Form 3160-3
(July 1992)

B-04-3

N.M. Oil Cons. Division
1625 N. French Dr.
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-~~39965~~ 109434
6. IF INDIAN, ALLOTTEE OR TRIBE NAME ————
7. UNIT AGREEMENT NAME ————
8. FARM OR LEASE NAME, WELL NO. BURRUS "23" FEDERAL # 1
9. API WELL NO. 30-025-36566
10. FIELD AND POOL, OR WILDCAT: TRINITY-WOLFCAMP
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SECTION 23 T12S-R38E
12. COUNTY OR PARISH: LEA CO.
13. STATE: New Mexico

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

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

2. NAME OF OPERATOR: CONCHO EXPLORATION, INC. (MARK ELLERBE 432-683-4343)

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FSL & 2170' FEL SECTION 23 T12S-R38E LEA CO. NM
At proposed prod. zone: SAME — Unit B

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 15 miles East of Tatum New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 330'

16. NO. OF ACRES IN LEASE: 280

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.: NA

19. PROPOSED DEPTH: 9300'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3789' GR. NO 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	430'	485 Sx. circulate cement to surface
12¼" & 11"	HCK-55,J-55 8 5/8"	32	4500'	1240 Sx. " " " "
7 7/8"	N-80,J-55 5½"	17	9300'	975 Sx. Estimate TOC 4000' FS.

OPER. OGRID NO. 168458
PROPERTY NO. 33412
POOL CODE 59890
EFF DATE 2/10/04
API NO. 30-025-36566

SEE ATTACHED SHEET

RECEIVED FEB 2004 Hobbs OCD

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 Joe T Janica 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 TITLE Acting FIELD MANAGER DATE FEB 04 2004

*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 ...

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surfqce with Redi-mix.
2. Drill 17½" hole to 430'. Run and set 430' of 13 3/8" 48# H-40 ST&C casing. Cement with 485 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
3. Drill 12¼" hole to 2300'± (thru the red beds) reduce hole to 11" and drill to 4500'. Run and set 4500' of 8 5/8" casing as follows: 500' of 85/8" 32# HCK-55 ST&C, 4000' of 8 5/8" 32# J-55 ST&C casing. Cement with 1040 Sx. of Class "C" 50/50/10 POZ Gel + 5% salt + 3# Gilsonite/Sx + ¼# Flocele/Sx., tail in with 200 Sx. of Class "C" cement + 1% CaCl. Circulate cement to surface.
4. Drill 7 7/8" hole to 9300'. Run and set 9300' of 5½" casing as follows: 1200' of 5½" 17# N-80 LT&C, 6400' of 5½" 17# J-55 LT&C, 1700' of 5½" 17# N-80 LT&C casing. Cement with 525 Sx. of 50/50/10 POZ Class "H" + 5% Salt + 5# Gilsonite/Sx. + ¼# Flocele/Sx, tail in with 450 Sx. of 50/50/2 POZ Class "H" cement + 5% Salt + .4% D167 + .2% D65, + .1% D13. Estimate top of cement 4000' from surface.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-36566	59890	TRINITY-WOLFCAMP

[4] Property Code	[5] Property Name	[6] Well Number
33412	BURRUS "23" FED	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
168489	CONCHO EXPLORATION, INC.	3789'

[10] Surface Location

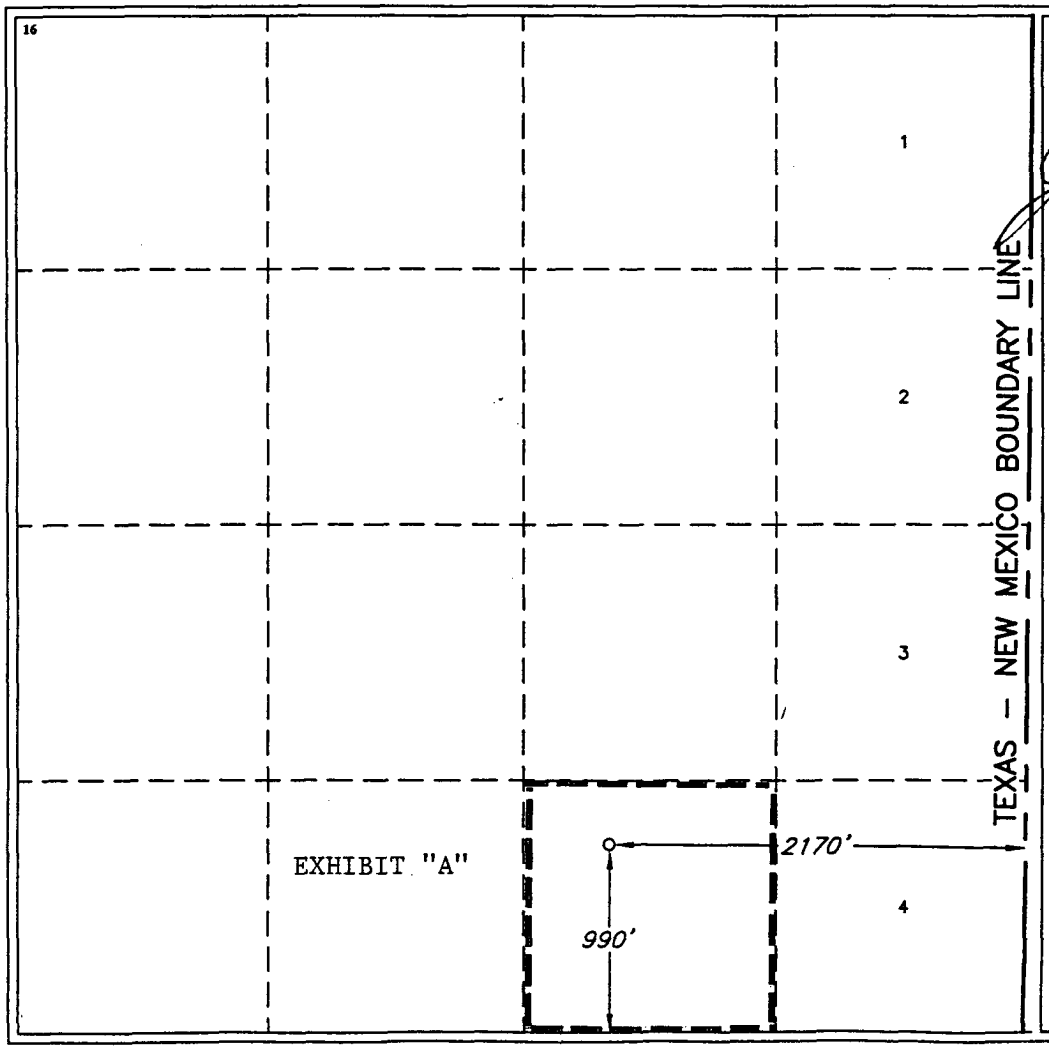
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	23	12 SOUTH	38 EAST, N.M.P.M.		990'	SOUTH	2170'	EAST	LEA

[11] 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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



[17] OPERATOR CERTIFICATION

I hereby certify that 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

[18] 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.

