

CONCHO OIL & GAS CORP.
FEDERAL "31" G # 5
UNIT "A" SECTION 31
T19S-R33E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Run Dual Latero-log SNP, LDT CNL, Gamma Ray, Caliper from TD back to 4200'. Run Gamma Ray, Neutron from 4200' back to surface.
- B. No cores or DST's are planned at this time
- C. Mud logger may be put on hole at the descension of Geologist.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H²S in this area. If H²S 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 1500 PSI, and Estimated BHT 165°.

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 potentialized as an oil well.

