Form 3160-3
(July 1992)

New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NM-056376

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
----

7. UNIT AGREEMENT NAME
----

8. FARM OR LEASE NAME, WELL NO.
CODORNIZ "28" FEDERAL # 1

9. API WELL NO.
30-025-36195

10. FIELD AND POOL, OR WILDCAT
QUAIL RIDGE-MORROW

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SECTION 28 T19S-R34E

12. COUNTY OR PARISH
LEA CO.

13. STATE
NEW MEXICO

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ]

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [XX] OTHER
SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
Concho Oil & Gas Corp. 234
~~RICKS EXPLORATION, INC.~~ (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
860' FNL & 660' FWL SEC. 28 T19S-R34E LEA CO. NM
At proposed prod. zone SAME
D

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 30 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) 660'

16. NO. OF ACRES IN LEASE 320

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. 2700'

19. PROPOSED DEPTH 13,800'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3710' GR. **Capitan Controlled Water Basin**

22. APPROX. DATE WORK WILL START* When approved

23.
PROPOSED CASING AND CEMENTING PROGRAM

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.
17½"	H-40 13 3/8"	48	500'	400 Sx. circulate to surface.
12¼"	J-55,HCK-55 8 5/8"	32	5200'	1800 Sx. " " "
7 7/8"	N-80,S-95 5½"	17	13,800'	1400 Sx. Est TOC 4700'

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 500'. Run and set 500' of 13 3/8" 48# H-40 ST&C casing. Cement with 200 Sx. of Class "C" Lite cement + 2% CaCl, +additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. , circulate cement to surface.
3. Drill 12¼" hole to 5200'. Run and set 5200' of 8 5/8" casing as follows: 2300' of 8 5/8" 32# HCK-55 ST&C, 2900' of 8 5/8" 32# J-55 ST&C casing. Cement with 1600 Sx. of Class "C" Lite weight Cement + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocels/Sx., circulate cement to surface.
4. Drill 7 7/8" hole to 13,800'. Run and set 13,800' of 5½" casing as follows: 3700' of 5½" 17# S-95 LT&C, 7600' of 5½" 17# N-80 LT&C, 2500' of 5½" 17# N-80 Buttress thread. Cement with 700 Sx. of Class "H" Lite weight cement + additives, tail in with 700 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4700'.

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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 [signature] TITLE Agent DATE 01/15/03

(This space for Federal or State office use)

PERMIT NO. ____

OPER. OGRID NO. 193407
PROPERTY NO. 32040
POOL CODE 83280
EFF. DATE 3-4-03
API NO. 30-025-36195

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

Application approval does not warrant or certify ... would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Mary J. Rugwell TITLE FOR FIELD MANAGER DATE FEB 27 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LOIS

DISTRICT I
1625 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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-36195	83280	QUAIL RIDGE-MORROW

Property Code	Property Name	Well Number
32040	CODORNIZ "28" FEDERAL	1

OGRID No.	Operator Name	Elevation
~~193407~~ 4	CONCHO OIL & GAS CORP.	3710'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	19 S	34 E		860	NORTH	660	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.
320			

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

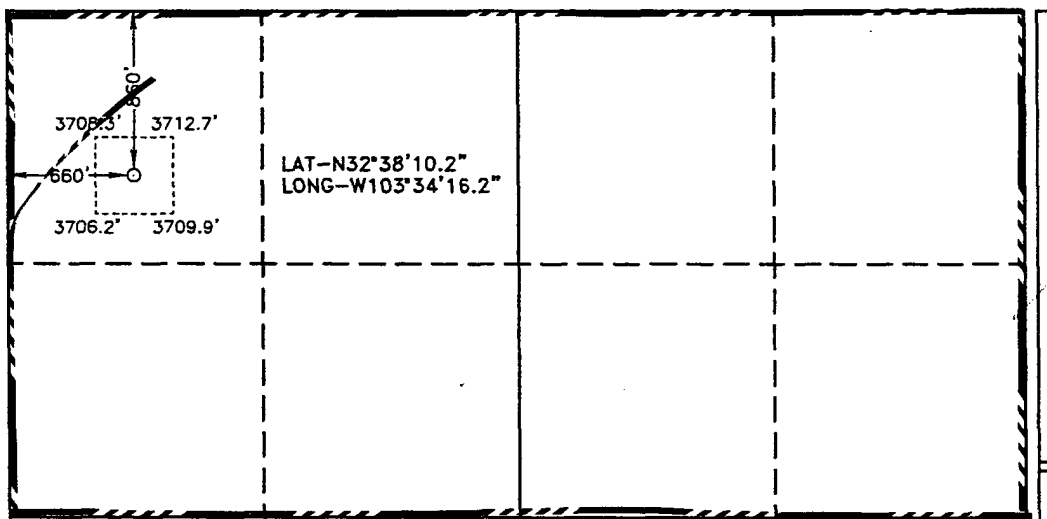

EXHIBIT "A"

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OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

02/06/03
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 supervison and that the same is true and correct to the best of my belief.

