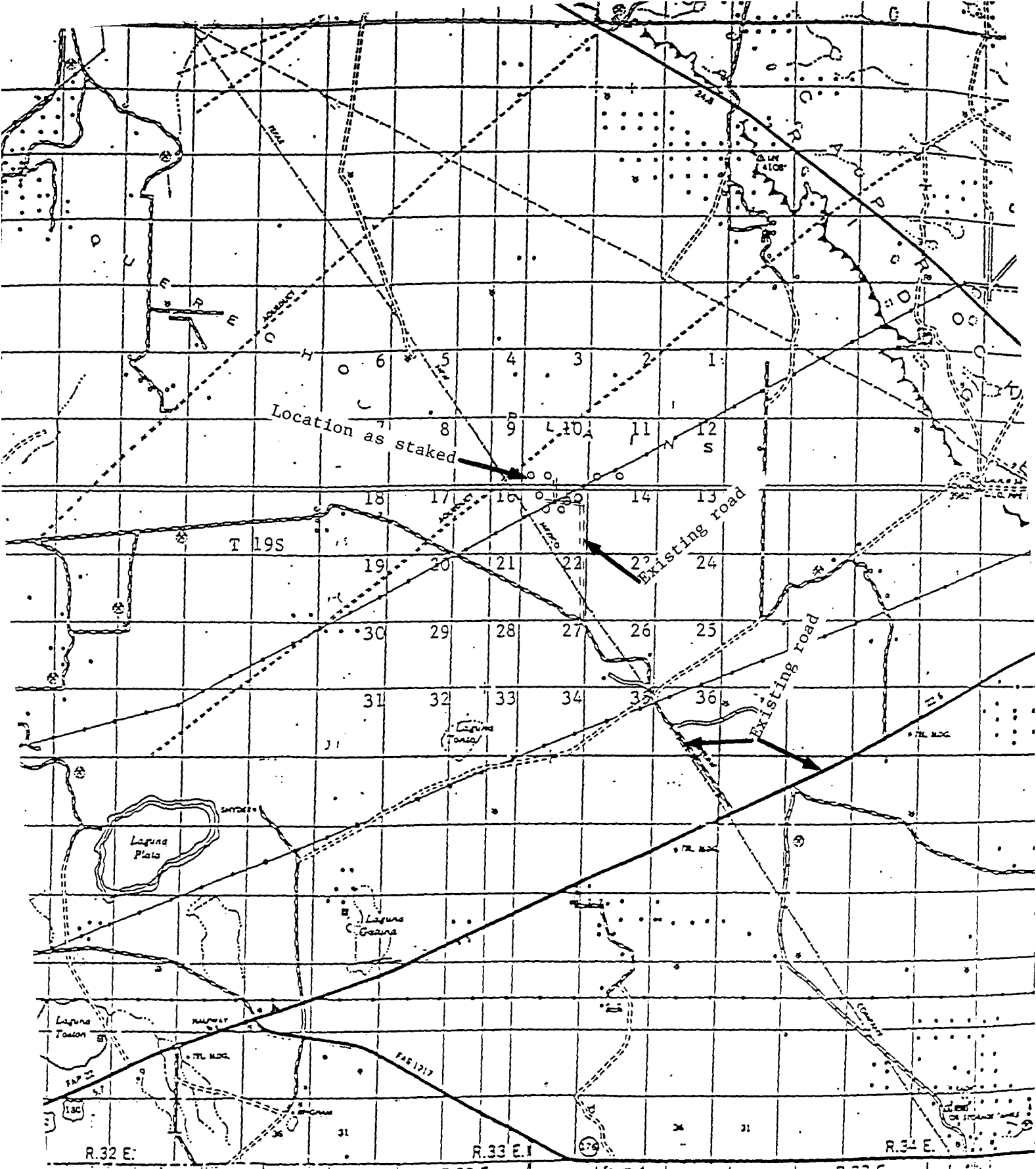


