(July 1992)	UNI.	FED STATES		TONS THE WIS	
	DEPARTMEN	T OF THE I	NTERIOR N. F		Expires: February 28, 1995 5. LEASE DEBIGNATION AND SERIAL
	BUREAU OF	LAND MANAG	EMENODOS, N	M 88240	NM-16835
APP	LICATION FOR P				6. IF INDIAN, ALLOTTER OR TRIBE NA
1a. TYPE OF WORK			── <u></u>		7. UNIT AGREEMENT NAME
b. TIPE OF WELL	RILL 🗹	DEEPEN [-J		
WELL XX	GAS WELL OTHER		ZONE	MULTIPLE	S. FARM OR LEASE NAME WELL NO.
2. NAME OF OPERATOR		· .			NEUHAUS "14" FEDERAL
CONCHO OIL 8		915-683-744	3) ERICK NE	LSON	9. AT WELL NO. - 20-075 - 2/2
	UISIANA SUITE 41		TEXAS (015	-683-7443)	10. FIELD AND POOL OF WILDCAT
4. LOCATION OF WELL (At surface	(Report location clearly and	in accordance with	h any State requireme	ents.*)	Featherstone: 12 5
	1650' FEL SECTIO	ON 14 T205-	R35E		11. BEC., T., R., M., OE BLE. AND SURVEY OR AREA
At proposed prod. z		C			SECTION 14 T20S-R35F
14. DISTANCE IN MILES	S AND DIRECTION FROM NEA	REST TOWN OF POST	OFFICE		12. COUNTY OR PARISH 13. STATE
	ly 45 miles South				LEA CO. NEW MEX
15. DISTANCE FROM PRO LOCATION TO NEARE		<u> </u>	16. NO. OF ACRES IN		OF ACRES ASSIGNED
PROPERTY OR LEASE)'	320		40
13. DISTANCE FROM FRO TO NEAREST WELL,	DRILLING, COMPLETED, 120	201	19. PROPOSED DEPTH 11,600'	20. BOT	ART OR CABLE TOOLS
			11,000	<u> </u>	ROTARY
21. ELEVATIONS (Show W	whether DF, RT, GR, etc.)	3671' GR.	ea County Contro	lied Water Bas	
23.			G AND CEMENTING		
SIZE OF ROLL	GRADE, SIZE OF CASING	WEIGHT PER FO			QUANTITY OF CEMENT
25"	20"	NA	40'		t to surface with Redi-
<u> </u>	H-40 13 3/8"	48	400'		x. circulate cement
124"	J-55 8 5/8"	32	4000.'	1400	Sx. /011 " 25
7 7/8"	N-80,S-95 5 ¹ 2"	.17	11,600'	800 s	
2. Drill 17 ¹ ₂ " h	ole to 400'. Run	and set 400 + 2% CaCl, + n and set 40	' of 13 3/8" ½# Flocele/S 00' of 8 5/8"	48# H-40 cas x. Circulate	cement to surface.
3. Drill 12½" h		ight Weight	cement + addi	tives. tail	
3. Drill 12½" h with 1200 Sx					an with 200 Sx. of
3. Drill 12¼" h with 1200 Sx Class "C" ce 4. Drill 7 7/8"	. of Class "C" Li ement + 1% CaCl. (' hole to 11,600'.	Circulate ce . Run and se	ment to surfa t 11,600' of	ce. 5½" casing a	in with 200 Sx. of s follows: 1400' of
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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

 DISTRICT I 1625 N. French Dr., Hobbe, NM 88240
 DISTRICT II 811 South First, Artesia, NM 88210

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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