OCTOBER 14, 2003
Date of Survey

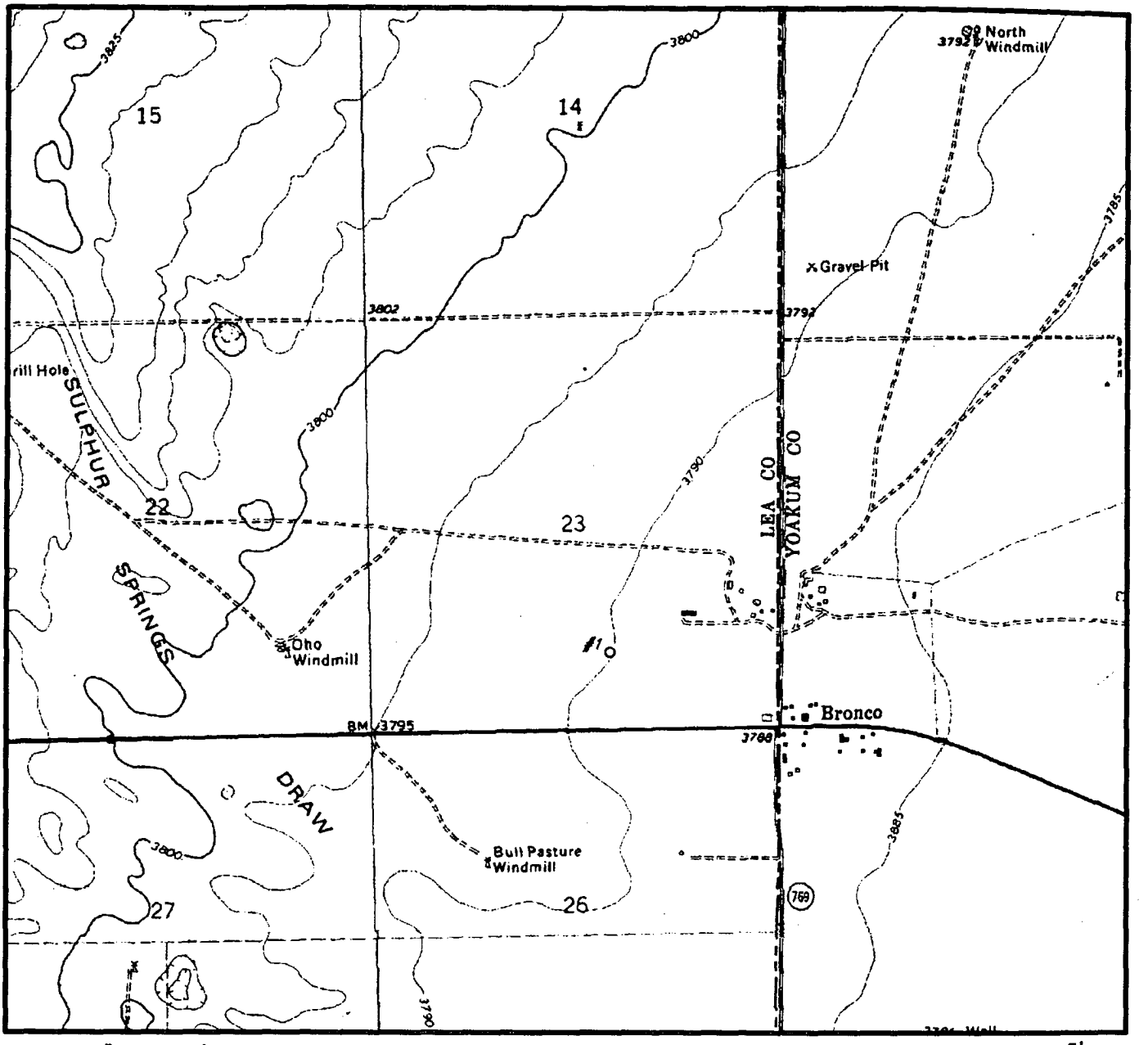
Signature and Seal of Professional Surveyor

STATE OF NEW MEXICO
V. LYNN
BEZNER
NO. 7920
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number V. L. BEZNER R.P.S. #7920

JOB #90867 / 145 SE / E.U.O

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 5'

SECTION 23 TWP 12-S RGE 38-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 990' FSL & 2170' FEL

ELEVATION 3789'

OPERATOR **CONCHO EXPLORATION, INC.**

LEASE BURRUS "23" FED #1

U.S.G.S. TOPOGRAPHIC MAP

BRONCO, NEW MEXICO

SCALED LAT. N = 33°15'34"

LONG. W = 103°03'57"