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM

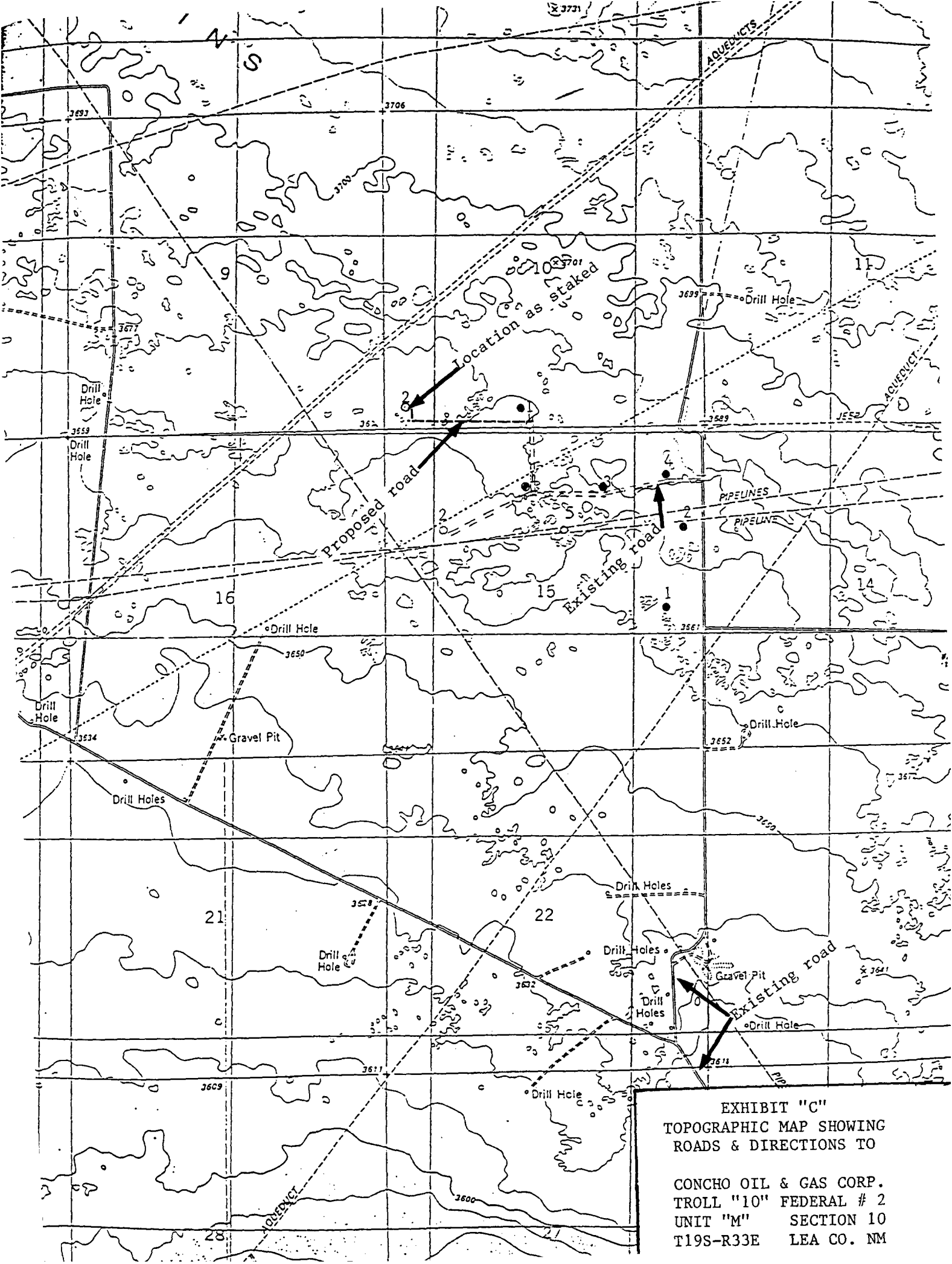
