B-04-41

UNITED STATES N.M. Oil Cons. Division
DEPARTMENT OF THE INTERIOR 1625 N. French Dr.
BUREAU OF LAND MANAGEMENT Hobbs, NM 88240

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-96242

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] 0129

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

8. FARM OR LEASE NAME, WELL NO.: ARCHIE FEDERAL # 1

2. NAME OF OPERATOR: CONCHO RESOURCES, INC. (MARK ELLERBE 432-685-4343)

9. API WELL NO.: 30-025-36507

3. ADDRESS AND TELEPHONE NO.: FASKEN CENTER, TOWER II
550 WEST TEXAS AVE., SUITE 1300 MIDLAND, TEXAS 79701

10. FIELD AND POOL, OR WILDCAT: E-K Delaware

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2150' FNL & 530' FEL SEC. 26 T18S-R33E LEA CO. NM
At proposed prod. zone: SAME Unit H

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 26 T18S-R33E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 30 miles West of Hobbs New Mexico

12. COUNTY OR PARISH: LEA CO. 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
530'	240	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
2500'	6000'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3846' GR.

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'	Redi-mix cement to surface
12¼"	J-55 8 5/8"	32	430'	330 Sx. Circulate to surface
7 7/8"	J-55 5½"	15.5	6000'	1115 Sx.

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.

2. Drill 12¼" hole to 430'. Run and set 430' of 8 5/8" 32# J-55 ST&C casing. Cement with 330 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx., circulate cement to surface.

3. Drill 7 7/8" hole to 6000'. Run and set 6000' of 5½" 15.5# LT&C J-55 casing. Cement with 865 Sx. of Class "C" Light 65/35/6 Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. tail in with 250 Sx. of Class "C" 50/50/2 POZ GEL. Circulate cement to surface.

RECEIVED
DEC 2003
Hobbs OCD

OPER. OGRID NO. 193407
PROPERTY NO. 33194
POOL CODE 21655
EFF. DATE 12/15/03
API NO. 30-025-36507

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 Janet Dennica TITLE Agent DATE 11/01/03

(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:

APPROVED BY /S/ JOE G. LARA ACTING TITLE FIELD MANAGER DATE DEC 10 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

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 87504-2088

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
30-025-36507	21655	EK-DELAWARE

Property Code	Property Name	Well Number
33194	ARCHIE FEDERAL	1

OGRID No.	Operator Name	Elevation
193407	CONCHO RESOURCES INC.	3846'

Surface Location

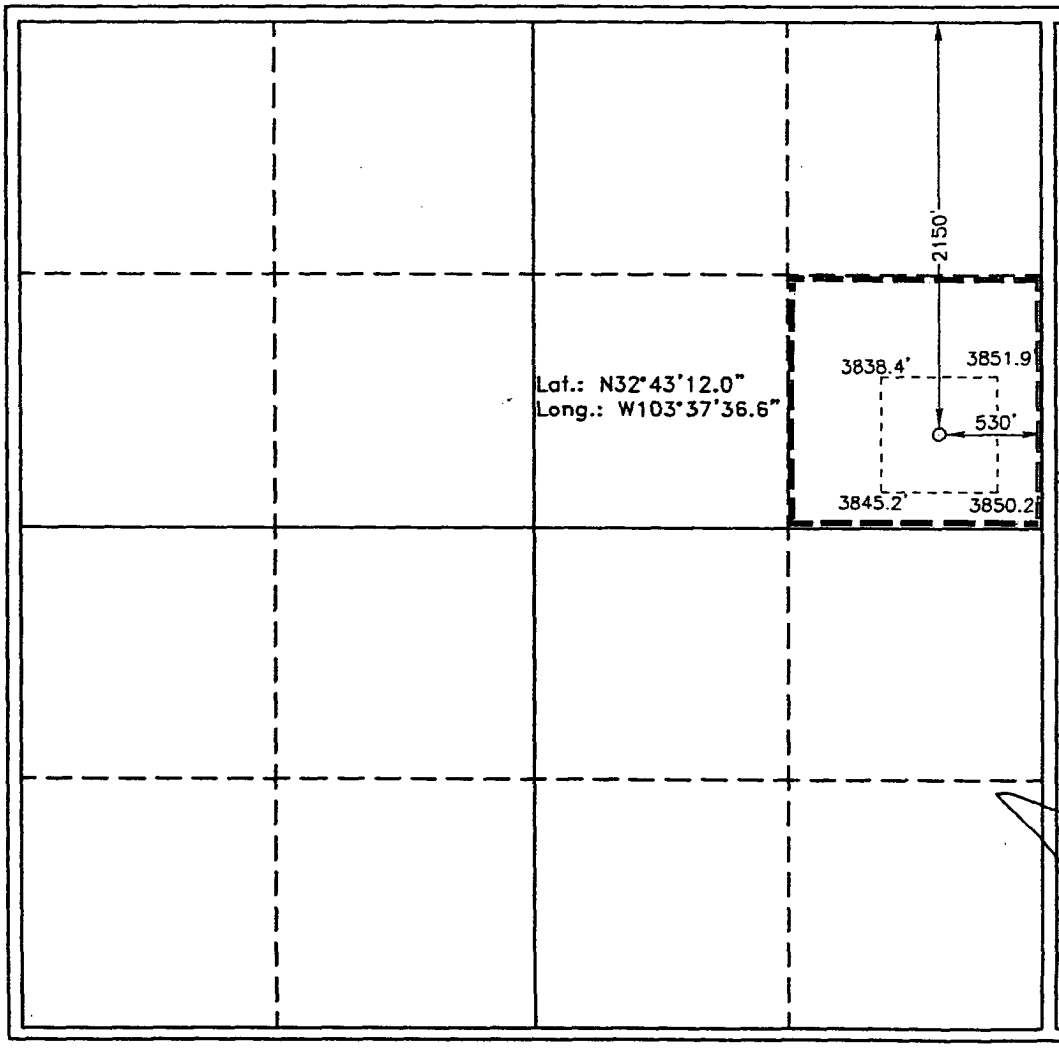
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	26	18 S	33 E		2150	NORTH	530	EAST	LEA

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

11/01/03

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.