JANUARY 03, 2003
Date Surveyed
Signature & Seal of Professional Surveyor

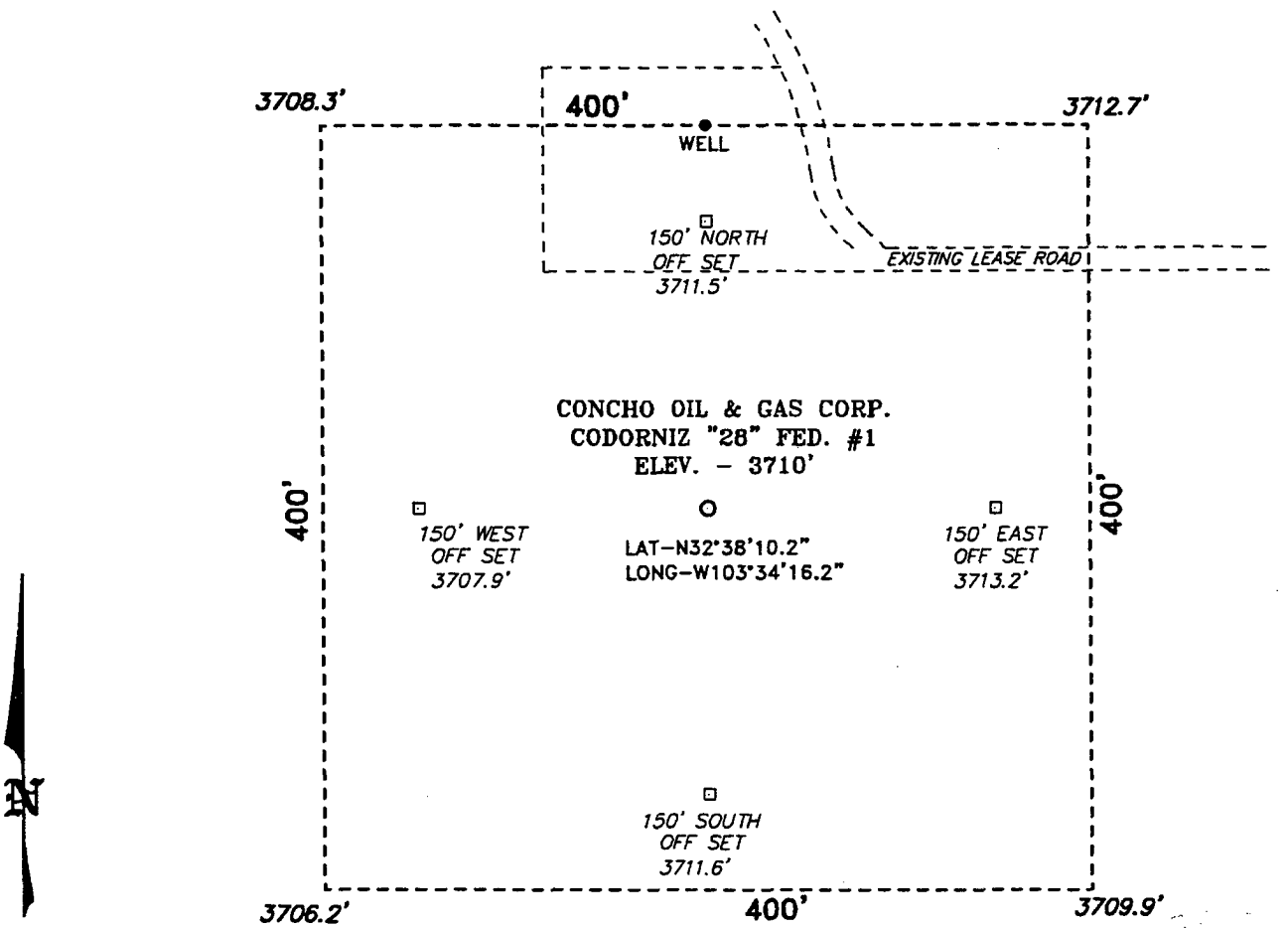
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 2939

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:

FROM MILE MARKER 76 ON US HWY 62/180, GO WEST FOR 0.8 MILE TO A LEASE ROAD; THENCE NORTH ON LEASE ROAD FOR 1.6 MILE; THENCE WEST FOR 0.4 MILE TO A POINT ON A EXISTING WELL PAD AND ALSO BEING A POINT ON THE NORTH SIDE OF THE PROPOSED WELL LOCATION.

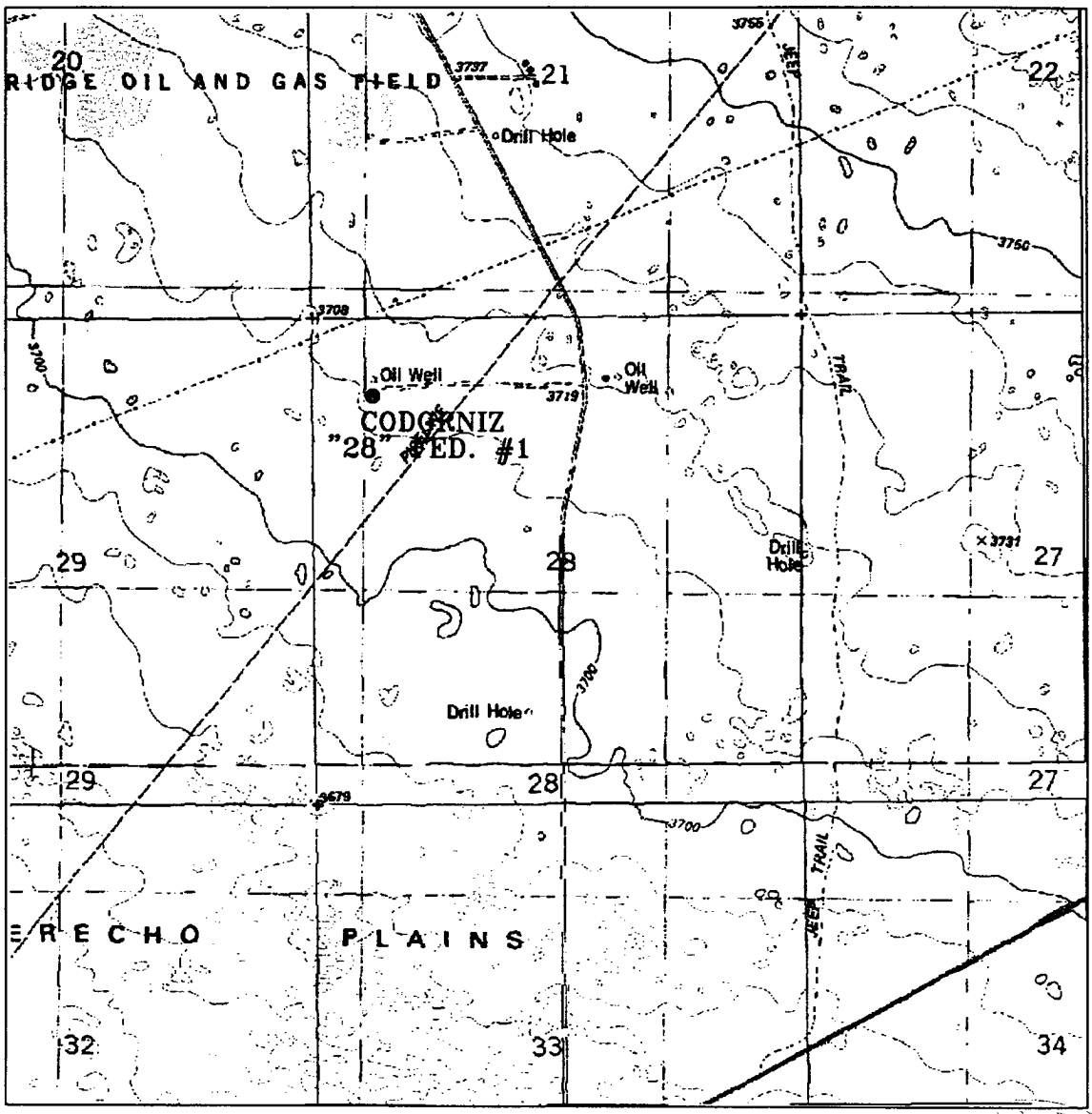
CONCHO OIL & GAS CORP.