		1	WELL LO	CATION	AND ACREA	GE DEDICATI	ON PLAT		
API	Number	(2.00	Pool Code Pool Name						
<u>30-02</u>	<u>د ج</u>	6353	5353 24270 FEATHERSTONE-BONE SPRING, East						
Property (27356	Code			NELL	Property Nam HAUS "14" F			Well Ni 4	umber
OGRID N				NLO	Operator Nam			Eleva	tion
193407			CC	ОНОИС	OIL & GAS	CORPORATION		367	′ 1'
					Surface Loca	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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		•	Bottom	Hole Lo	cation If Diffe	rent From Sur	face		· · · · · · · · · · · · · · · · · · ·
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
								<u> </u>	
Dedicated Acre	s Joint o	r Infill Co	nsolidation	Code Or	der No.				
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	l				*34'30.2" 103*25'29.0"			, that the well locat	1
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				1	L		BA	SIN SURVEYS	J







NEUHAUS "14" FEDERAL #4 Located at 1980' FNL and 1650' FEL Section 14, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

KJG CD#5



	F.U. BOX 1760	W.O. Number: 3279AA – KJG
н	1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax	Survey Date: 05-14-2003
5		Scale: 1" = 2000'
8	basinsurveys.com	Date: 05-15-2003

CONCHO OIL & GAS CORP.



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APPLICATION TO DRILL

CONCHO OIL & GAS CORP. NEUHAUS "14" FEDERAL # 4 UNIT "G" SECTION 14 T2OS-R35E 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: 1980' FNL & 1650' FEL SECTION 14 T20S-R35E LEA CO. NM
- 2. Ground Elevation above Sea Level: 3671' GR.
- 3. Geological age of surface formation: Quaternary Deposits:
- 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: 11,600'

6. Estimated tops of geological markers:

Rustler Anhydrite	2058'	Delaware	5885 '
Yates	4098'	Bone Spring	8055 '
Queen *	4996 '	3rd Bone Spring Sd.	11,060'
San Andres	5196'	Wolfcamp	11,300!
	•	3	

7. Possible mineral bearing formations:

Bone	Spring	Oil
Wolfd	amp	0il

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	rGrade
25''	0-40	20"	NA	NA	NA	Conductor
17 ¹ 2''	0-400'	13 3/8"	48#	8-R	ST&C	H-40
12'4"	0-4000'	8 5/8"	32#	8-R	ST&C	J-55
7 7/8"	0-11,600'	5½''	17# B	8-R & uttress	LT&C	S-95 N-80

APPLICATION TO DRILL

CONCHO OIL & GAS CORP. NEUHAUS "14" FEDERAL # 4 UNIT "G" SECTION 14 T20S-R35E LEA CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 400' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 2% CaCl, + $\frac{1}{4}$ # Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermeniate	Set 4000' of 8 5/8" $32\#$ J-55 ST&C casing. Cement with 1200 Sx. of Class "C" Light cement + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + $\frac{1}{2}\#$ Flocele/Sx. Circulate cement to surface.
5 ¹ 2"	Production	Set 11,600' of $5\frac{1}{2}$ " casing as follows: 1400' of $5\frac{1}{2}$ " 17# S-95 LT&C, 8400' of $5\frac{1}{2}$ " 17# N-80 LT&C, 1800' of $5\frac{1}{2}$ " 17# N-80 Buttress thread. Cement with 500 Sx. of Class "H" Light cement + additives, tail in with 300 Sx. of Class "H" Premium Plus cement Estimate TOC 6000' FS.

- 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 nippled 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
40-400'	8.4-8.7	29-34	NC	Fresh water Spud Mud add paper to control seepage.
400-4000'	10.0-10.2	29–38	NC	Brine water use paper to control seepage and High viscosity sweeps to clean hole.
4000-11,600'	10.0-10.3	29-40	*	Same as above but using Dris-pac to control water loss.

* Water loss control may be required by the geologist to reduce formation damage, Reduce water loss to 10 cc or less in order to run logs, DST's, and casing.

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.