October 16, 2003

Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

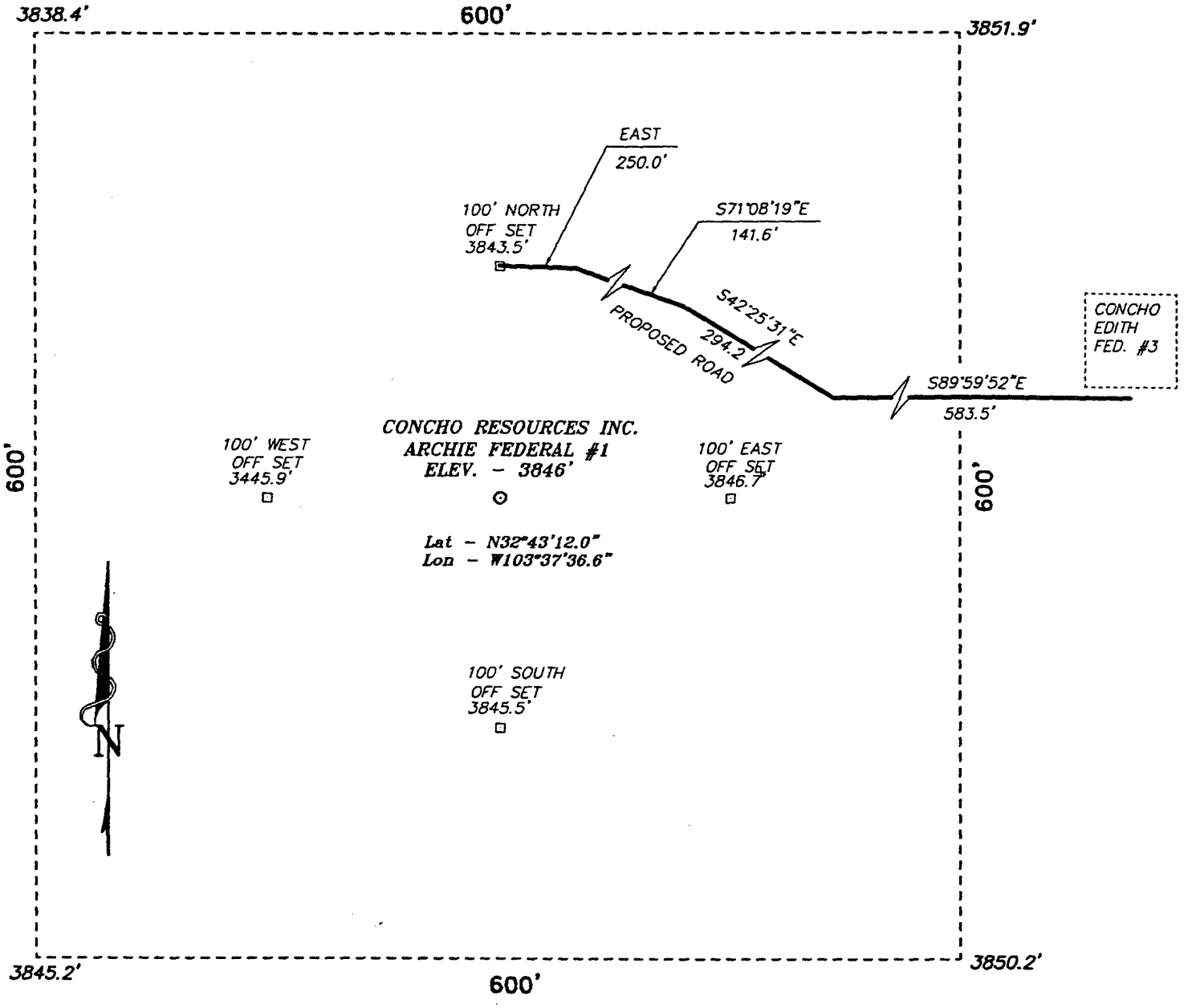
W.O. No. 3697

Certificate No. Gary L. Jones 7977

JLP BASIN SURVEYS

EXHIBIT "A"

SECTION 26, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



100 0 100 200 FEET

SCALE: 1" = 100'

FROM THE MM 17 ON STATHE HWY. 529 GO WEST 0.1 MILES TO LEASE ROAD THEN SOUTH 1.1 MILES, THEN SOUTHWEST 1.1 MILES, THE 0.2 MILES WEST TO CONCHO EDITH #3 & 0+00 ON PROPOSED ROAD.

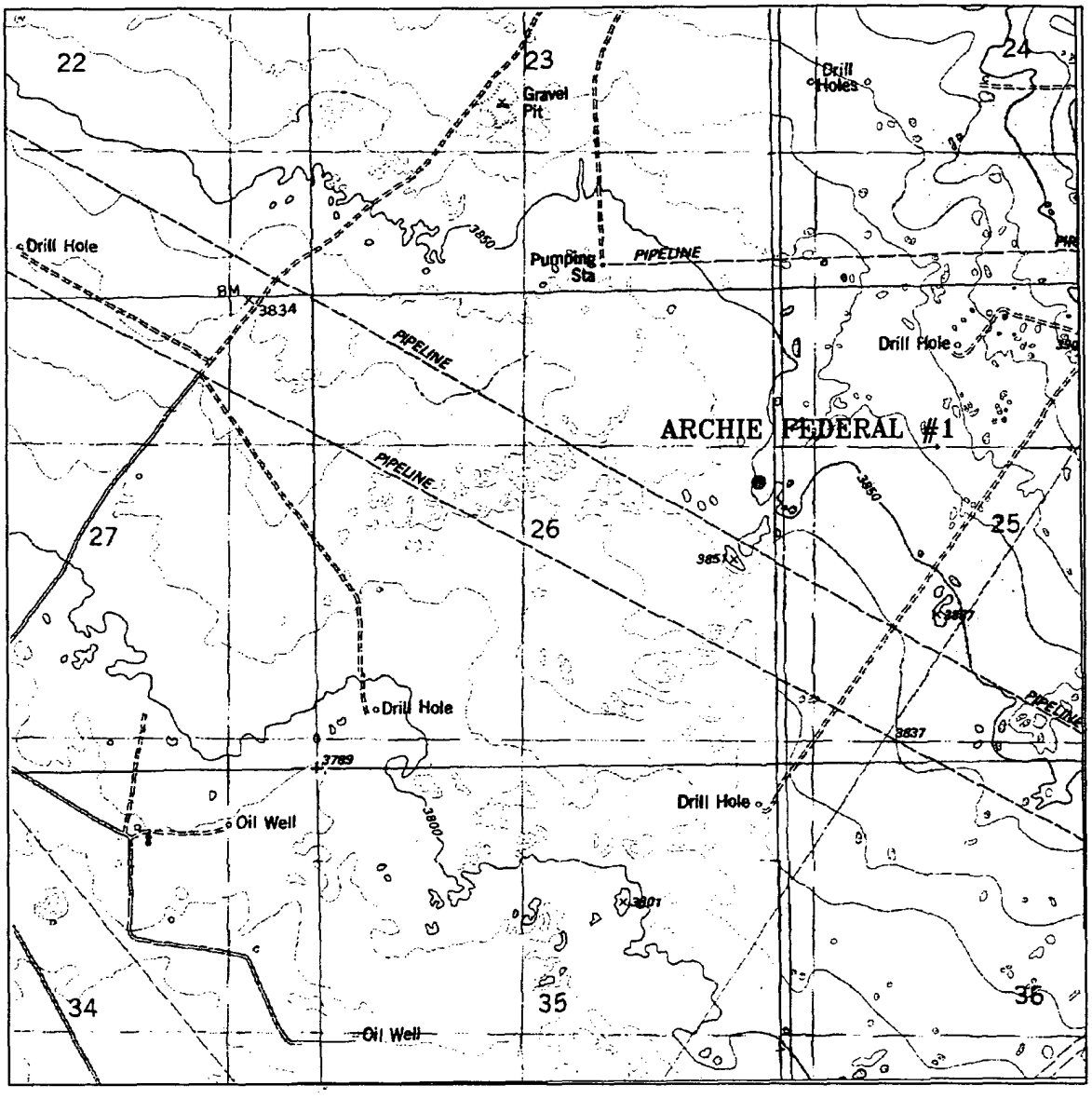
CONCHO RESOURCES INC.