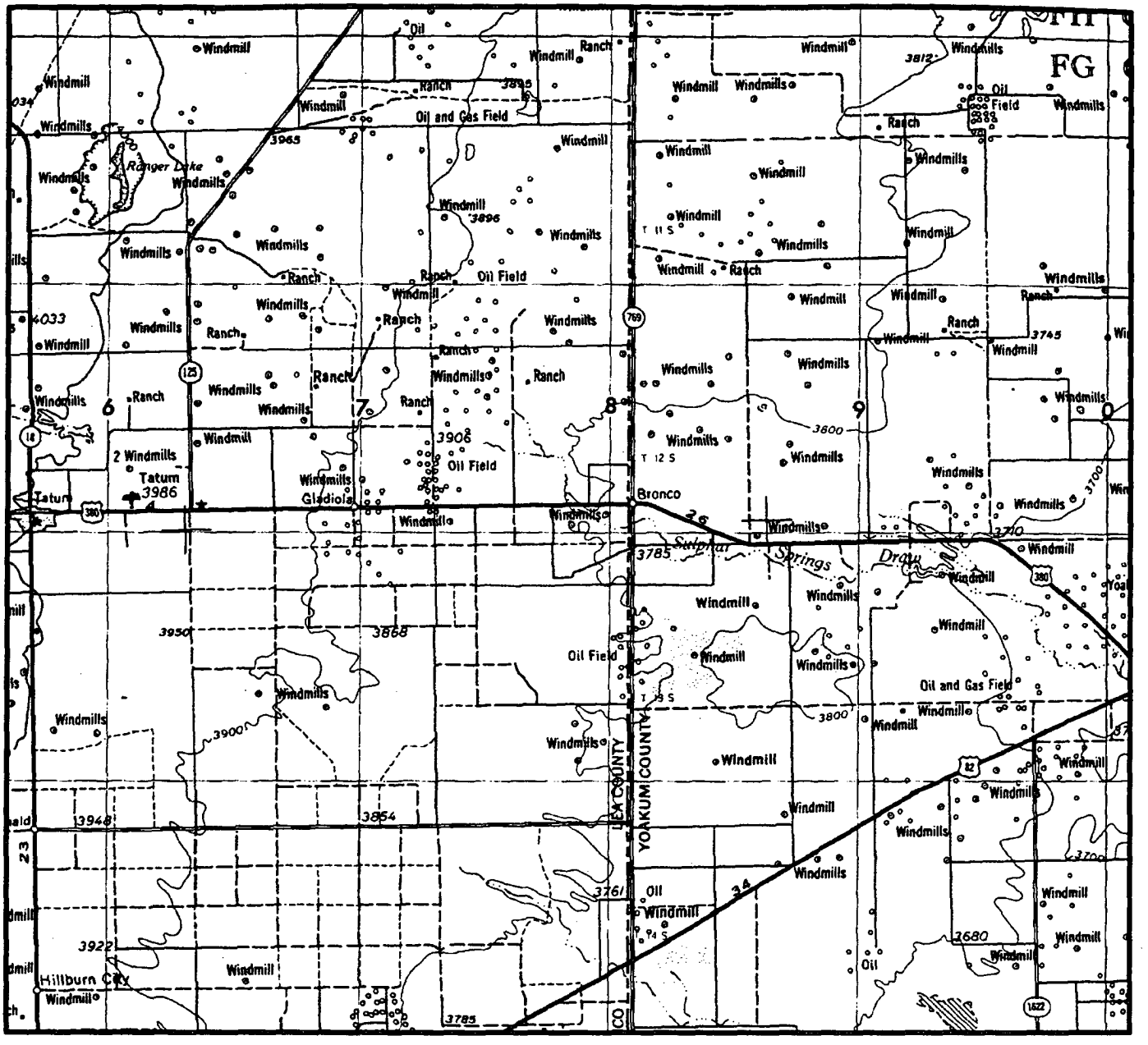
-N-

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

VICINITY MAP



SECTION 23 TWP 12-S RGE 38-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 990' FSL & 2170' FEL

OPERATOR **CONCHO EXPLORATION, INC.**

LEASE BURRUS "23" FED #1

DISTANCE & DIRECTION FROM INT. OF HWY. 769 & HWY. 380 IN BRONCO ±15.0 SOUTHEAST CORNER OF SECTION 23

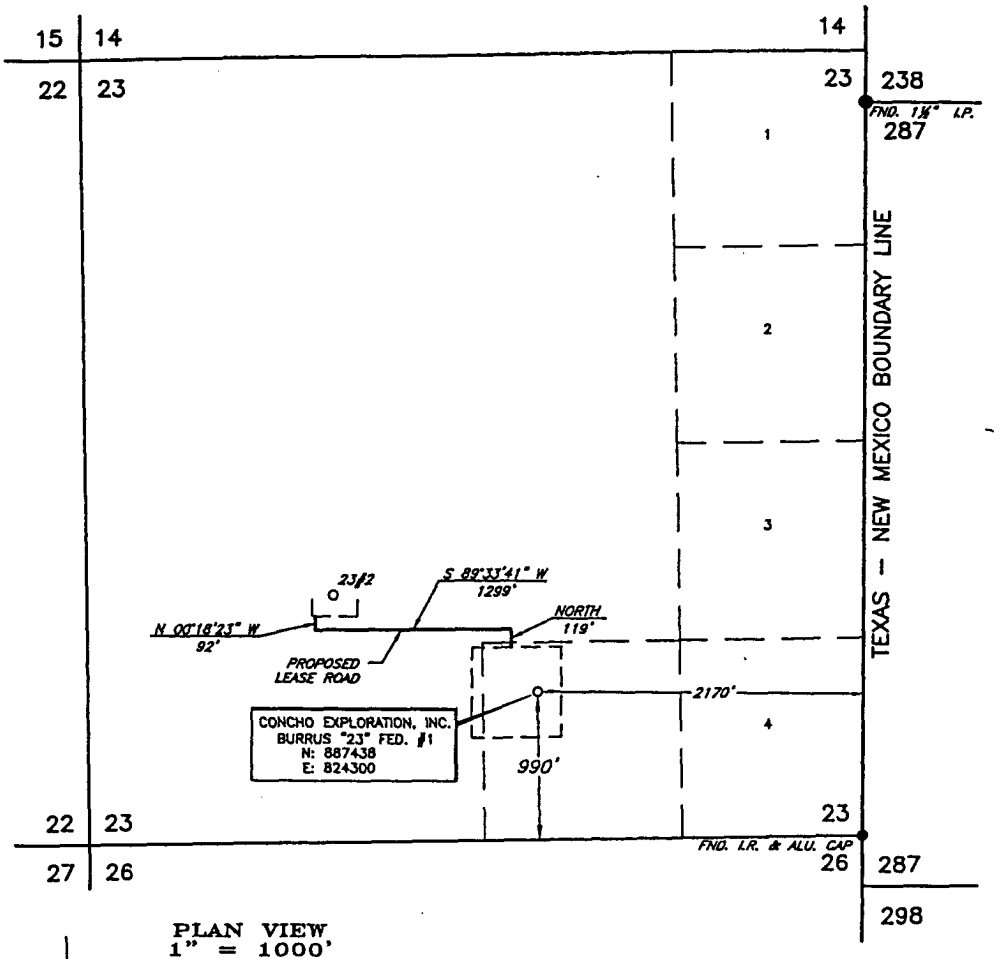
N

TOPOGRAPHIC LAND SURVEYORS

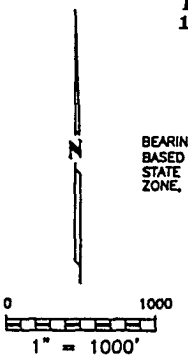
Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 23, T-12-S, R-38-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

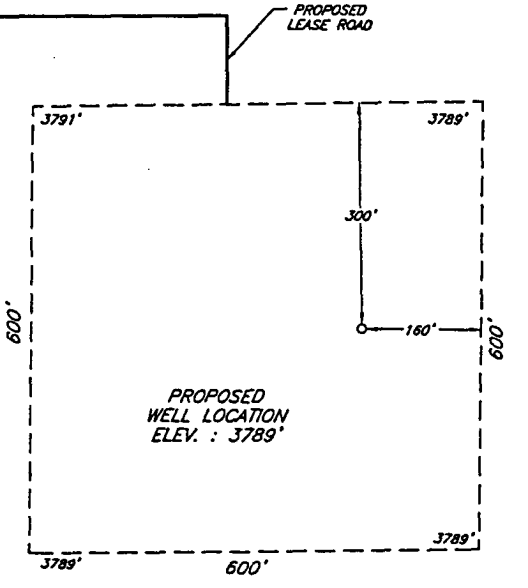


PLAN VIEW
1" = 1000'



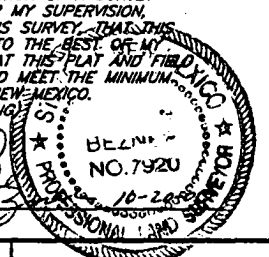
BEARINGS AND COORDINATES BASED ON NEW MEXICO STATE STATE PLANE GRID - EAST ZONE, NAD 27

DATE OF FIELD WORK: SEPTEMBER 15, 2003



DETAIL VIEW
1" = 200'

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)



V. L. BEZNER, P.S. NO. 7920

NO.	REVISION	DATE	BY

CONCHO EXPLORATION, INC.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SURVEYED BY:	W.J.K.
DRAWN BY:	E.U.O.
APPROVED BY:	V.L.B.

SCALE:	1" = 1000'
DATE:	OCTOBER 16, 2003
JOB NO.:	90867-F
QUAD NO.:	145 SE
SHEET :	1 OF 1

APPLICATION TO DRILL

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E 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: 990' FSL & 2170' FEL SECTION 23 T12S-R38E LEA CO.