REF: CODORNIZ "28" FED. No. 1/Well Pad Topo

THE CODORNIZ "28" No. 1 LOCATED 860' FROM THE NORTH LINE AND 660' FROM THE WEST LINE OF SECTION 28, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 2939	Drawn By: K. GOAD		
Date: 01-06-2003	Disk: KJG CD#4 - 2939A.DWG	Survey Date: 01-03-2003	Sheet 1 of 1 Sheets

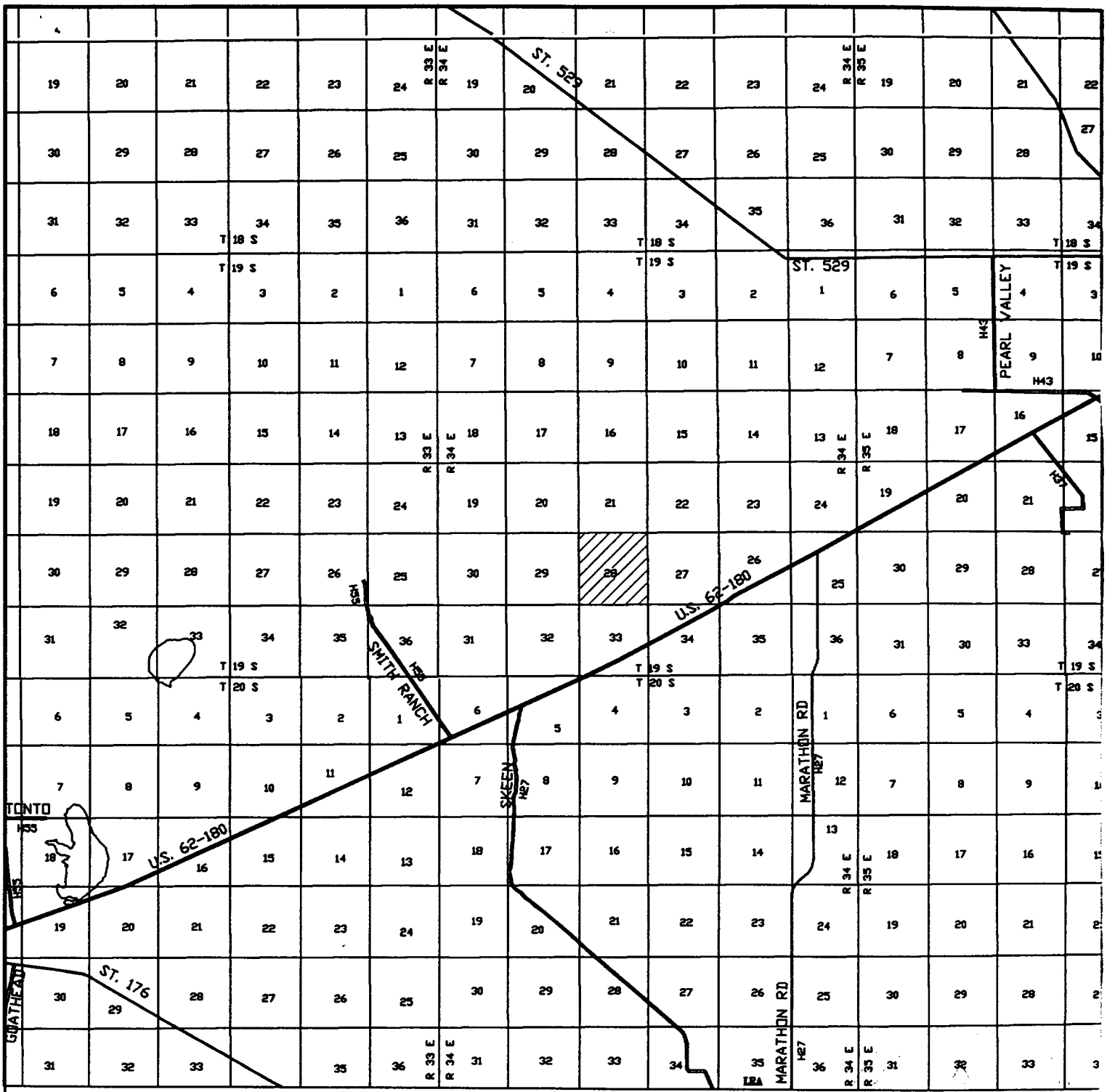


CODORNIZ "28" FEDERAL #1
Located at 860' FNL and 660' FWL
Section 28, Township 19 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

Basin Surveys
focused on excellence in the oilfield
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:	2939AA - KJG CD#5
Survey Date:	01-03-2003
Scale:	1" = 2000'
Date:	01-06-2003

CONCHO OIL & GAS CORP.