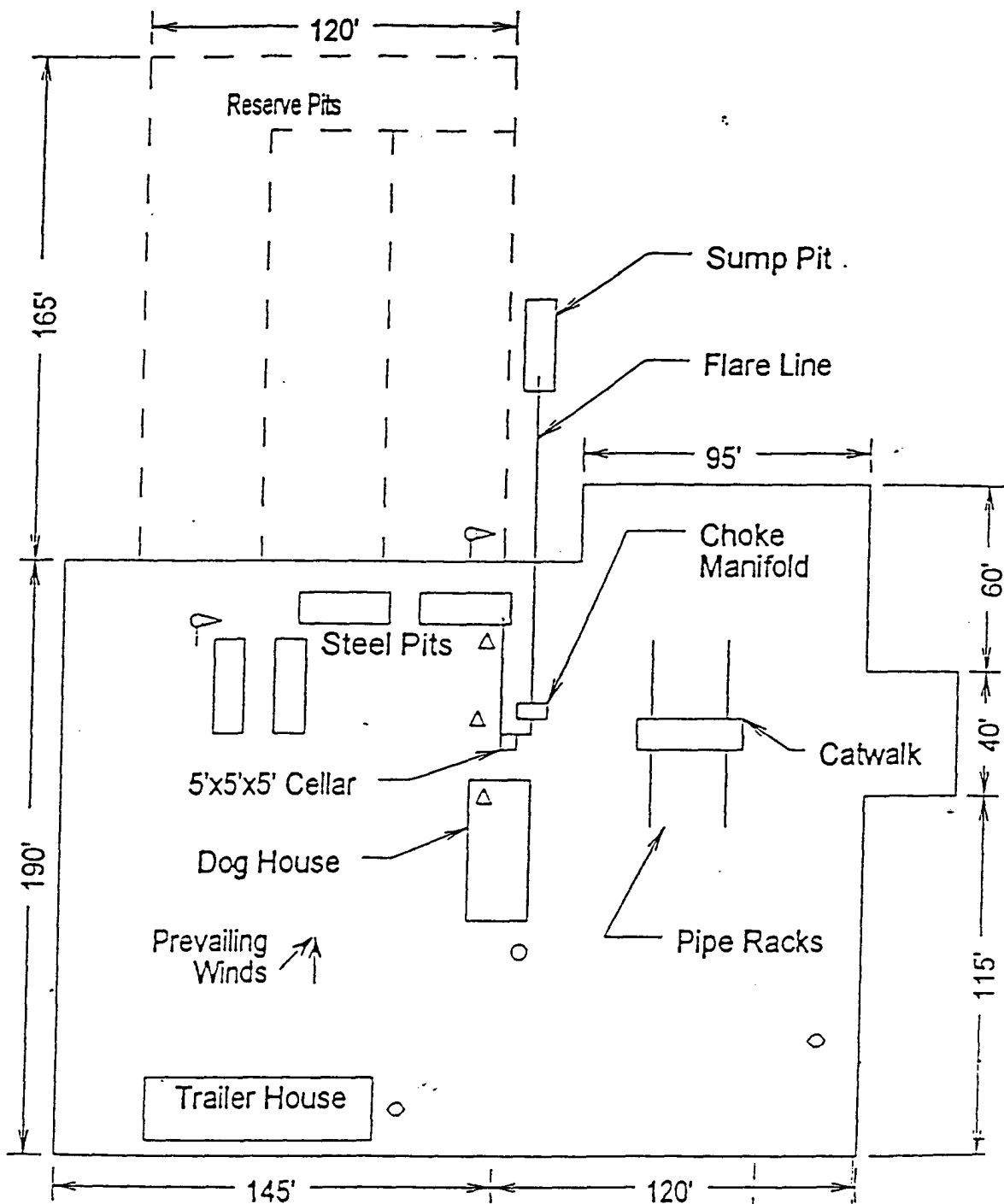