2. Ground Elevation above Sea Level: 3789' 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: 9300'

6. Estimated tops of geological markers:

Rustler Anhydrite	2310'	Glorietta	5940
Yates	3070'	Tubb	7170'
Seven Rivers	3380'	Abo	7880'
Queen	3875'	Wolfcamp	9140'

7. Possible mineral bearing formations:

Queen	Oil
Wolfcamp	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0-430	13 3/8"	48	8-R	ST&C	H-40
12¼" 11"	0-4500'	8 5/8"	32	8-R	ST&C	J-55 HCK-55
7 7/8"	0-9300'	5½"	17	8-R	LT&C	N-80 J-55

APPLICATION TO DRILL

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

9. CASING CEMENTING AND SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 430' of 13 3/8" 48# H-40 ST&C casing. Cement with 485 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermediate	Set 4500' of 8 5/8" casing as follows: 500' of 8 5/8" 32# HCK-55 ST&C, 4000' of 8 5/8" 32# J-55 ST&C casing. Cement with 1040 Sx. of 50/50/10 POZ Class "C" Gel + 5% Salt, + 3# Gilsonite/Sx. + ¼# Flocele/Sx., tail in with 200 Sx. of Class "C" cement + 1% CaCl, circulate to surface.
5½"	Production	Set 9300' of 5½" casing as follows: 1200' of 5½" 17# N-80 LT&C, 6400' of 5½" 17# J-55 LT&C, 1700' of 5½" 17# N-80 LT&C. Cement with 525 Sx. of 50/50/10 POZ Class "H" Gel + 5% Salt, + 5# Gilsonite/Sx. + ¼# Flocele/Sx. tail in with 450 Sx. of 50/50/2 POZ Class "H" Gel, + 5% Salt, + .4% D167, + .2% D65, + .1% D13. Estimate TOC 4000' 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 nipplled 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 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
40-430'	8.5-8.9	32-42	NC	Fresh water Bentonite + lime for viscosity
430-2000'	8.4-10.0	32-35	NC	Fresh water native mud + 4-6% Oil
2000-4500'	10.0-10.2	34-37	NC	Add brine water + 4-6% Oil
4500-8500'	8.4-8.5	28-30	NC	Fresh water use high viscosity to clean hole
8500-8900'	8.5-9.0	36-40	10 cc or less	Fresh water, Gel/PAC, Paper to control seepage High viscosity sweeps to clean hole
8900-9300'	8.5-9.0	36-42	8 cc or less	Same as above except reduce 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.

APPLICATION TO DRILL

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: CN-TDL, HRLA, M-CFL, Sonic, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. Gamma Ray, CNL from 8 5/8" casing shoe back to surface.

B. Rig up mud logger on hole at 8700'±.

C. No cores or DST's 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 4500 PSI, and Estimated BHT 160°.

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 25 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 Wolfcamp 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"

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. All testing will be done in daylight hours.
   B. Exhausts will be watered
   C. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   D. 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 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 EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E 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 (Bender/Dalpaso) take Stare Hi-way 132 toward Denver City go approximately 20 miles to the Texas State line. Turn North on State Hi-way 796 go 20 miles to U.S. Hi-way 380, turn Left go .9 miles turn North and follow lease road North & East to location.

   C. Exhibit shows routes of flowlines and powerlines along roads to tank battery located at the BURRUS "23" # 1. (1980' FSL & 660' FWL Sec. 23 T12S-R38E.

2. PLANNED ACCESS ROADS: Approximately 1500' 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 mimimum 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 utilaze 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 - One approximately .5 mi SW, One approximately .75 W.

   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 "S-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 EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E 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 is owned by The 07 RANCH P.O. BOX 1090 PLAINS, TEXAS 79355 C/O SARAH BURRIS. Surface is used for grazing of livestock and production of oil 7 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 is a dwelling approximately .25 miles East of 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 EXPLORATION, INC.
FASKEN CENTER TOWER # 2
550 WEST TEXAS AVE. SUITE 1300
MIDLAND, TEXAS 79701
MARK ELLERBE
PH. 432-683-4343

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 RESOURCES, INC. 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 : 11/01/03
TITLE : Agent