CODORNIZ "28" FEDERAL #1
Located at 860' FNL and 660' FWL
Section 28, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

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Hobbs
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basin surveys
focused on excellence in the oilfield

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:	2939AA – KJG CD#5
Survey Date:	01-03-2003
Scale:	1" = 2 MILES
Date:	01-06-2003

CONCHO OIL & GAS CORP.

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E 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: 860' FNL & 660' FWL SEC. 28 T19S-R34E LEA CO. NM

2. Elevation above Sea Level: 3710' GR.

3. Geologic name of surface formation: Quaternery 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: 13,800'

6. Estimated tops of geological markers:

Tansil	3378'	Wolfcamp	10,843'
Queen	4548'	Strawn	12,220'
Delaware Mt Gr.	5459'	Atoka	12,572'
Bone Spring	8123'	Morrow	12,772'

7. Possible mineral bearing formations:

Delaware	Oil	Strawn	Gas
Bone Spring	Oil	Atoka	Gas
Wolfcamp	Oil	Morrow	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-500'	13 3/8"	48	8-R	ST&C	H-40
12¼"	0-5200'	8 5/8"	32	8-R	ST&C	HCK-55,J-55
7 7/8"	0-13,800'	5½"	17	8-R & Buttress	LT&C	S-95, N-80

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA 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 500' of 13 3/8" 48# H-40 ST&C casing. Cement with 200 Sx. of Class "C" Lite cement + additives, tail in with 200 Sx. of Class "C" cement +2%CaCl, + ¼# Flocele/ Sx. circulate cement to surface.
8 5/8"	Intermediate	Set 5200' of 8 5/8" casing as follows: 2300' of 8 5/8" 32# HCK-55 ST&C, 2900' of 8 5/8" 32# J-55 ST&C. Cement with 1600 Sx. of Class "C" Lite cement + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/ Sx. circulate cement to surface.
5½"	Production	Set 13,800' of 5½" casing as follows: 3700' of 5½" 17# S-95 LT&C, 7600' of 5½" 17# N-80 LT&C, 2500' of 5½" 17# N-80 BUTTRESS THREAD. Cement with 700 Sx. of Class "H" Lite cement + additives, tail in with 700 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 4700' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 Series 5000 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" 5000 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
40-500'	8.4-8.6	29-32	NC	Fresh water Spud mud add paper to control seepage.
500-5200'	10.1-10.3	29-38	NC	Brine water use paper to control seepage and high viscosity sweeps to clean Hole.
5200-12,800'	9.5-10.0	29-40	NC	Cut Brine using high viscosity sweeps to clean hole.
12,800-13,800'	9.5-10.0	34-40	10 cc or less	Add Polymer to mud system to reduce water loss to the desired level and use high viscosity sweeps to clean hole.

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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.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

12. LOGGING, CORING, TESTING:PROGRAM:

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

B. Cased hole logs Gamma Ray, Neutron from 8 5/8" casing shoe back to surface.

C. Place Mud Logger on hole at 5200±'.

D. Cores and DST's will be taken at the Geologist's request.

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 6000 PSI & estimated BHT 200°.

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 60 days. If production casing is run an additional 30 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the MORROW pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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 H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. H_2S Detection and Alarm Systems

   A. H_2S 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, H_2S present in dangerous concentration. Only emergency personnel admitted to location.

5. Well control equipment

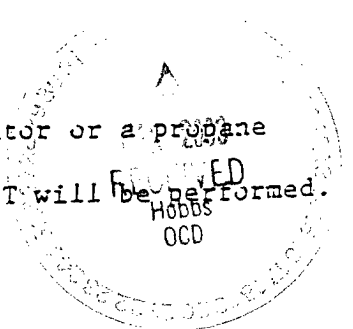
   A. See exhibit "E" & "E-1"

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 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 seperator will be brought into service along with H_2S scavengers if necessary.

SURFACE USE PLAN

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

1. EXISTING ROADS: 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 Hobbs New Mexico take U.S. Hi-way 62-180 West toward Carlsbad New Mexico. Go 24 miles past Mile Post 76 .8 mi turn North on caliche lease road go 1.6 miles turn Left (West) go .4 Miles to location on the south side of road.

2. PLANNED ACCESS ROADS: No new road is necessary.

   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. Culverts 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. Abandoned wells	As shown on Exhibit "A-1"
F. Injection wells	None known

4. If this well is completed as a producer the operator will apply for pipeline R-O-W on a Sundry report if if one is required.

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:

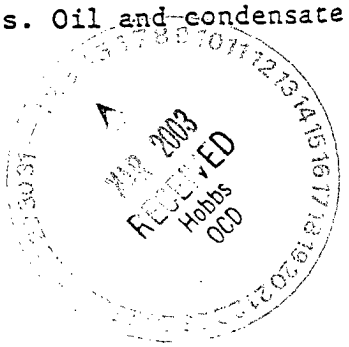
A. Drill cuttings will be disposed of in the reserve pits.

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.

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.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA 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. The surface and minerals are owned by The U. S. Department of Interior, and is administered by The Bureau of Land Management. The surface is used for the production of oil and gas in addition to livestock grazing.

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:

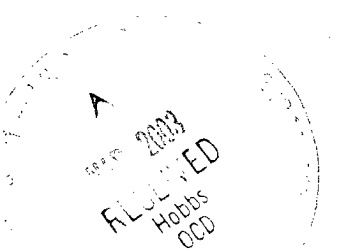
TIERRA EXPLORATION, INC
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE Ph. 505-391-8503
JOE T. JANICA