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

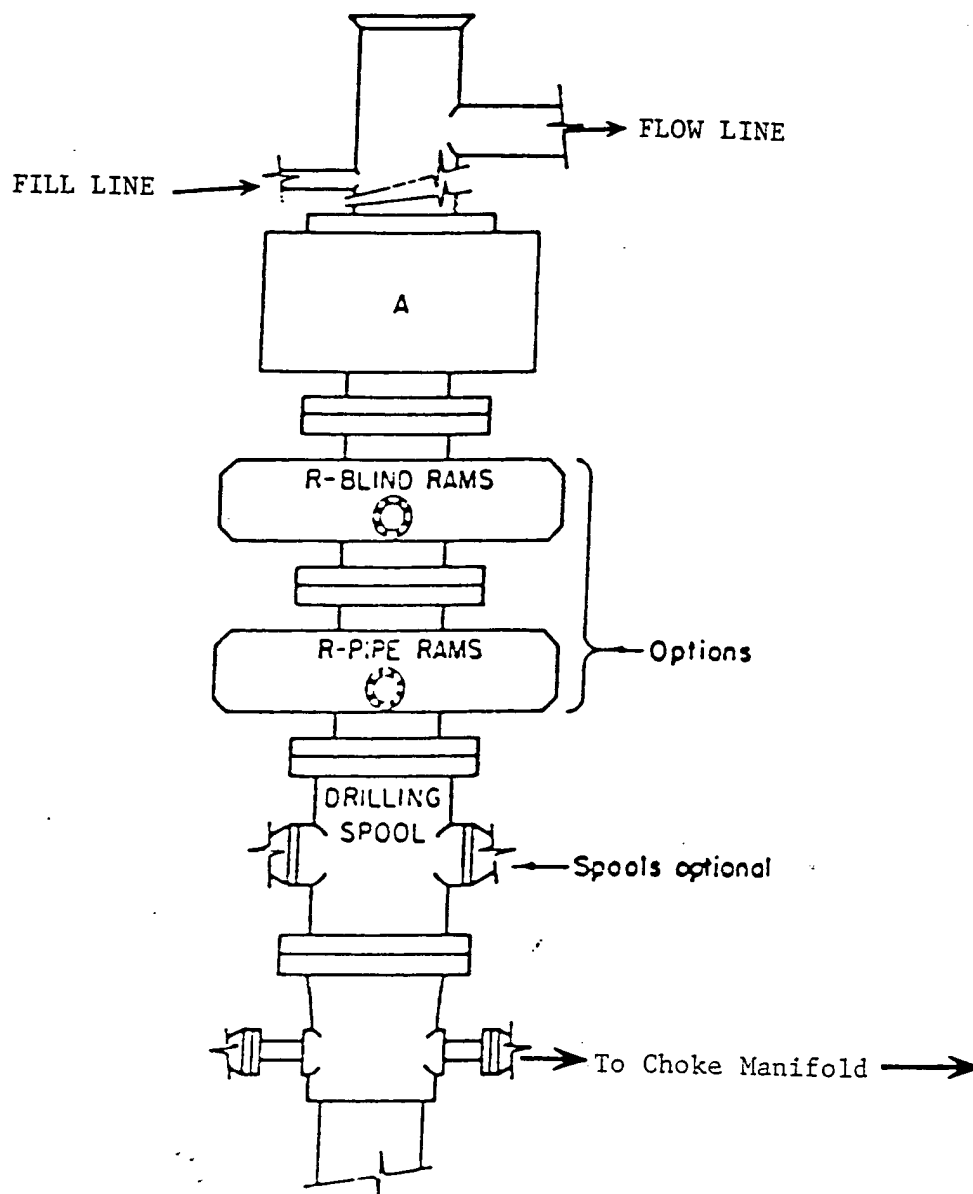
CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM



- 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.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM



ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM

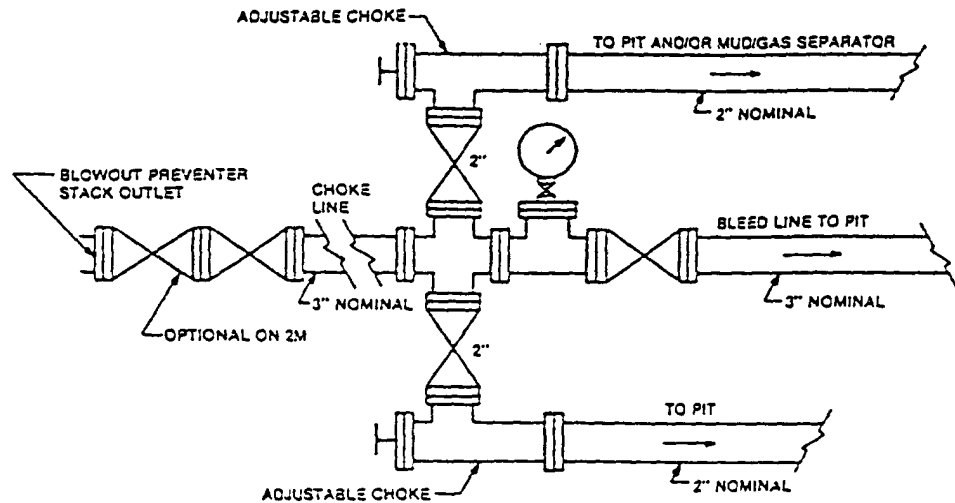


FIGURE K-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

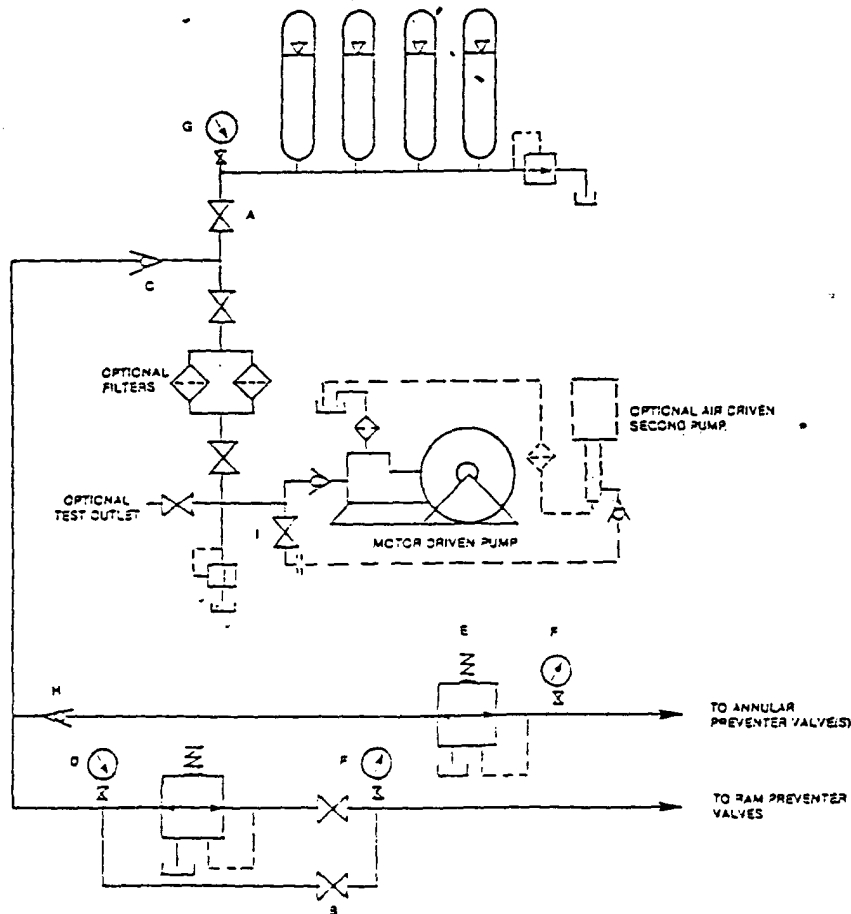


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