APPLICATION TO DRILL

CONCHO OIL & GAS CORP. NEUHAUS "14" FEDERAL # 4 UNIT "G" SECTION 14 T20S-R35E LEA CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Dual Laterolog, LDT, SNP, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe.
- B. Run Cased hole logs: Gamma Ray, Neutron from 8 5/8" casing shoe to surface.
- C. Mud logger may be placed on hole at 4000' and remain on hole to TD.

D. No DST's or cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H_2S detectors will be in place to detect any presence of unsafe levels of H_2S . No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 5500 PSI & estimated BHT 184°

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take <u>37</u> days. If production casing is run an additional <u>30</u> days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Garma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the <u>Bone Spring</u> pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an oil well.

- 1. All Company and Contract personnel admitted on location must be trained by a qualified H_2S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazzards
 - 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.

- 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 H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H₂S scavengers if necessary.

SURFACE USE PLAN

CONCHO OIL & GAS CORP: NEUHAUS "14" FEDERAL # 4 UNIT "G" SECTION 14 T2OS-R35E LEA CO. NM

- 1. <u>EXISTING ROADS</u>: Area roads, Exhibit "B" is a reproduction of a County General Hiway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing exixting roads 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 location as staked.
 - B. From Eunice New mexico take State Hi-way 176 West for 16 miles to Pearson Road, turn Right follow road 5.3 miles bear Left go 3.8 miles, thrn Right (North) go 1±miles to well # 1-A, turn Right go .3+ miles to location on the South side of road.
 - C. Flow lines will be laid along road to existing tank battery as shown on Exhibit "F".

2. PLANNED ACCESS ROADS: No additional roads need to be constructed.

- A. The access road will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
- B. Gradient on all roads will be less than 5%.
- C. Turnouts will be constructed as required or as directed by the BLM.
- 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 the new access road has been staked and flagged. Earthwork will be done as required by field and topographic conditions.
- F. Colverts in the access road will be used where necessary. The road will be constructed to utilize low water crossings for drainage as dictated by the topography.
- 3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS SHOWN ON 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. Abanduned wells	- As shown on Exhibit "A-1"

F. Injection wells - None known

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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 quaters will be drained into holes with a minium 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 furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips 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.

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- 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 entend a minimum of 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.

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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. The surface of the land is owned by the Sims Estate and the minerals are owned by The U.S. Department of Interior and administered by the Bureau of Land Management. Surface is used for livestock grazing and oil production.
- 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 Phone 915-683-7443

13. <u>CERTIFICATION</u>: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am fimiliar 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.

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DATE	05/20/03
TITLE	: Agent

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- 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

RIG LAY O	UT PLAT
CONCHO OIL &	GAS CORP.
NEUHAUS "14"	FEDERAL # 4
UNIT "G"	SECTION 14
T20S-R35E	LEA CO. NM

EXHIBIT "D"



ARRANGEMENT SRRA

900 Series 3000 PSI WP

> EXHIBIT "E" SKETCH OF B.O.P. TO BE USED ON CONCHO OIL & GAS CORP. NEUHAUS "14" FEDERAL # 4 UNIT "G" SECTION 14 T20S-R35E

LEA CO. NM









CONCHO RESOURCES INC.

Fasken Center, Tower II 550 W. Texas Ave., Ste. 1300 Midland, Texas 79701

(432) 683-7443 Fax 683-7441

July 3, 2003

Bureau of Land Management 2909 West Second Street Roswell, NM 88202 Attention: Linda Askwig

> REF: Federal Lease NM-16835 Neuhuas "14" Federal #4 Well 1980' FNL and 1650' FEL Section 14, T-20-S, R-38-E Lea County, New Mexico COG #306038-04

Dear Ladies and Gentlemen:

Pursuant to part III.B.2 of the Oil and Gas Onshore Order No. 1, Concho Resources Inc. has reached an agreement with the owner of the surface pertaining to the captioned well.

If you have any questions, please contact me at 432-683-7443.

Very truly yours, Garland H. Lang III

Senior Landman