

APPLICATION TO DRILL

CONCHO OIL & GAS CORP.

GANTRYPERSON # 2

UNIT "E" SECTION 15

T19S-R33E LEA CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Run Dual Laterolog, SNP, LDT, Gamma Ray, Caliper from TD back to 1500'. Run Gamma Ray Neutron from 1500' back to surface.
- B. No cores, DST's are planned at this time.
- C. No mud logger is planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence of unsafe levels of H₂S. 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 1500 PSI & estimated BHT 120°.

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 18 days. If production casing is run an additional 20 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 Seven Rivers pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an oil well.