VES SURVEY INTERNATIONAL

June 14, 2016

Concho Resources, Inc.
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

Attn: Kanicia Castillo

RE: **Azores Federal No. 007H**

Please find enclosed a copy of the survey from 0' to 8440' ran on the above referenced well.

Sincerely,

Keith Havelka
Operations

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the 14th day of June, A.D., 2016, by Keith Havelka.

Jennifer Ann Byerly
Notary Public, State of Texas

JENNIFER ANN BYERLY
Notary Public, State of Texas
My Commission Expires
August 16, 2017

VES Survey International
P.O. Box 261021, Corpus Christi, Texas 78426
T (361) 767-0602 F (361) 767-0612
www.vessurvey.com

Company: Concho
Lease/Well: Azores Federal No./007H

Rig Name: McVay 8
State/County: New Mexico/Lea
VS-Azi: 355.12 Degrees
Latitude: 32.18047, Longitude: -103.69591
Grid North = True North -0.34 degs (NAD 27)
Grid Correction Applied = -0.34 degs

Depth Reference : RKB = 26 Foot

DRILLOG HA GYRO SURVEY CALCULATIONS
Filename: azores federal 7h_gyro survey.ut
Minimum Curvature Method
Report Date/Time: 6/14/2016 / 09:22

VES Survey International
Midland Tx
(432) 563-5444
Surveyor: Gene Heiss
Azores Federal No. 007H / API 30-025-43170

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	****
100.00	0.32	12.54	100.00	0.28	0.06	0.27	0.28	12.54	0.32
200.00	0.34	14.50	200.00	0.84	0.20	0.82	0.86	13.21	0.02
300.00	0.21	355.80	300.00	1.30	0.26	1.28	1.33	11.16	0.16
400.00	0.31	14.15	400.00	1.75	0.31	1.71	1.77	10.06	0.13
500.00	0.35	45.27	499.99	2.22	0.59	2.16	2.30	14.90	0.18
600.00	0.46	52.64	599.99	2.68	1.12	2.57	2.90	22.79	0.12
700.00	0.26	33.82	699.99	3.11	1.57	2.97	3.48	26.80	0.23
800.00	0.06	62.08	799.99	3.32	1.75	3.16	3.76	27.70	0.21
900.00	0.30	39.65	899.99	3.55	1.96	3.37	4.06	28.90	0.25
1000.00	0.36	66.82	999.99	3.88	2.42	3.66	4.58	31.96	0.17
1100.00	0.46	93.09	1099.98	3.99	3.11	3.71	5.06	37.97	0.21
1200.00	0.61	74.43	1199.98	4.11	4.03	3.75	5.75	44.41	0.23
1300.00	0.54	92.89	1299.98	4.23	5.01	3.79	6.56	49.82	0.20
1400.00	0.27	111.83	1399.97	4.12	5.70	3.62	7.03	54.15	0.29
1500.00	0.60	100.17	1499.97	3.94	6.43	3.37	7.54	58.53	0.33
1600.00	0.27	103.38	1599.97	3.79	7.17	3.17	8.11	62.13	0.33