REF: ARCHIE FEDERAL #1 / Well Pad Topo

ARCHIE FEDERAL#1 LOCATED 2150' FROM THE NORTH LINE AND 530' FROM THE EAST LINE OF SECTION 26, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 3697	Drawn By: JAMES PRESLEY		
Date: 10/17/03	Disk: JLP #1 – 3697AA	Survey Date: 10/16/03	Sheet 1 of 1 Sheets



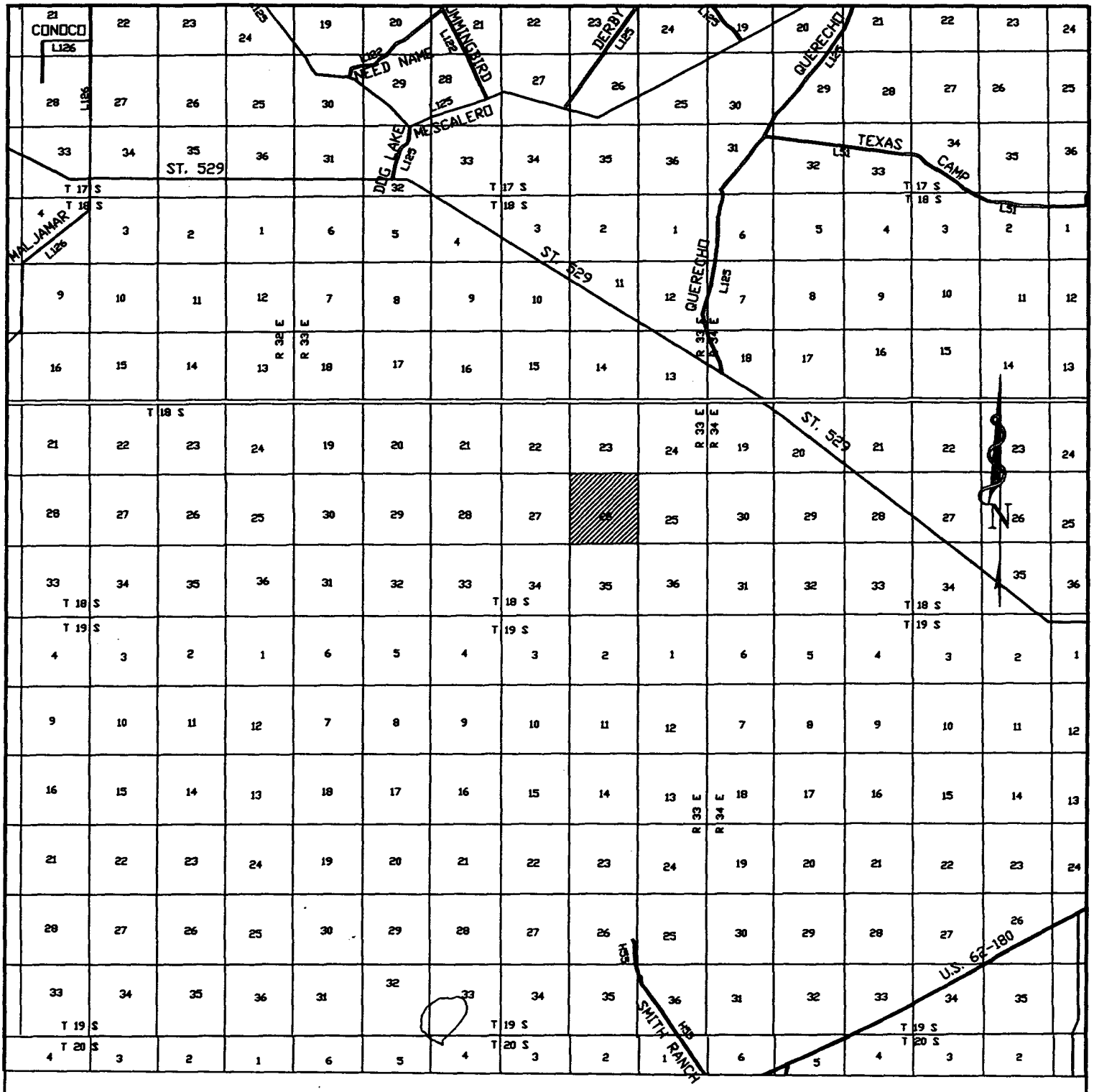
ARCHIE FEDERAL #1
Located at 2150' FNL and 330' FEL
Section 26, Township 18 South, Range 33 East,
N.M.P.M., Lea County, New Mexico.

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:	3697AA - JLP #1
Survey Date:	10/16/03
Scale:	1" = 2000'
Date:	10/17/03

CONCHO RESOURCES INC.



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W.O. Number: 3697AA - JLP #1
Survey Date: 10/16/03
Scale: 1" = 2000'
Date: 10/17/03

CONCHO RESOURCES INC.

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is providedfor your consideration.