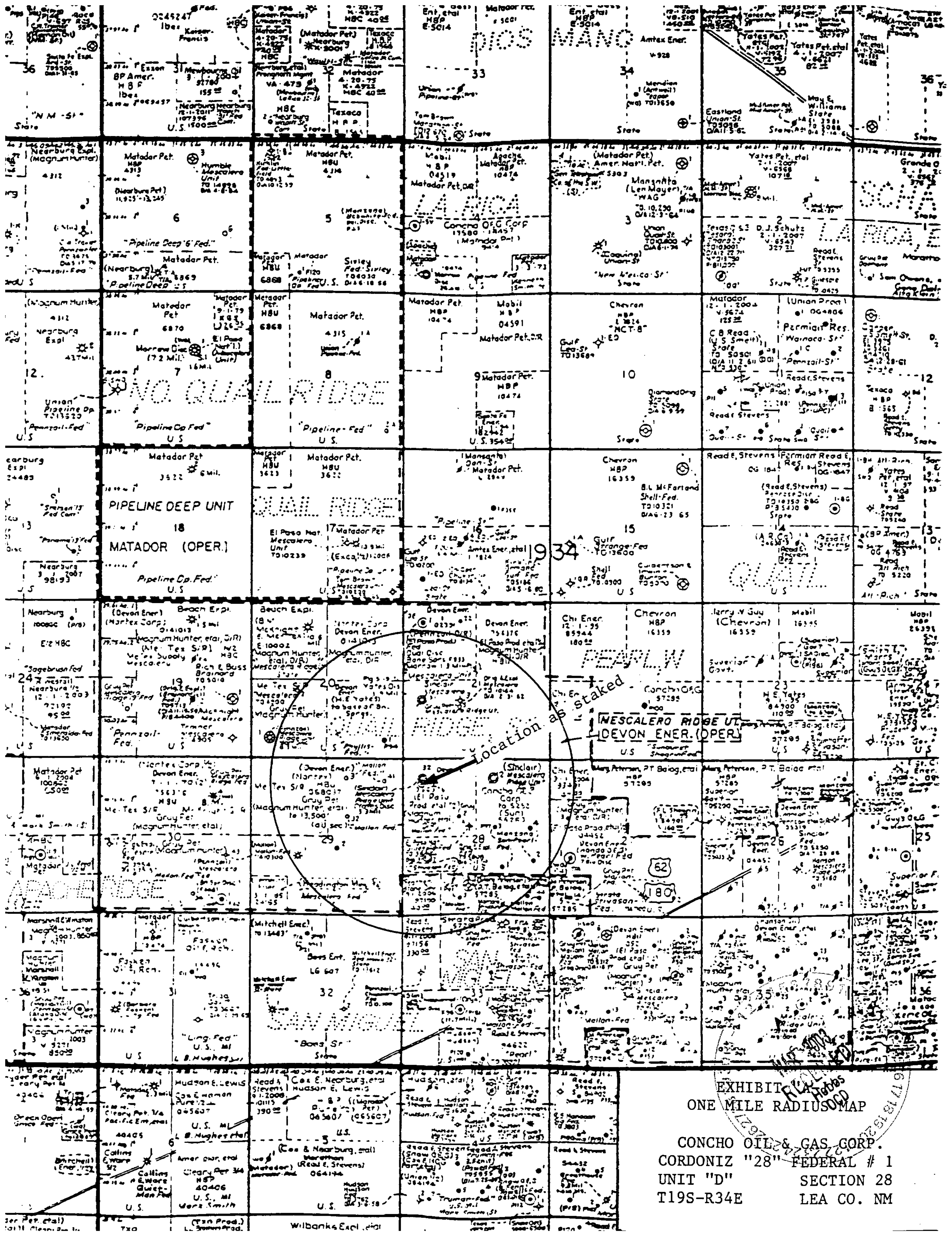
During and after construction:

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

13. 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 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.

NAME : Joe T Janica
DATE : 01/15/03
TITLE : Agent




PIPELINE DEEP UNIT
MATADOR (OPER.)
MESCALERO RIDGE UT.
DEVON ENER. (OPER.)
Location as staked
NO. QUAIL RIDGE
QUAIL RIDGE
LA RICA
PEARL N
APACHE RIDGE
SAN MIGUEL
62
180
EXHIBIT
ONE MILE RADIUS MAP
CONCHO OIL & GAS CORP.
CORDONIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