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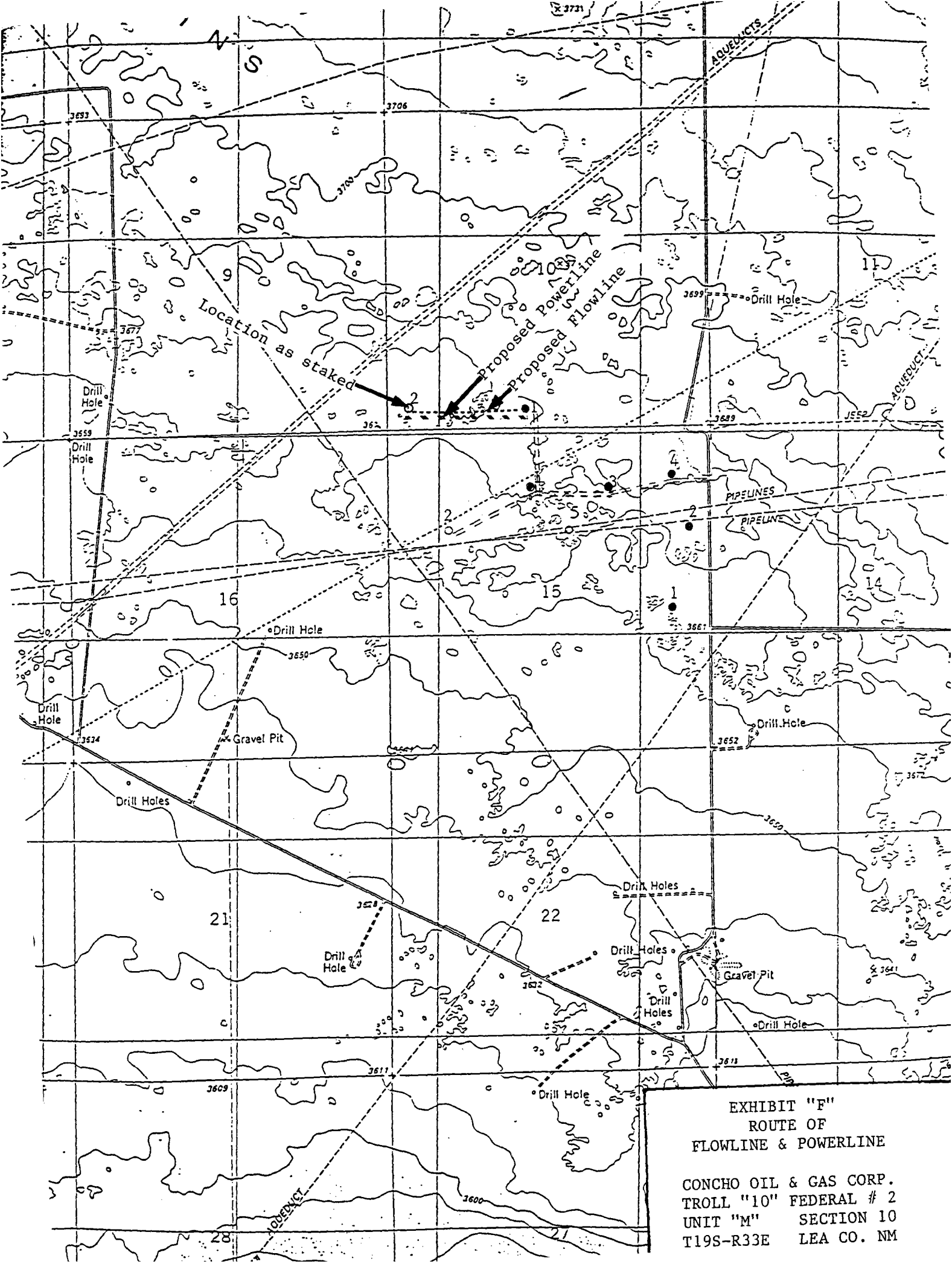


EXHIBIT "F"
ROUTE OF
FLOWLINE & POWERLINE

CONCHO OIL & GAS CORP.
TROLL "10" FEDERAL # 2
UNIT "M" SECTION 10
T19S-R33E LEA CO. NM