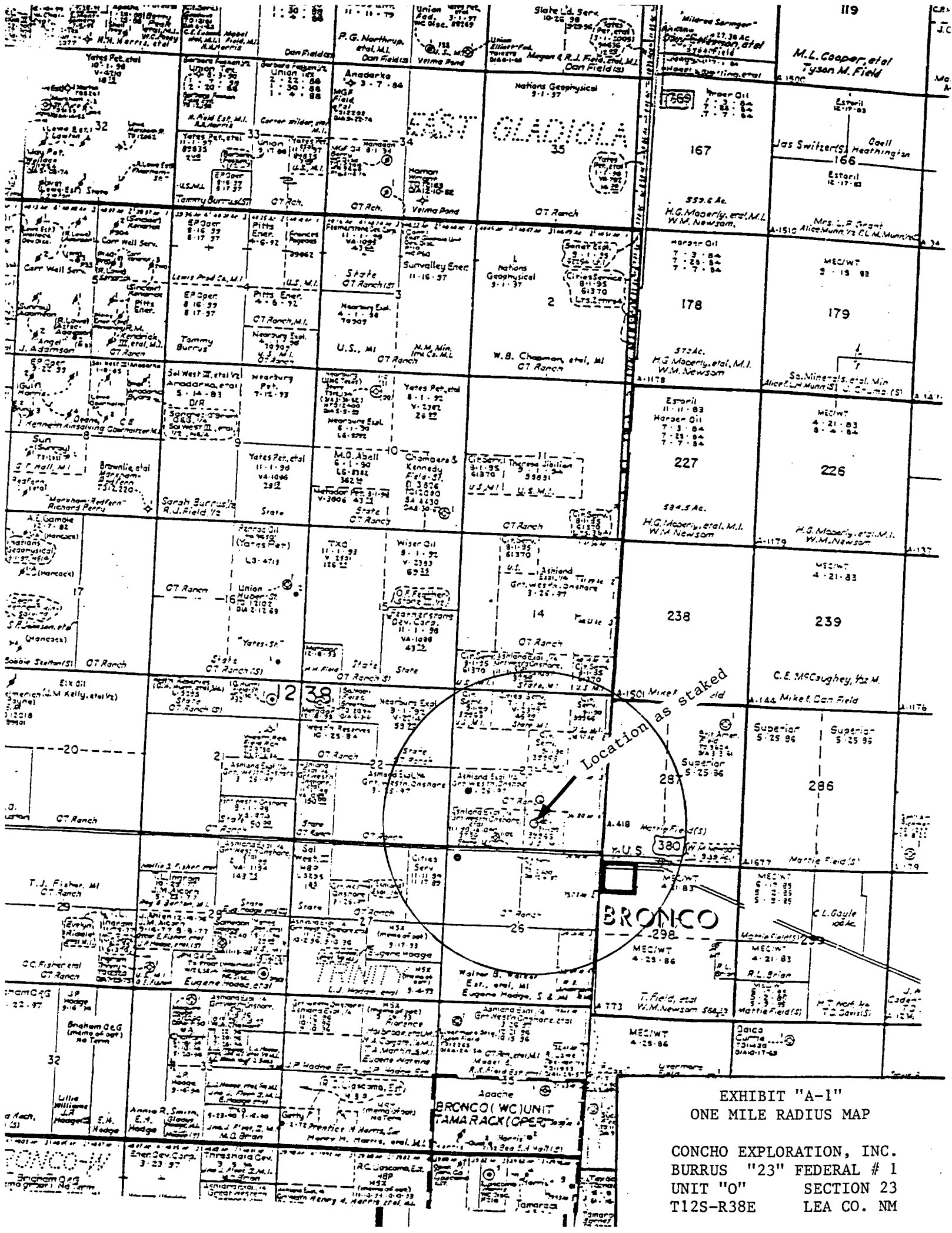
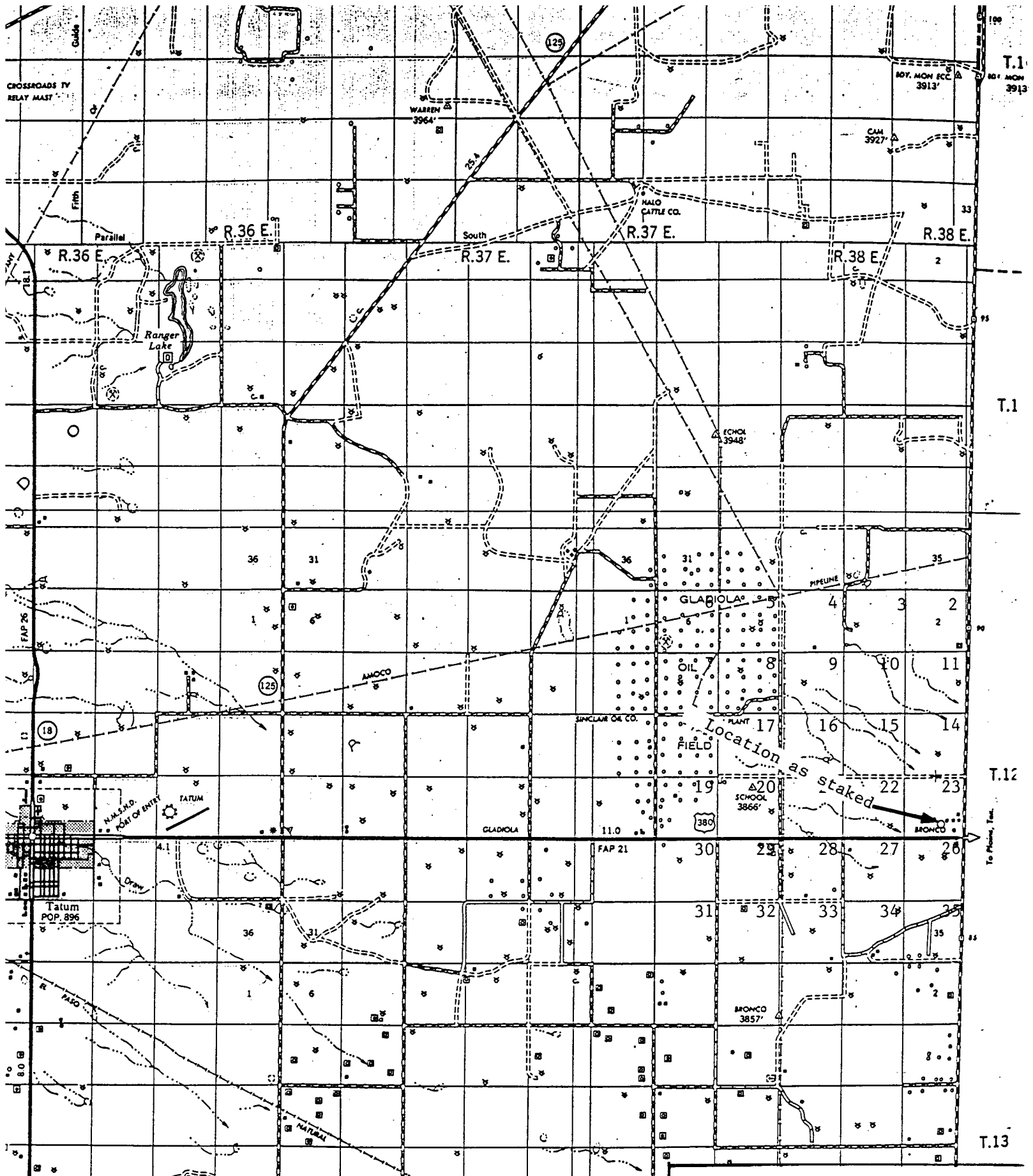