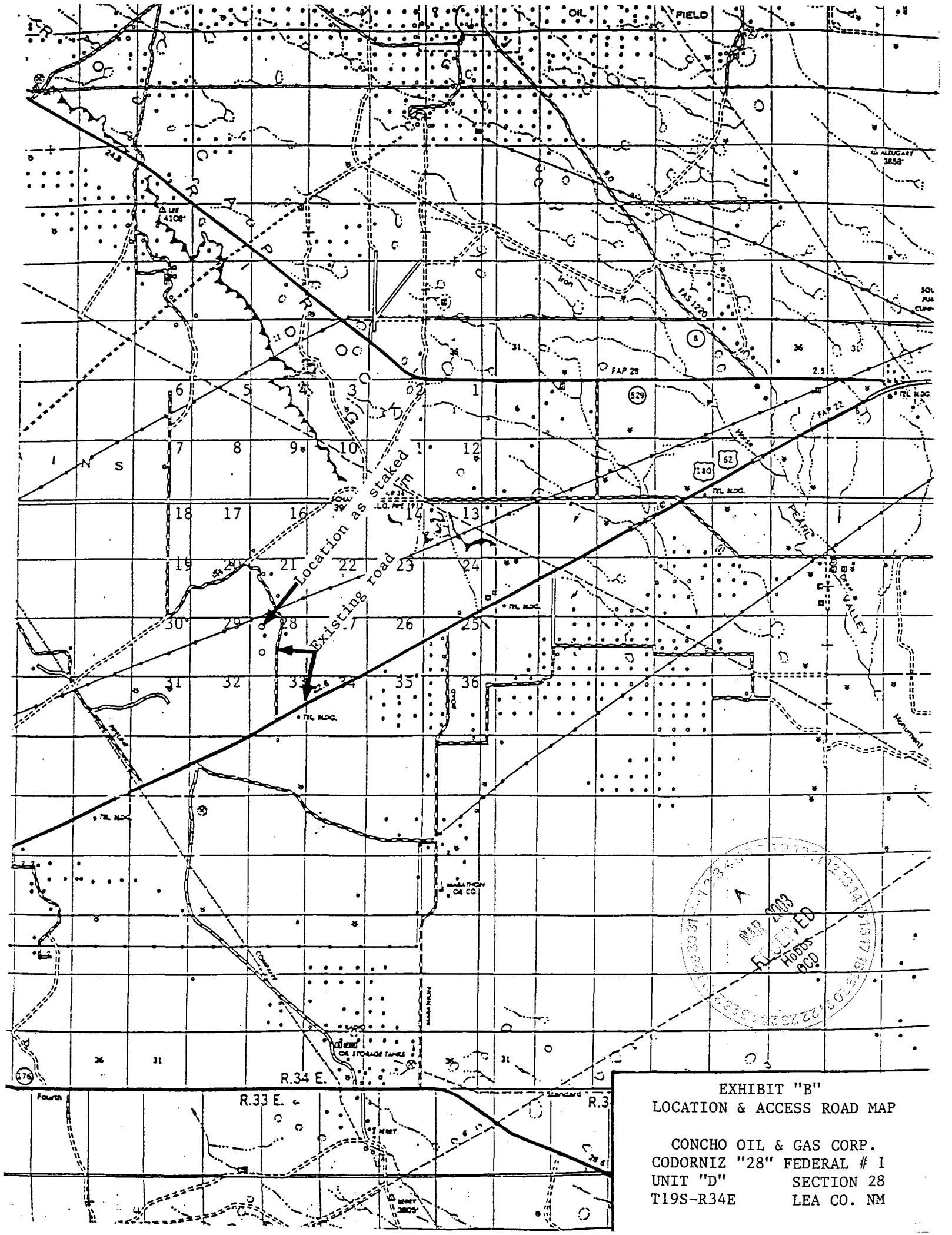


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

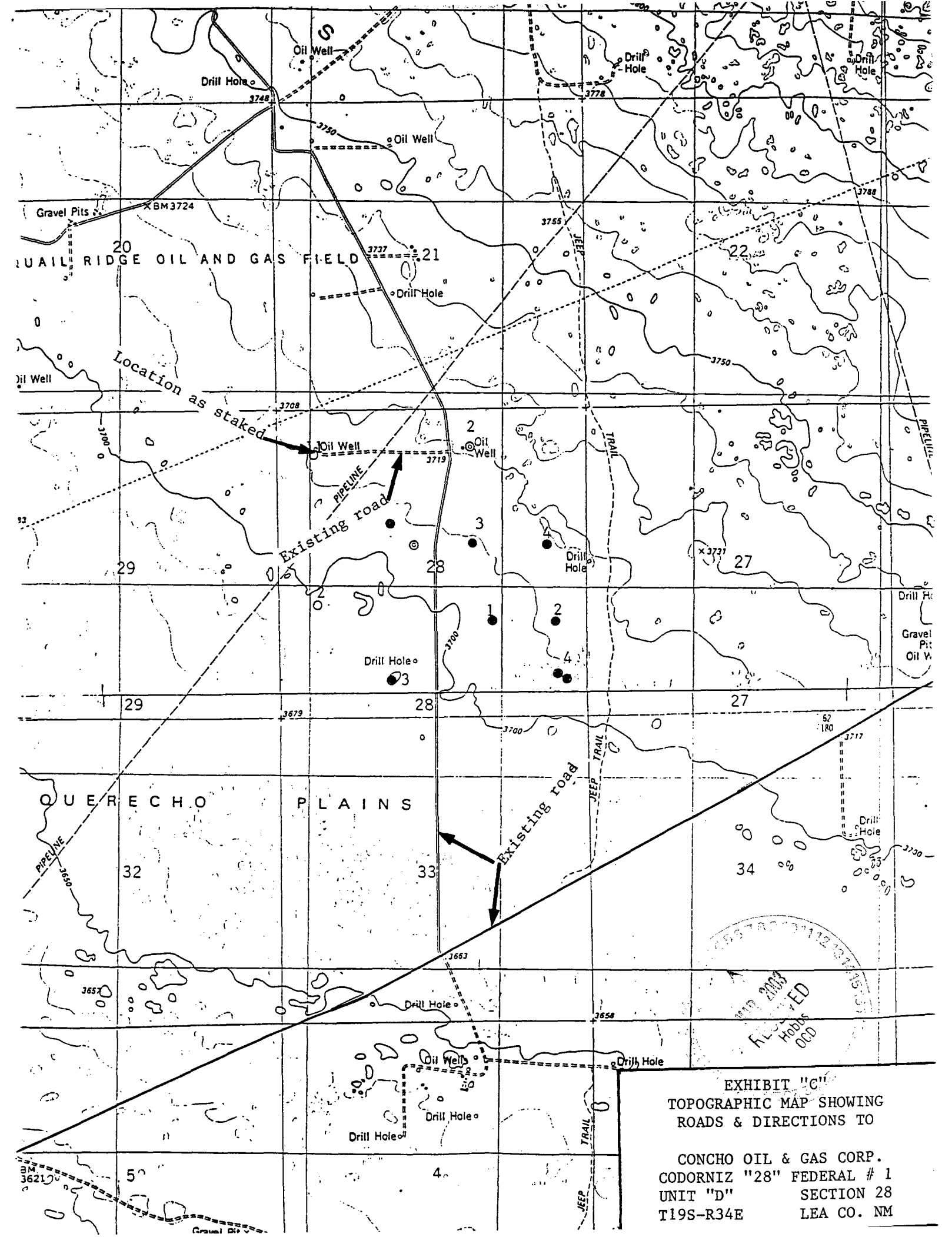
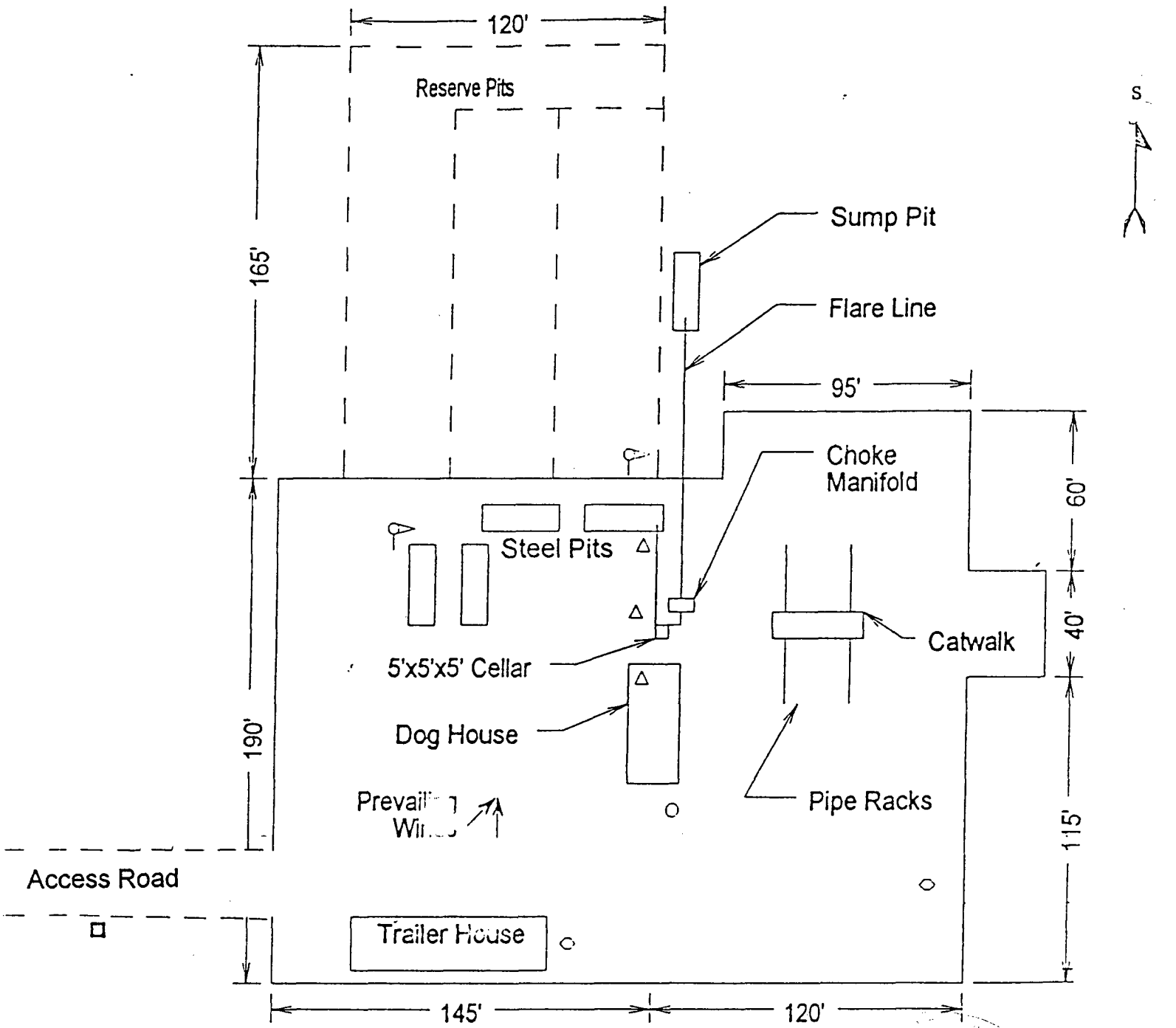