1. Location of well: 2150' FNL & 530' FEL SEC. 26 T18S-R33E LEA CO. NM

2. Ground Elevation above Sea Level: 3846' 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: 6000'

6. Estimated tops of geological markers:

Rustler Anhydrite	1630'	Queen	4400'
Yates	3640'	Delaware	5630'

7. Possible mineral bearing formations:

Delaware	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
12¼"	0-430'	8 5/8"	32#	8-R	ST&C	J-55
7 7/8"	0-6000'	5½"	15.5#	8-R	LT&C	J-55

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

9. CASING CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
8 5/8"	Surface	Set 430' of 8 5/8" 32# J-55 ST&C casing. Cement with 330 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele Per Sx. Circulate cement to surface.
5½"	Production	Set 6000' of 5½" 15.5# J-55 LT&C casing. Cement with 865 Sx. of Class "C" Light Weight Cement 65/35/6 + 2% CaCl, + ¼# Flocele/Sx, tail in with 250 Sx. of Class "C" 50/50/2 PPZ Gel, circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 series 3000 PSI working perssure 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 each 24 Hr. period and the blind rams will be operated when the drill pipe is out of on trips. Full opening stabbing valve and upper kelly cock will be available in case if needed. Exhibit "E-1" shows a hydraulically operated closing unit and a 3" 3000 PSI choke manifold with adjustable chokes. No abnormal pressures or temperatures are expected while drilling this well. No problems in offset wells.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-430'	8.4-8.9	29-34	NC	Fresh water Spud Mud add paper to control seepage.
430-1600'	8.4-8.9	28-34	NC	Fresh water/Brine add 2-4% Oil for Red bed stability, use high viscosity sweeps to clean hole.
1600-5400'	10.0-10.2	28-34	NC	Fresh water/Brine + 2-4% Oil Use paper to control seepage and use High Vis.sweeps to clean hole
5400-6000'	10.0-10.3	32-38	15 cc or Less	Mud up and add starch &/or Dris-pac for WL

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 water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

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

B. Run Gamma Ray, Neutron fron 9 5/8" casing shoe back to surface.

C. No DST's, Cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H^2S in this area. If H^2S 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 3000 PSI, and Estimated BHT 154°.

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 12 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 Delaware formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as an oil 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 RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of a County General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing 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 as staked.

   B. From Hobbs, New Mexico take US Hi-way 62-180 west to junction with State Hi-way 529 bear Right take 529 13.5 miles to Milepost 17, turn South go 1.1 miles bear Right go 1.6 miles turn west go to well # 3 from well # 3 continue West for approximately 600' to location.

   C. Flowlines and powerlines will be laid and constructed along road R-O-W. See Exhibit "F"

2. PLANNED ACCESS ROADS: Approximately 600' of new road will be constructed.

   A. The access road will be crowned and ditched to a 12'00" wide travel surface with a 40' right-of-way.

   B. Gradient on all roads will be less than 5.00%.

   C. No turnouts will be necessary.

   D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.

   E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.

   F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.

3. LOCATION 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"

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.

9. WELL SITE LAYOUT:

A. Exhibit "D" shows the proposed well site layout.

B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.

C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encontered during pit construction indicate that a plastic liner is required to contain lateral migration.

D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.

E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completionphases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out.If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E 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 furture erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

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 RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

11. OTHER INFORMATION:

A. Topography consists of low lying sand dunes with a slight dip to the West. The deep sandy soil supports shinnery oak, native grasses, and an occasional mesquite tree.

B. The surface is owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. The surface is used for the grazing of livestock and the production of Oil & Gas.

C. An archaeological survey has been done and is on file in the Carlsbad Field Office of The Bureau of Land Management.

D. There are no dwellings in the near vicinity of this location.

12. OPERATIOR'S 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 RESOURCES, INC.
FASKEN CENTER, TOWER II
550 WEST TEXAS AVE. SUITE 1300
MIDLAND, TEXAS 79701
OFFICE 432-683-7443
MARK ELLERBE 432-685-4343

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and the 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 are true and correct, and that the work associated with the operations proposed herein will be performed by CONCHO RESOURCES, INC. it's contractors/subcontractors is in confirmity 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 : 11/01/03
TITLE : Agent