EXHIBIT "A-1"
ONE MILE RADIUS MAP

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM



EXHIBIR "B"
LOCATION & ACCESS ROAD MAP

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

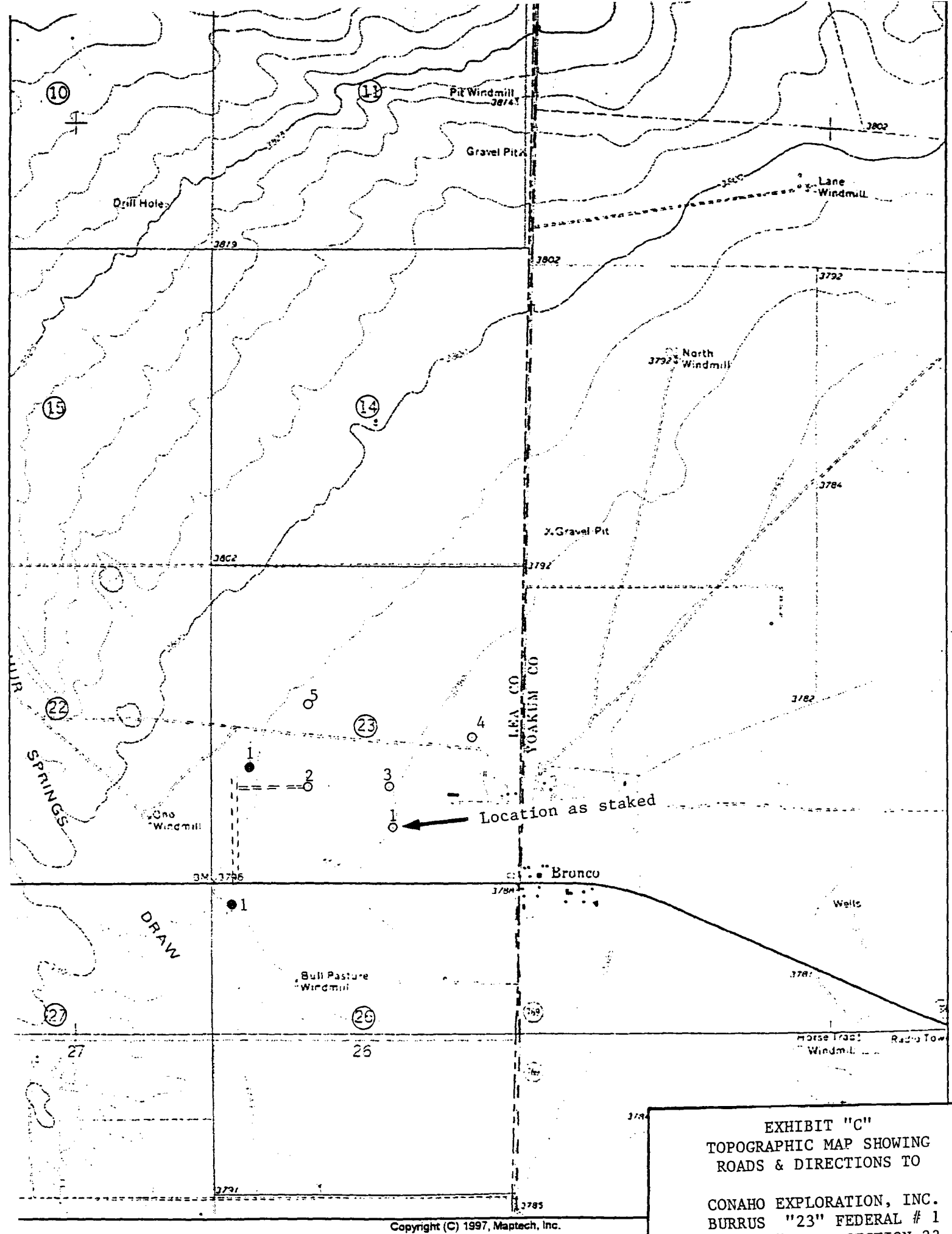
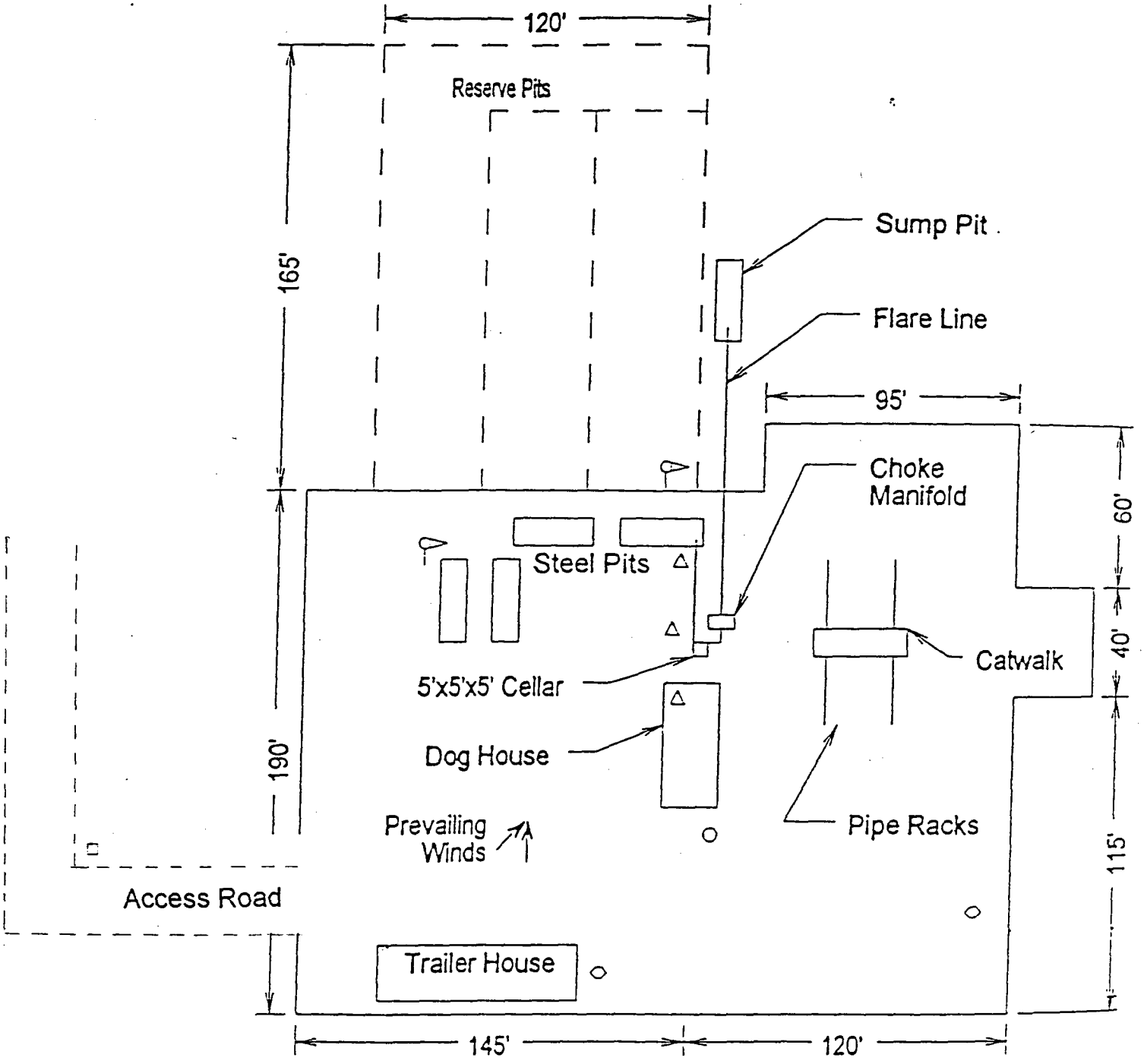