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

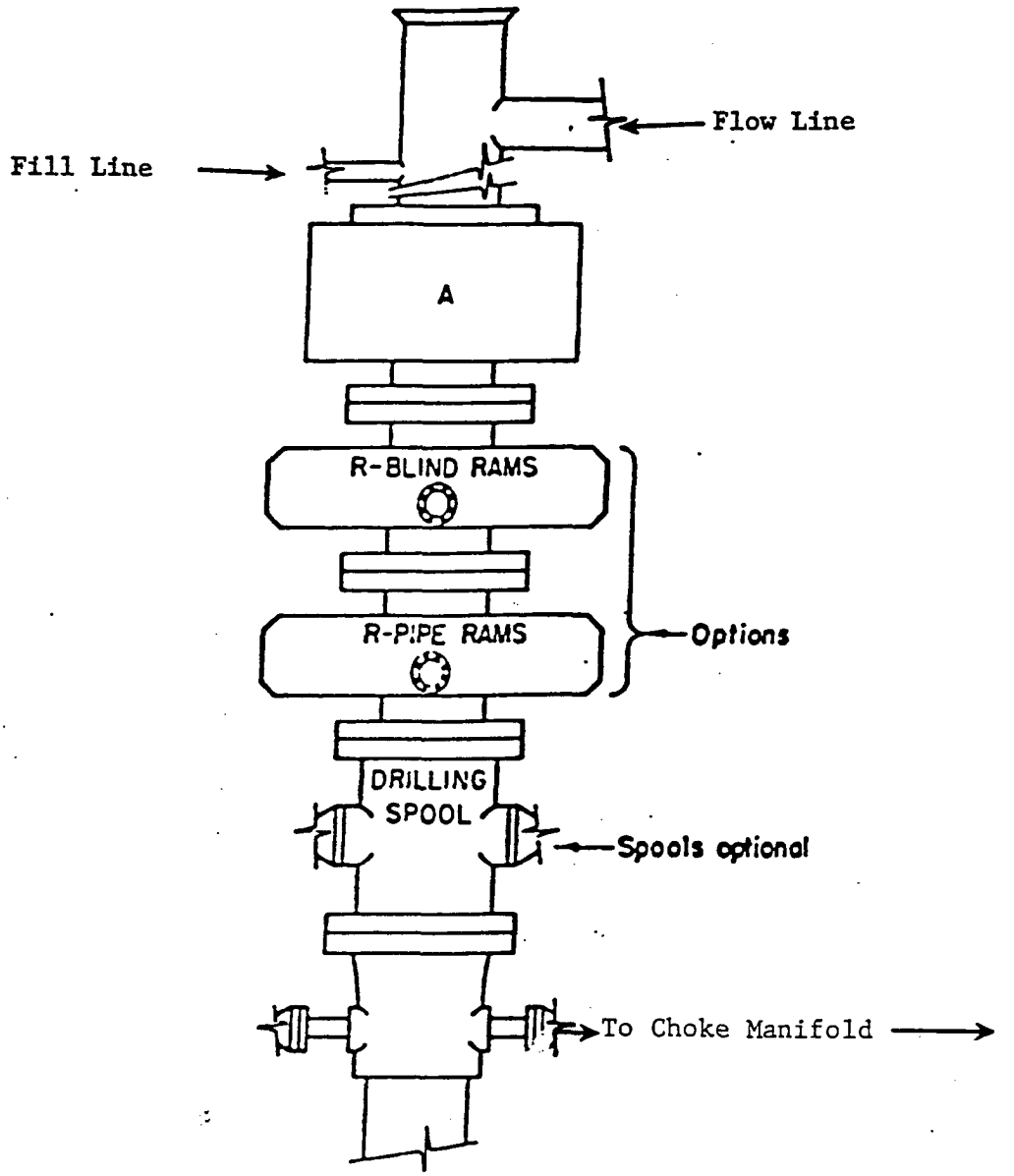
CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM