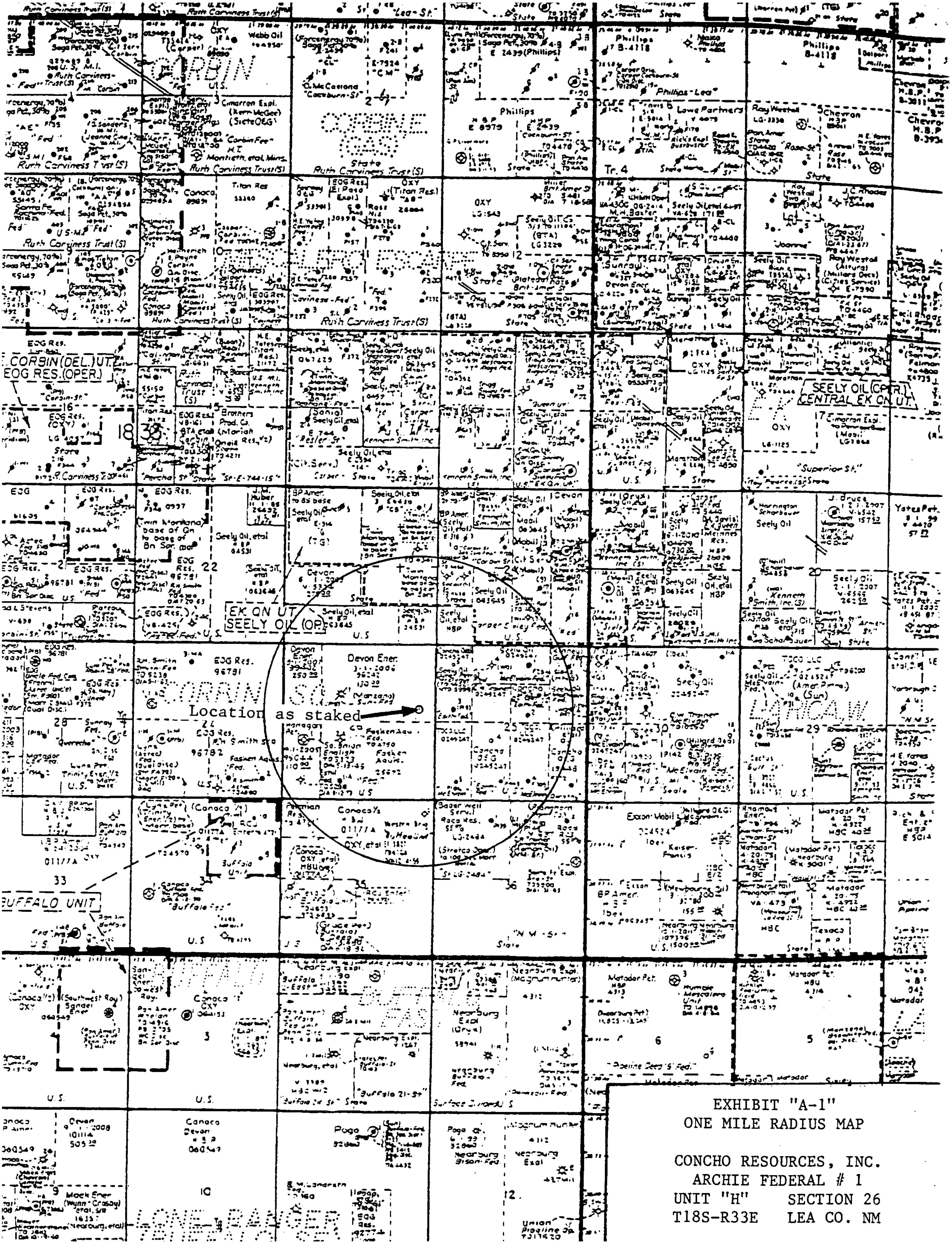


EXHIBIT "A-1"
ONE MILE RADIUS MAP

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

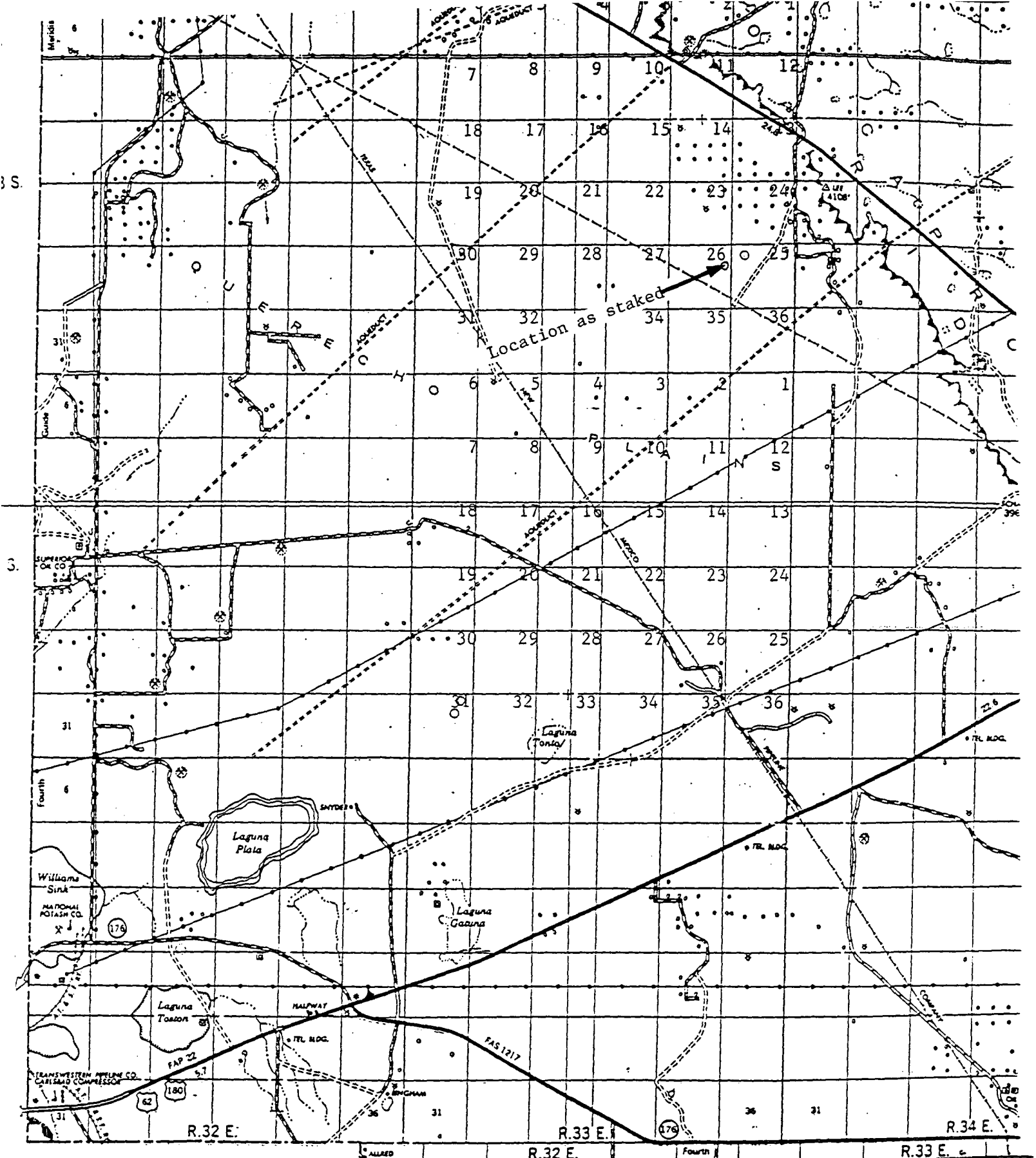