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

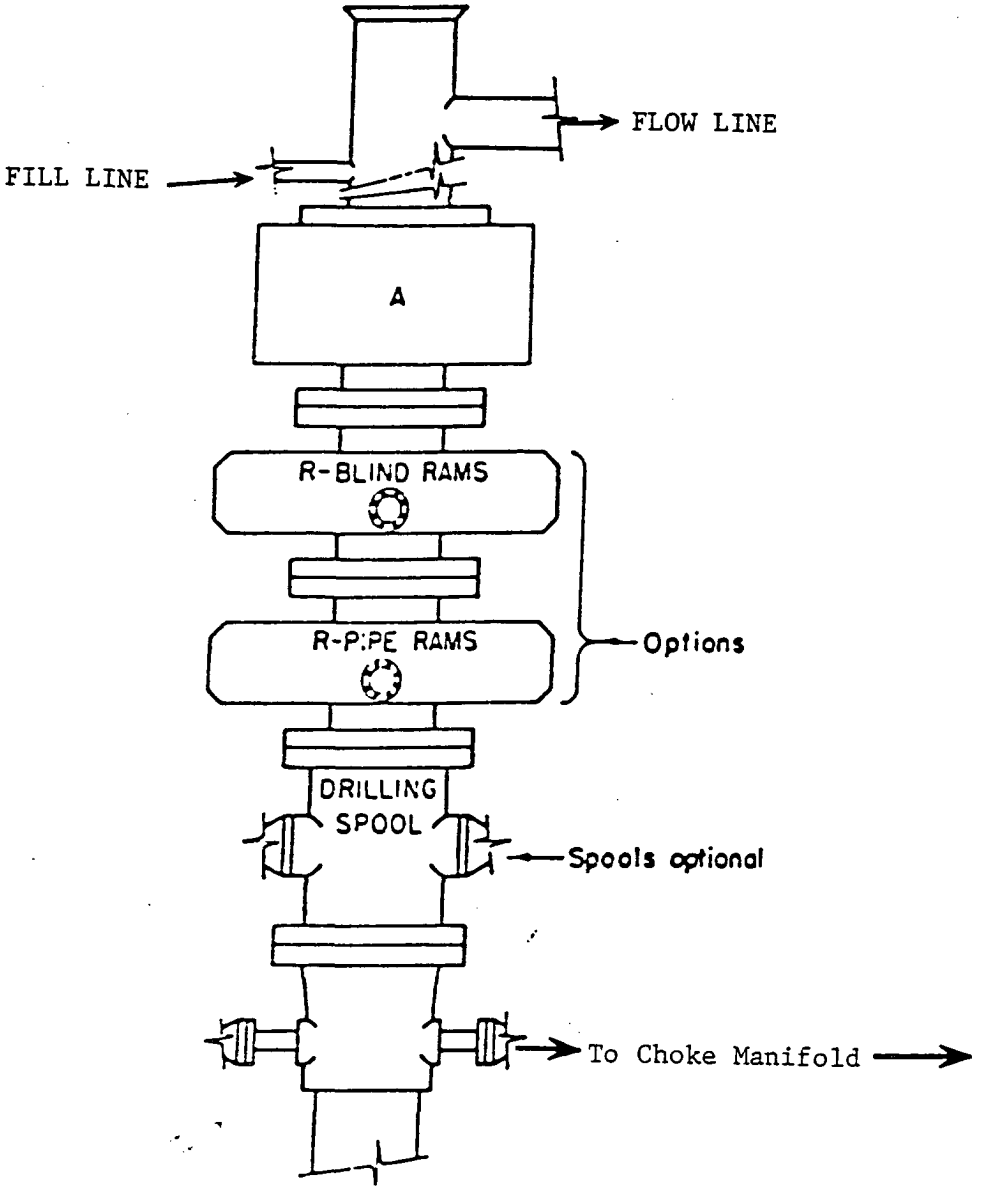
CONAHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM



- 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 EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