VES Survey Date: 6/8/2016

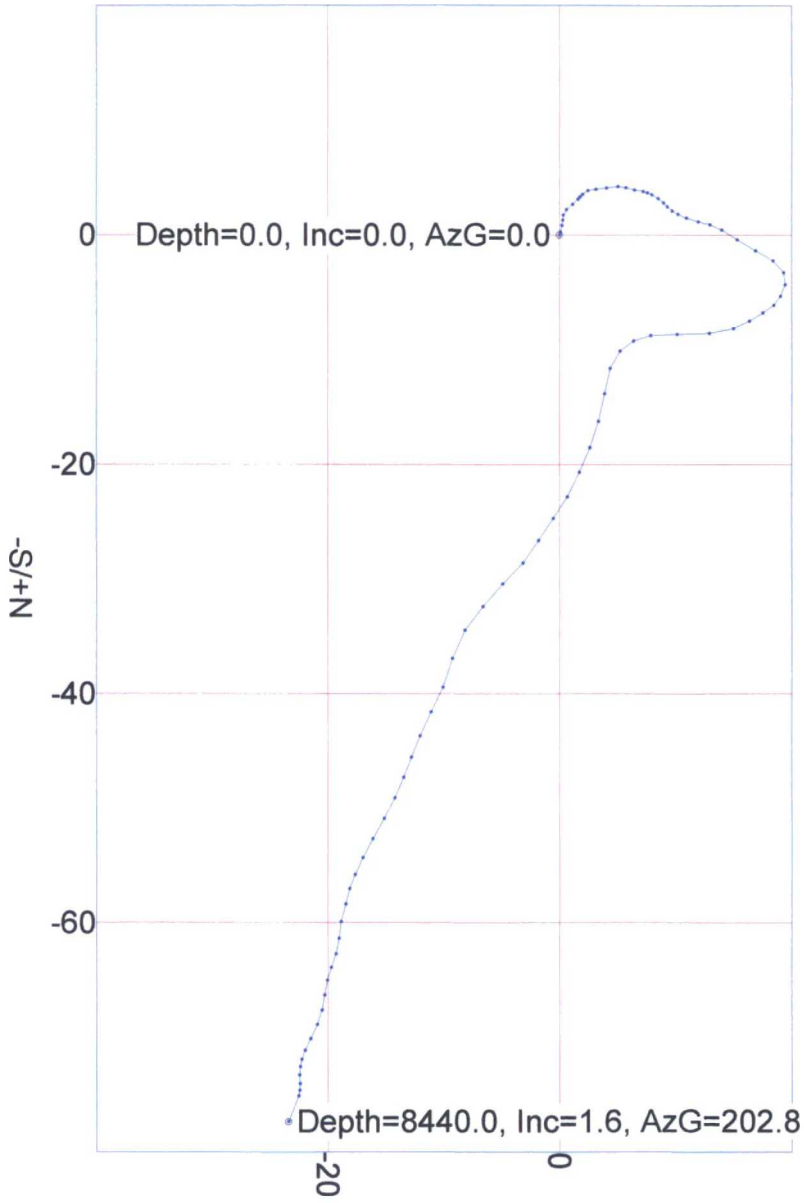
Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
1700.00	0.18	112.77	1699.97	3.68	7.54	3.02	8.39	64.01	0.09
1800.00	0.30	115.74	1799.97	3.50	7.92	2.82	8.66	66.15	0.12
1900.00	0.42	123.15	1899.96	3.19	8.47	2.45	9.05	69.38	0.13
2000.00	0.26	138.37	1999.96	2.82	8.93	2.05	9.36	72.50	0.19
2100.00	0.30	135.50	2099.96	2.46	9.26	1.66	9.58	75.13	0.05
2200.00	0.34	121.49	2199.96	2.12	9.69	1.29	9.92	77.68	0.08
2300.00	0.33	119.01	2299.96	1.82	10.20	0.95	10.36	79.86	0.01
2400.00	0.57	111.21	2399.95	1.50	10.92	0.57	11.02	82.16	0.24
2500.00	0.67	104.29	2499.95	1.18	11.95	0.16	12.01	84.37	0.13
2600.00	0.51	105.13	2599.94	0.92	12.95	-0.19	12.98	85.95	0.16
2700.00	0.79	120.51	2699.94	0.45	13.97	-0.74	13.98	88.15	0.33
2800.00	1.03	124.73	2799.92	-0.41	15.30	-1.71	15.31	91.54	0.24
2900.00	1.11	117.16	2899.91	-1.36	16.90	-2.79	16.95	94.61	0.16
3000.00	0.89	124.46	2999.89	-2.24	18.40	-3.80	18.54	96.95	0.25
3100.00	0.75	154.33	3099.88	-3.28	19.33	-4.91	19.60	99.62	0.45
3200.00	0.55	199.76	3199.87	-4.32	19.45	-5.96	19.92	102.51	0.54
3300.00	0.71	203.63	3299.87	-5.33	19.04	-6.93	19.77	105.65	0.17
3400.00	0.45	236.90	3399.86	-6.12	18.46	-7.67	19.45	108.33	0.41
3500.00	0.86	234.73	3499.86	-6.76	17.52	-8.23	18.78	111.11	0.41
3600.00	0.71	241.99	3599.85	-7.49	16.36	-8.85	17.99	114.59	0.18
3700.00	1.02	246.58	3699.84	-8.13	15.00	-9.38	17.06	118.47	0.31
3800.00	1.47	267.49	3799.81	-8.54	12.90	-9.61	15.47	123.51	0.63
3900.00	1.71	268.96	3899.77	-8.63	10.13	-9.46	13.30	130.42	0.24
4000.00	0.94	263.05	3999.75	-8.75	7.82	-9.39	11.74	138.20	0.78
4100.00	0.88	241.49	4099.73	-9.22	6.34	-9.72	11.19	145.48	0.34
4200.00	0.80	222.87	4199.72	-10.09	5.19	-10.50	11.35	152.79	0.28
4300.00	1.23	200.60	4299.71	-11.61	4.34	-11.94	12.40	159.52	0.58
4400.00	1.38	185.49	4399.68	-13.82	3.84	-14.09	14.34	164.45	0.37
4500.00	1.47	198.38	4499.65	-16.23	3.33	-16.45	16.56	168.42	0.33
4600.00	1.30	197.98	4599.62	-18.53	2.57	-18.68	18.70	172.10	0.16
4700.00	1.36	206.71	4699.60	-20.67	1.69	-20.74	20.74	175.34	0.21
4800.00	1.36	204.36	4799.57	-22.80	0.66	-22.78	22.81	178.33	0.06
4900.00	1.25	221.41	4899.54	-24.71	-0.55	-24.57	24.71	181.27	0.40
5000.00	1.41	205.98	4999.52	-26.63	-1.81	-26.38	26.69	183.89	0.39
5100.00	1.35	223.24	5099.49	-28.60	-3.16	-28.22	28.77	186.30	0.42
5200.00	1.55	223.70	5199.46	-30.43	-4.90	-29.91	30.83	189.15	0.19
5300.00	1.44	217.62	5299.42	-32.41	-6.60	-31.73	33.07	191.52	0.19
5400.00	1.51	216.71	5399.39	-34.46	-8.16	-33.64	35.42	193.32	0.07
5500.00	1.65	191.97	5499.35	-36.93	-9.25	-36.01	38.07	194.06	0.69