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

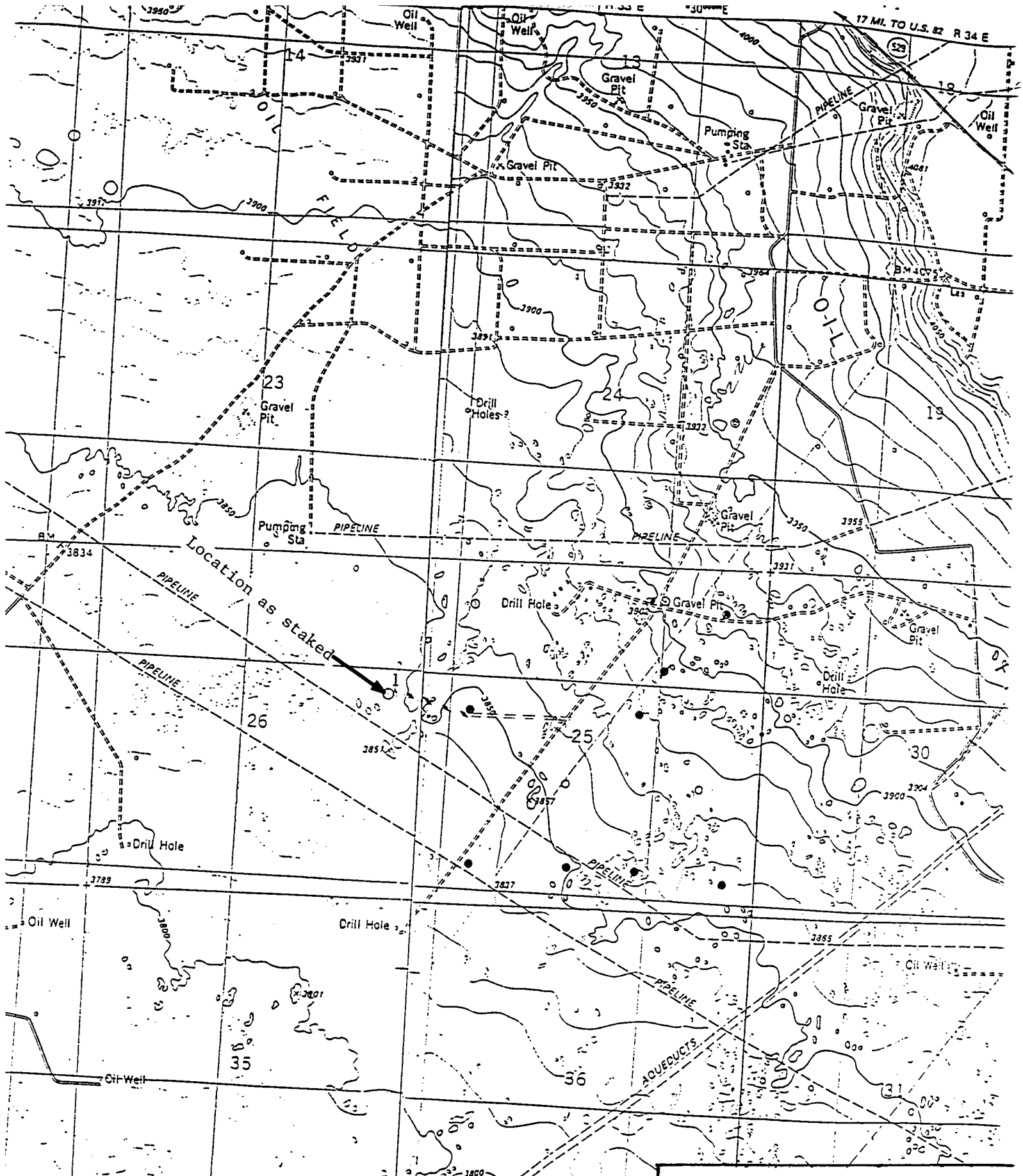
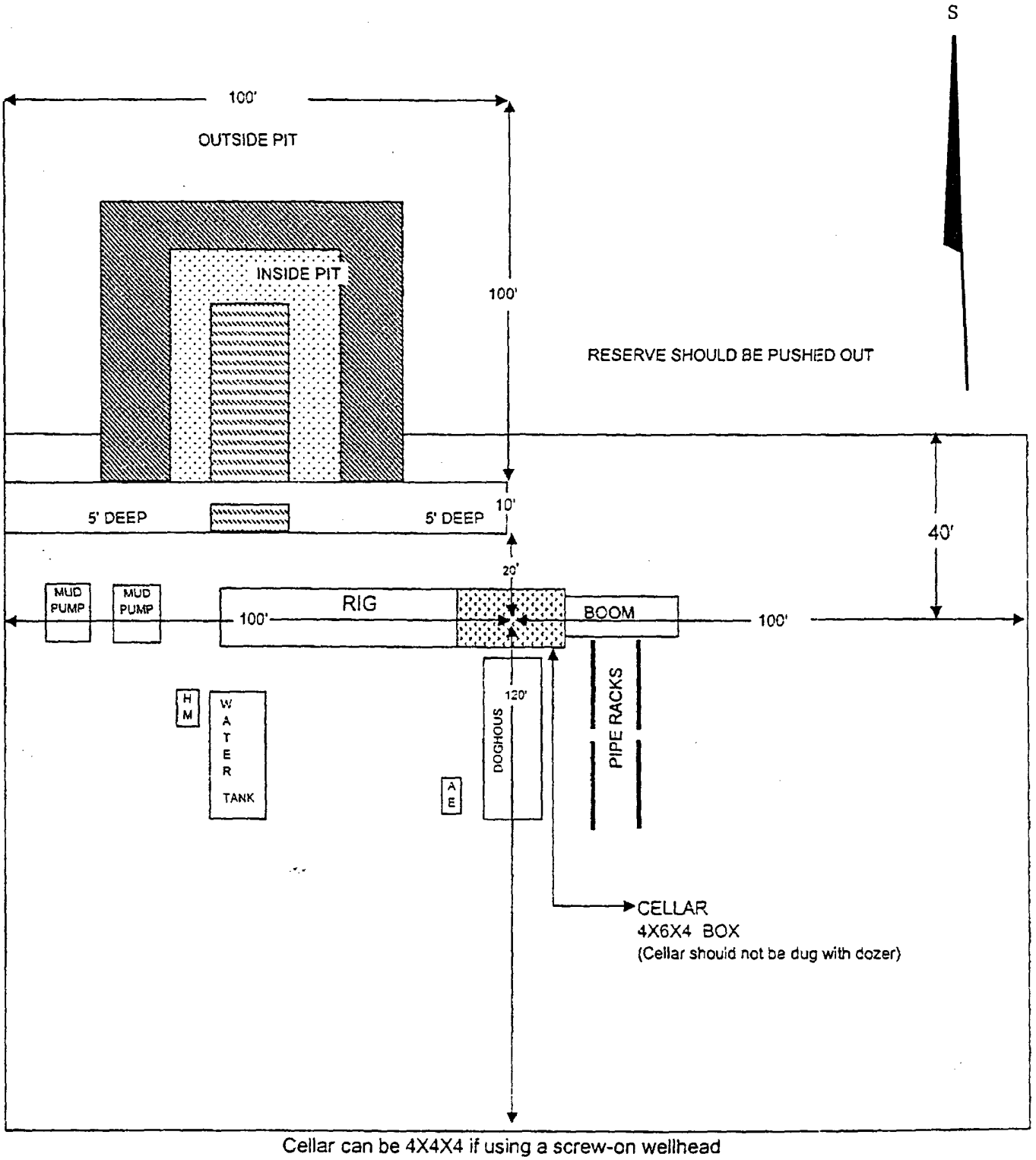