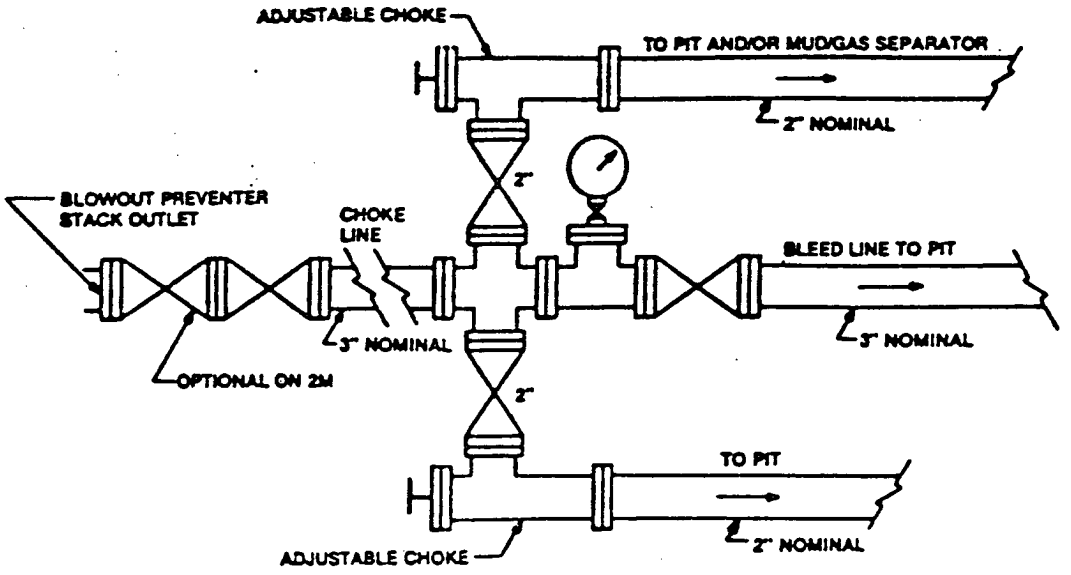


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM



Typical choke manifold assembly for 3M WP system

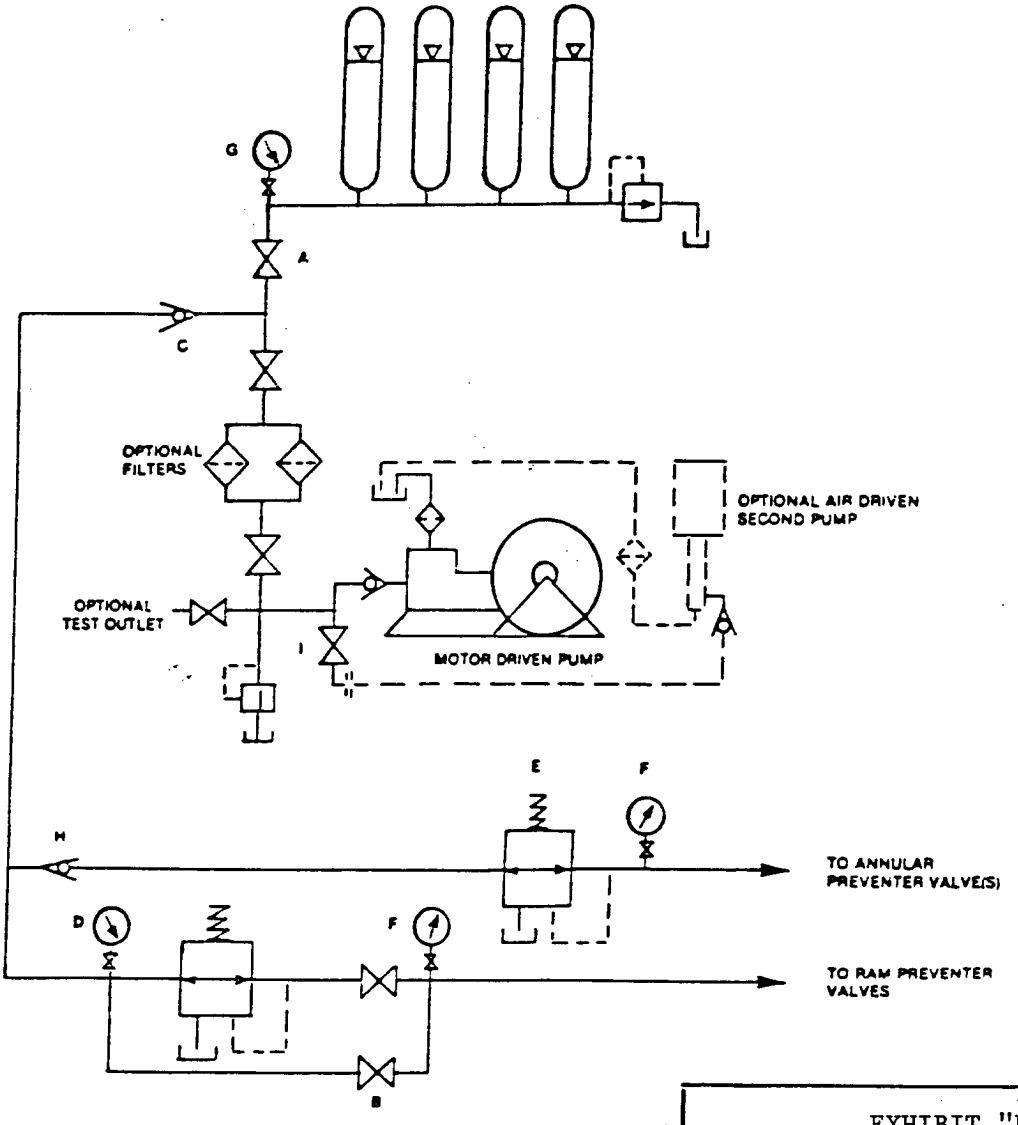
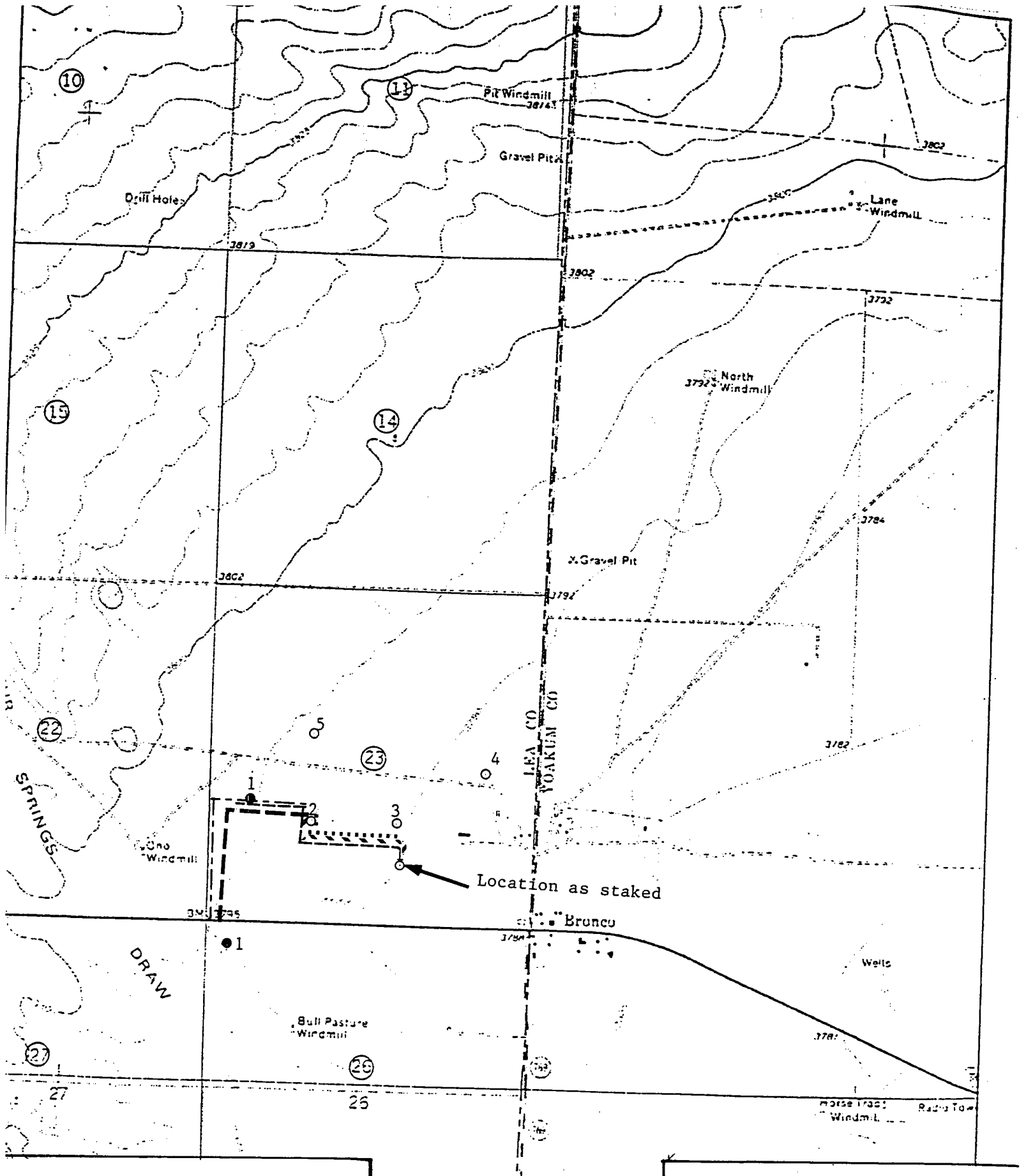


EXHIBIT "E-1"
CHOKE MANIFLD & CLOSING UNIT

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM



EXISTING LEASE ROAD

EXISTING POWERLINE

PROPOSED LEASE ROAD

PROPOSED FLOWLINE

PROPOSED POWERLINE

EXHIBIT "F"
ROUTE OF PROPOSED ROADS
FLOWLINES & POWERLINES

CONCHO EXPLORATION, INC.
BURRUS "23" FEDERAL # 1
UNIT "O" SECTION 23
T12S-R38E LEA CO. NM

CONCHO EXPLORATION INC.

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

(432) 683-7443
FAX 683-7441

December 17, 2003

Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, NM 88201-01287

Attn: Mr. Armando A. Lopez

RE: Burris 23 Federal #1 Well
T-12-S, R-38-E, Section 23:
990' FSL & 2170' FEL
Lea County, New Mexico
BLM Lease No. NM109434
CRI #301142-02

Gentlemen:

Concho Exploration Inc. has reached agreement with Tommy and Sara Burrus, the surface owners in the SW/4 SE/4 of Section 23, T-12-S, R-38-E, being the drillsite lands for the captioned well, with respect to the use of their surface for the drilling of the Burrus 23 Federal #1 Well. If you have any further questions please contact me.

Yours truly,

Michael M. Gray
Senior Landman

CONCHO EXPLORATION INC.

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

(432) 683-7443
FAX 683-7441

December 17, 2003

Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, NM 88201-01287

Attn: Mr. Armando A. Lopez

RE: Burris 23 Federal #1 Well
T-12-S, R-38-E, Section 23:
990' FSL & 2170' FEL
Lea County, New Mexico
BLM Lease No. NM109434
CRI #301142-02

Gentlemen:

Pursuant to your letter of November 4, 2003 we have enclosed a statement accepting responsibility for operations executed by Concho Exploration Inc. for the drilling of the captioned well.

Yours truly,

Michael M. Gray
Senior Landman

Enclosure

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 EXPLORATION 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 109434

Legal Description of Land: INSOFAR AS IT COVERS THE SW/4SE/4 SECTION 23, T-12-S, T-38-E, N.M.P.M., LEA COUNTY, NEW MEXICO

Formation(s) (if applicable): ALL DEPTHS

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

BLM Bond File No.: RLB0005621

CONCHO EXPLORATION INC.

Authorized Signature: _____

Title: Michael M. Gray
Senior Landman

Date: December 17, 2003