VES Survey Date: 6/8/2016

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	TVD FT	+N/-S FT	+E/-W FT	Vertical Section FT	Closure Distance FT	Closure Direction Deg	Dogleg Severity Deg/100
5600.00	1.37	205.47	5599.32	-39.42	-10.06	-38.42	40.68	194.32	0.45
5700.00	1.37	206.13	5699.29	-41.58	-11.11	-40.48	43.04	194.96	0.02
5800.00	1.24	201.35	5799.26	-43.66	-12.03	-42.48	45.29	195.40	0.18
5900.00	1.07	202.43	5899.24	-45.53	-12.78	-44.28	47.29	195.68	0.17
6000.00	1.08	199.00	5999.22	-47.29	-13.44	-45.98	49.16	195.87	0.07
6100.00	1.14	206.53	6099.20	-49.08	-14.20	-47.69	51.09	196.13	0.16
6200.00	1.18	207.49	6199.18	-50.88	-15.12	-49.41	53.08	196.55	0.04
6300.00	1.14	211.70	6299.16	-52.64	-16.11	-51.07	55.05	197.02	0.10
6400.00	1.01	202.12	6399.15	-54.30	-16.96	-52.66	56.89	197.35	0.22
6500.00	0.84	208.65	6499.13	-55.76	-17.65	-54.06	58.49	197.56	0.20
6600.00	0.69	191.30	6599.12	-57.00	-18.12	-55.25	59.81	197.64	0.28
6700.00	0.91	195.67	6699.11	-58.36	-18.45	-56.57	61.20	197.55	0.23
6800.00	0.91	194.67	6799.10	-59.89	-18.87	-58.07	62.80	197.49	0.02
6900.00	0.78	178.09	6899.09	-61.34	-19.05	-59.50	64.23	197.25	0.28
7000.00	0.83	202.24	6999.08	-62.70	-19.30	-60.83	65.60	197.11	0.34
7100.00	0.63	195.07	7099.07	-63.90	-19.72	-61.99	66.87	197.15	0.23
7200.00	0.70	197.71	7199.07	-65.01	-20.05	-63.06	68.03	197.14	0.08
7300.00	0.83	184.87	7299.06	-66.31	-20.29	-64.34	69.34	197.02	0.22
7400.00	0.70	195.13	7399.05	-67.62	-20.51	-65.63	70.66	196.88	0.19
7500.00	0.81	201.49	7499.04	-68.86	-20.93	-66.83	71.97	196.91	0.14
7600.00	0.75	206.83	7599.03	-70.10	-21.49	-68.02	73.32	197.04	0.09
7700.00	0.55	204.78	7699.02	-71.12	-21.98	-68.99	74.44	197.17	0.20
7800.00	0.39	192.02	7799.02	-71.89	-22.26	-69.74	75.26	197.20	0.19
7900.00	0.36	193.12	7899.02	-72.54	-22.40	-70.37	75.92	197.16	0.03
8000.00	0.46	178.24	7999.02	-73.25	-22.46	-71.07	76.61	197.05	0.15
8100.00	0.44	176.23	8099.01	-74.03	-22.42	-71.86	77.35	196.85	0.03
8200.00	0.20	188.87	8199.01	-74.58	-22.42	-72.41	77.88	196.73	0.24
8300.00	0.37	194.25	8299.01	-75.07	-22.53	-72.88	78.38	196.70	0.17
8440.00	1.62	202.76	8438.99	-77.33	-23.40	-75.06	80.79	196.84	0.90

VES Survey Date: 6/8/2016

VES Survey International
Midland Tx
(432) 563-5444
Surveyor: Gene Heiss
Azores Federal No. 007H / API 30-025-43170



VES Survey Date: 6/8/2016

VES SURVEY INTERNATIONAL

I Gene Heiss certify that I am employed by VES Survey International. That I did on the day(s) of 06/08/16 through 06/08/16 conduct or supervise the taking of a Rate Gyro survey from a depth of 0.00 feet to a depth of 8,440.00 feet; that the data is true, correct, complete and within the limitations of the tool as set forth by Vaughn Energy Services, that I am authorized and qualified to make this report; that this survey was conducted at the request of Concho for the Azores Federal Well # 7H API # 30-025-43170 in Lea County / Parish New Mexico ; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by VES Survey International.

Gene Heiss
Service Technician
VES Survey International