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

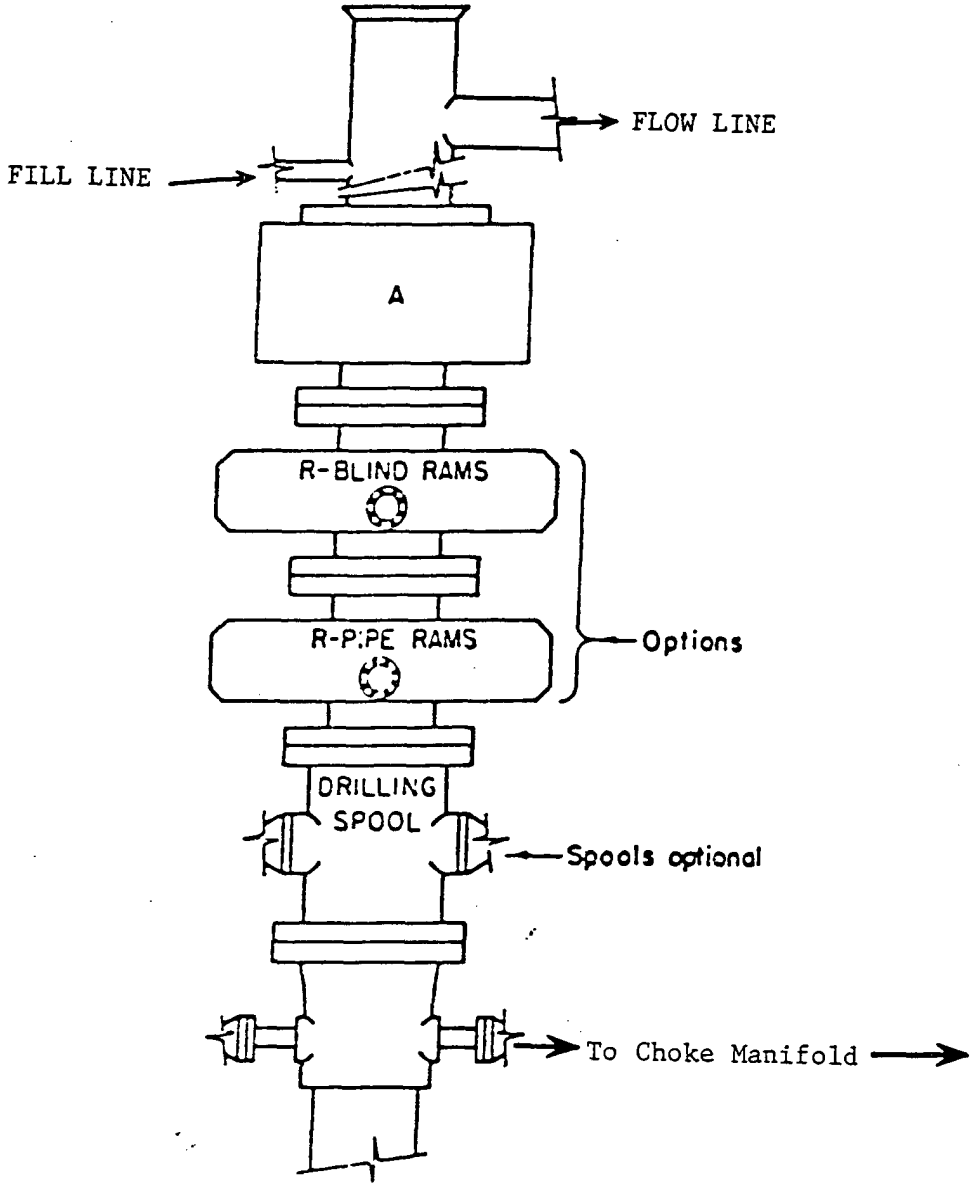
CapStar Drilling, Inc.
LOCATION SPECIFICATIONS AND RIG LAYOUT
FOR EARTH PITS



Cellar can be 4X4X4 if using a screw-on wellhead
Working Pits dug 5' below ground level

EXHIBIT "D"
RIG LAYOUT PLAT

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNITI "H" SECTION 26
T18S-R33E LEA CO. NM