- 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.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM



ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

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

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

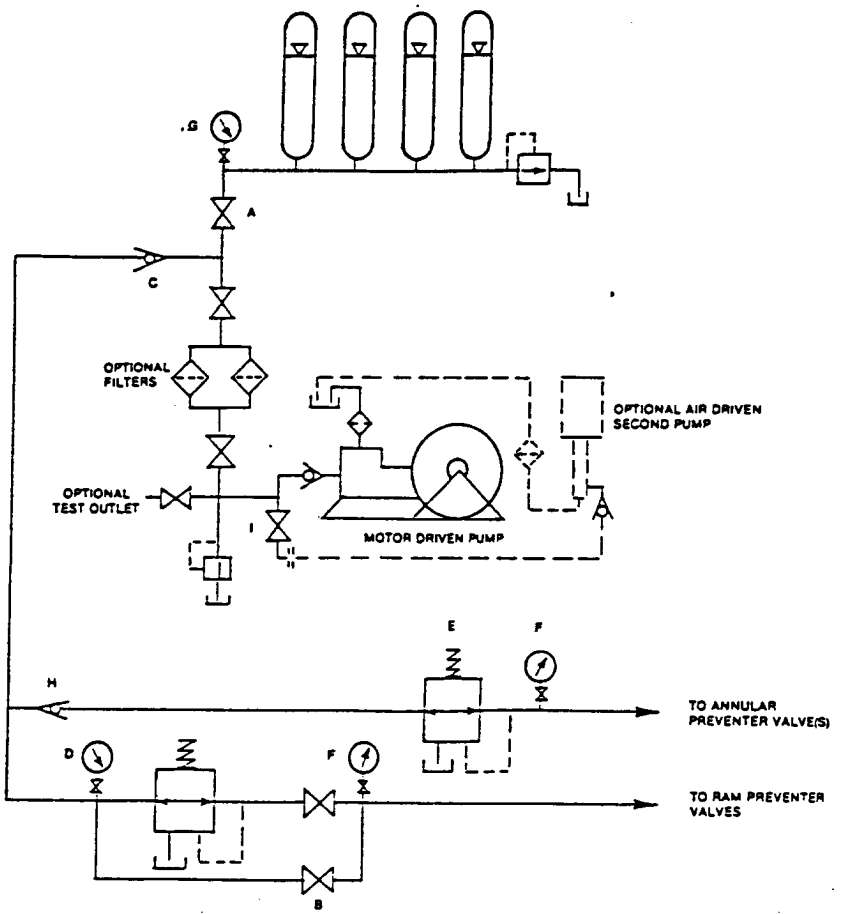


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

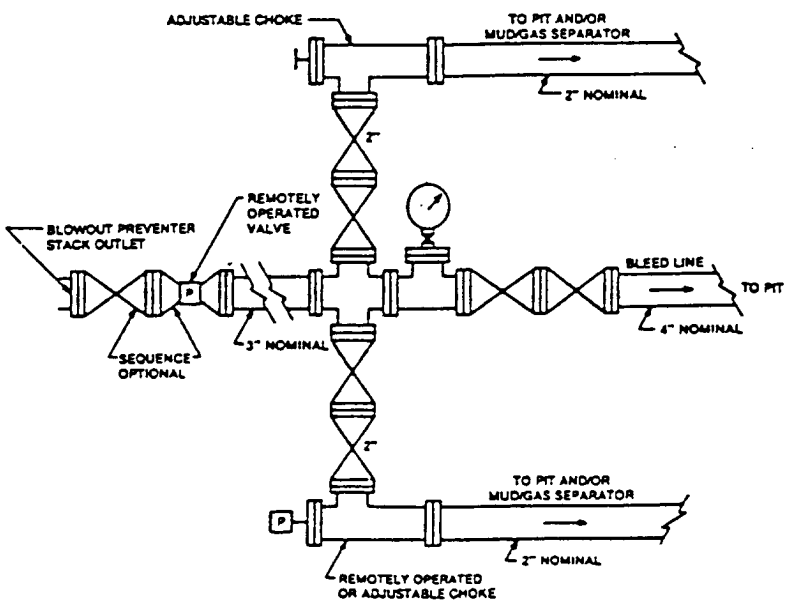


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

CONCHO OIL & GAS CORP.
CODORNIZ "28" FEDERAL # 1
UNIT "D" SECTION 28
T19S-R34E LEA CO. NM

RECEIVED
2003 JAN 24 AM 9:51
BUREAU OF LAND MGMT
ROSWELL, N.M.

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: CONCHO OIL & GAS CORP.

ADDRESS; 110 WEST LOUISIANA
SUITE 410

CITY,STATE, & ZIP: MIDLAND, TEXAS 79701

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

Lease No: NM-056376

Well name: CODORNIZ "28" FEDERAL # 1

Legal Description of land: NW/4 of section 28 T19S-R34E Lea Co. NM

Bond coverage: BLANKET

B.L.M. Bond File No.: NM-27279

JAN 2003
RECEIVED
Hobbs
OCD

Authorized Signature
Joe T. Janica

Title: AGENT

Date: 01/23/03