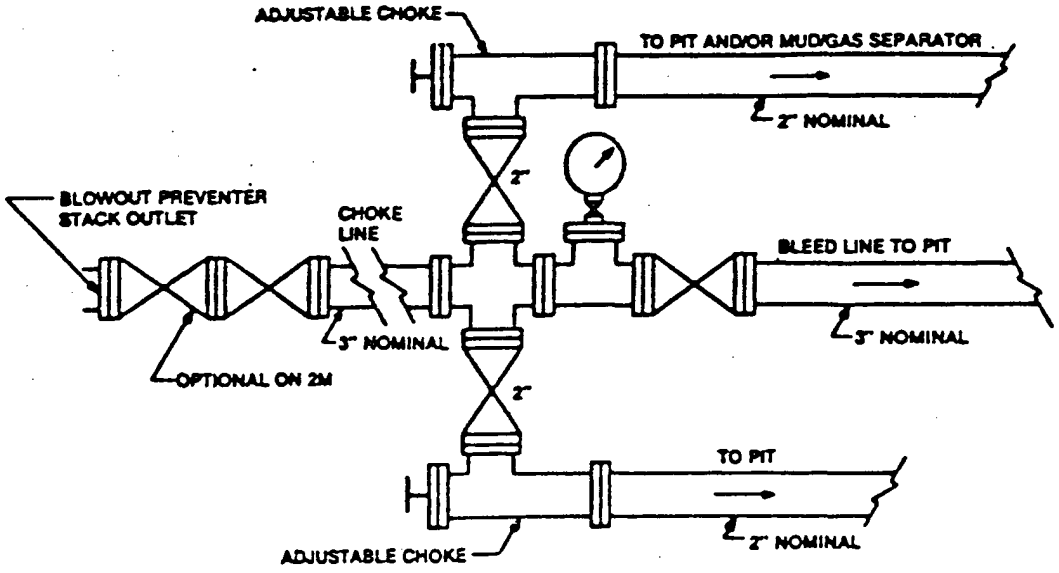


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM



Typical choke manifold assembly for 3M WP system

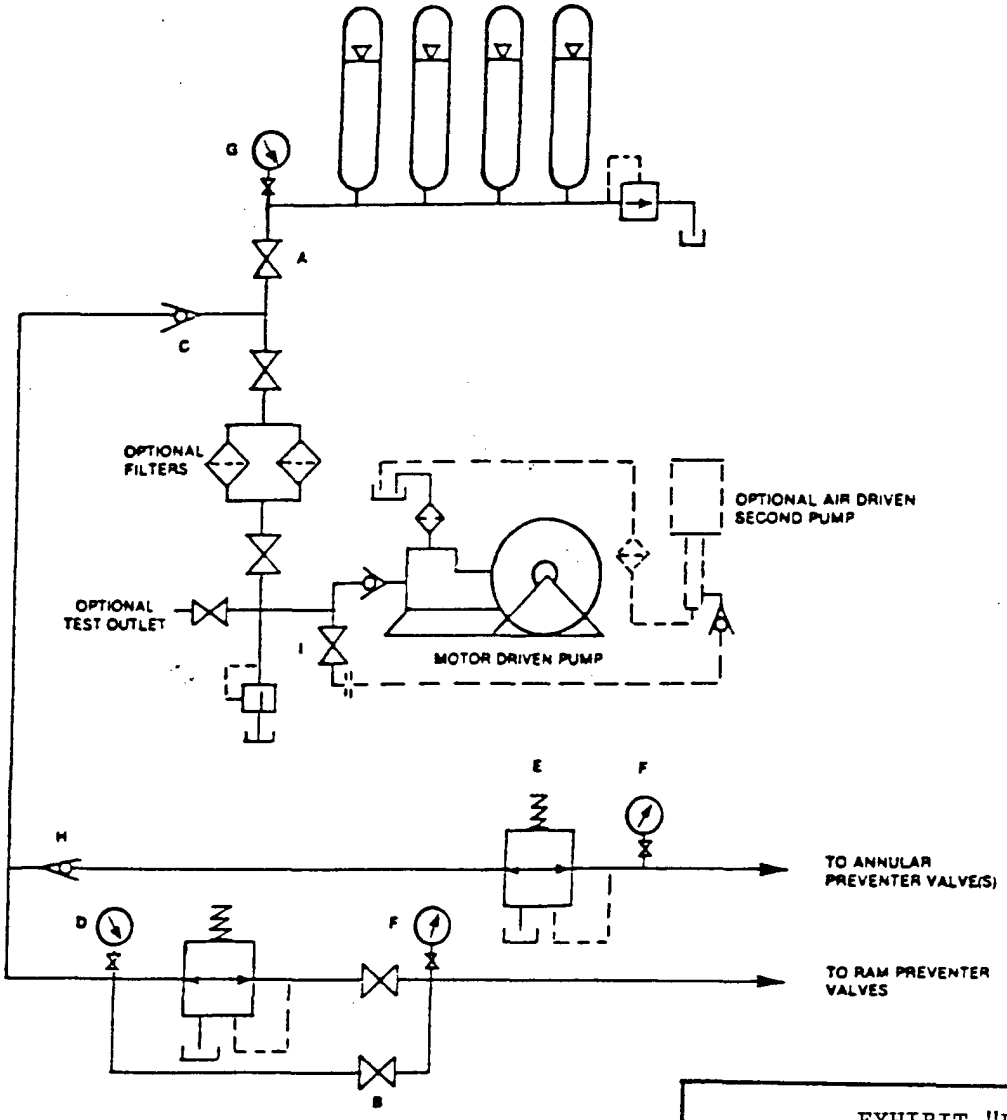


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

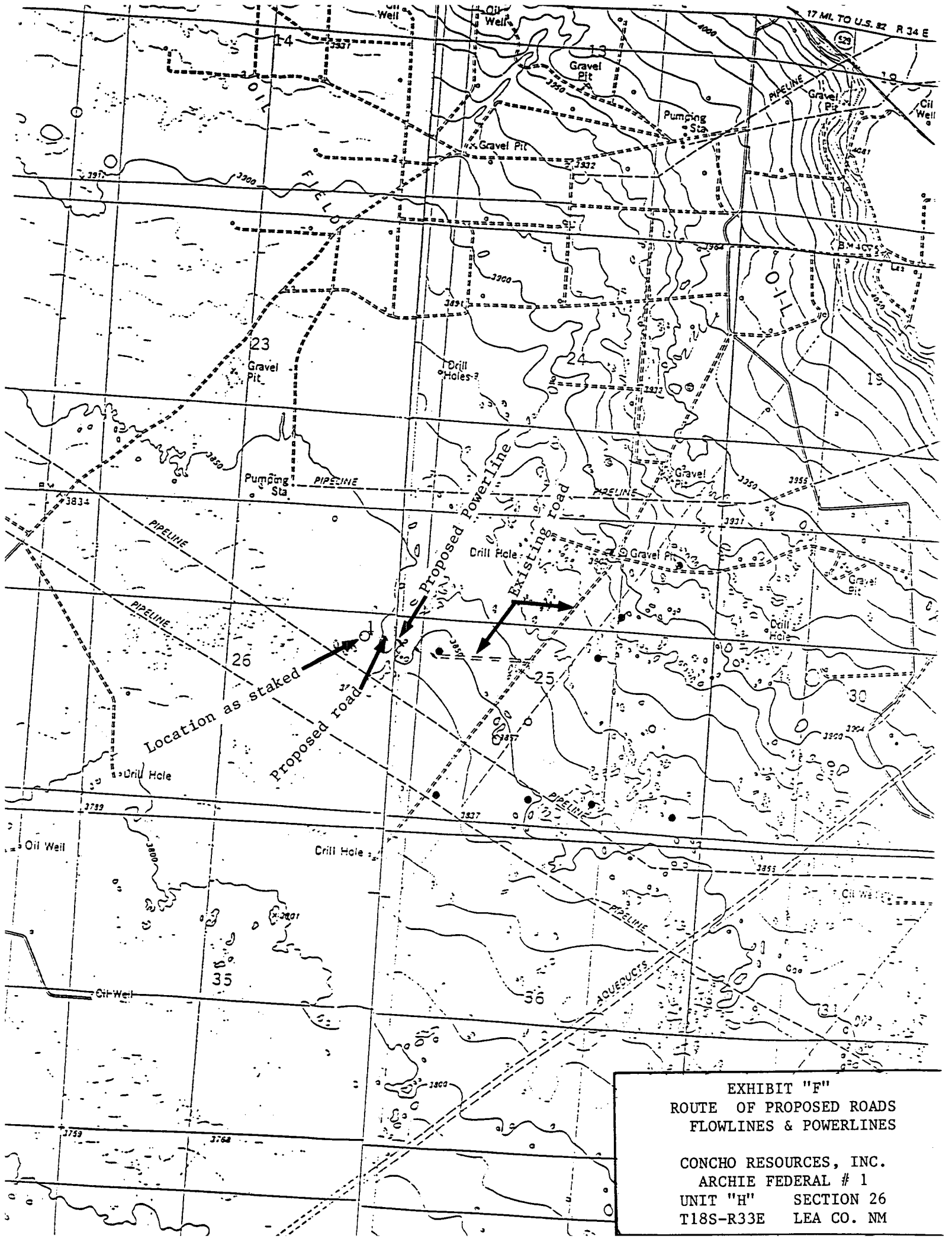


EXHIBIT "F"
ROUTE OF PROPOSED ROADS
FLOWLINES & POWERLINES

CONCHO RESOURCES, INC.
ARCHIE FEDERAL # 1
UNIT "H" SECTION 26
T18S-R33E LEA CO. NM

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name	:	CONCHO RESOURCES INC.
Street or Box	:	550 W. TEXAS, SUITE 1300
City, State	:	MIDLAND, TEXAS
Zip Code	:	79701

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

Lease No.: NMNM-96242

Legal Description of Land: INSOFAR AND ONLY INSOFAR AS LEASE COVERS:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.
SECTION 26: NE/4

Formation(s) (if applicable):

Bond Coverage (State if individually bonded or another's bond): INDIVIDUALLY

BLM Bond File No.: NM 46722

CONCHO RESOURCES INC.

Authorized Signature: Garland H. Lang III
Title: Garland H. Lang III
Senior Landman

Date: December 4, 2003