

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

2004 APR 26 AM 10:54

070 FARMINGTON, NM

5. Lease Designation and Serial No.  
SF-079366  
6. If Indian, Allottee or Tribe Name  
7. If Unit or CA, Agreement, Name and No.  
RINCON UNIT NMNM 78406D  
8. Lease Name and Well No.  
RINCON UNIT #404  
9. API Well No.  
3003927706  
10. Field and Pool, or Exploratory  
Blanco MV & Basin DK  
11. Sec., T., R., M., or Bk. and Survey or Area  
N Sec 21, T-27-N, R-06-W

1a. Type of Work ☒ DRILL ☐ REENTER  
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator  
Pure Resources, LP NM OGRID # 189071

3a. Address c/o Mike Pippin, LLC  
3104 N. Sullivan Ave., Farmington, NM 87401  
3b. Phone Number (505) 327-4573

4. Location of Well (Footage, Sec, T. R., M., or Survey Description)  
At surface: Unit Letter O, 2618' FSL, 20' FSL  
At proposed prod. Zone:

14. Distance in miles and direction from nearest town or post office\*  
35 Miles Southeast of Blanco

15. Distance from proposed\*  
location to nearest 20'  
property or lease line, ft.  
(Also to nearest drlg. Unit line, if any)

16. No. of Acres in lease\*  
2558.72 Acres

17. Spacing Unit dedicated to this well  
W/2 320 MV  
South 320 acres DK

18. Distance from proposed\*  
location to nearest well 1831'

19. Proposed Depth  
7727'

20. BLM/BIA Bond No. on file

21. Elevation (Show whether DF, KDB, RT, GL, etc.)  
6555' Ground Level

22. Approximate date work will start\*  
8/19/2004

23. Estimated duration  
30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	9-5/8" H-40	32.3#	350'	225 Sxs, 313 ft3 - 100% Excess
8-3/4"	7" K-55	20#	2900'	405 Sxs, 568 ft3 - 45% Excess
6-1/4"	4-1/2" I-80	11.6#	7727'	610 Sxs, 1262 ft3 - 45% Excess

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 33 Min, 10 Sec N  
Longitude: 107 Deg, 28 Min, 22 Sec W

25. Signature <i>Mike Pippin</i>	Name (Printed/Typed) Mike Pippin	Date 4/22/2004
Title Petroleum Engineer		
Approved by (Signature) <i>Jim Lohs</i>	Name (Printed/Typed)	Date 12/7/04
Title Acting Field Manager - Minerals	Office	

Application approval does not warrant or certify 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

NMOCD

This action is subject to technical and  
procedural review pursuant to 43 CFR 3165.3  
and appeal pursuant to 43 CFR 3165.4

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

DISTRICT II  
811 South First, Artesia, N.M. 88210

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-27706		*Pool Code 72319 71599	*Pool Name BLANCO MV & BASIN DAKOTA
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 404
*OGRIID No. 189071	*Operator Name PURE RESOURCES		*Elevation 6557'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	21	27-N	6-W		20	SOUTH	2635	WEST	RIO ARRIBA

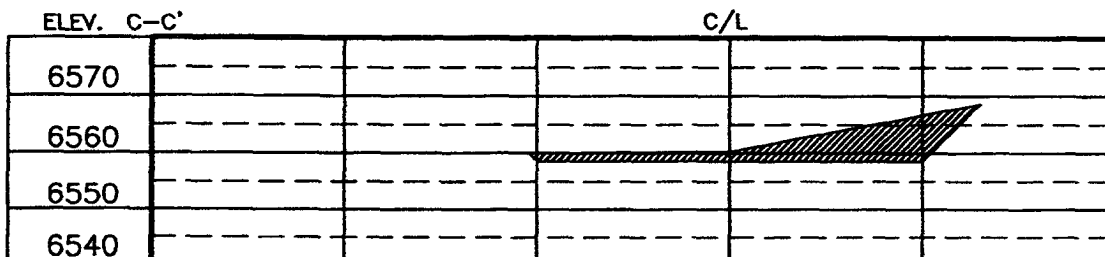
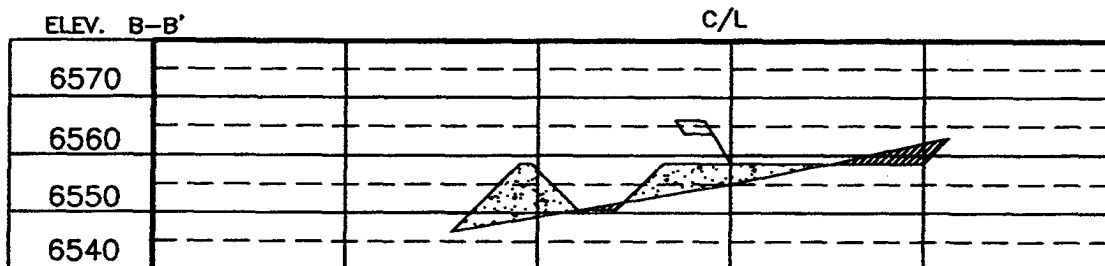
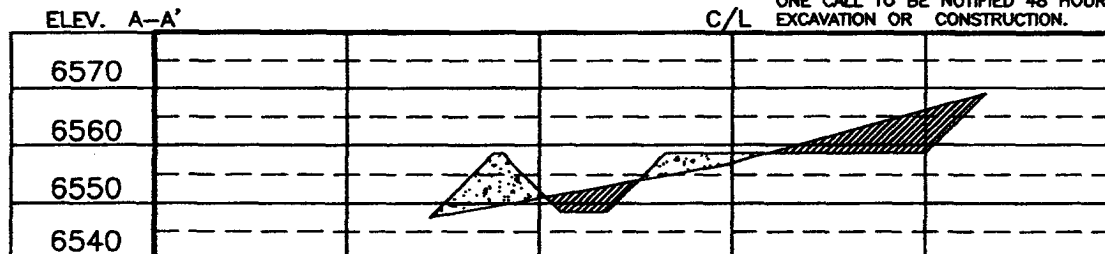
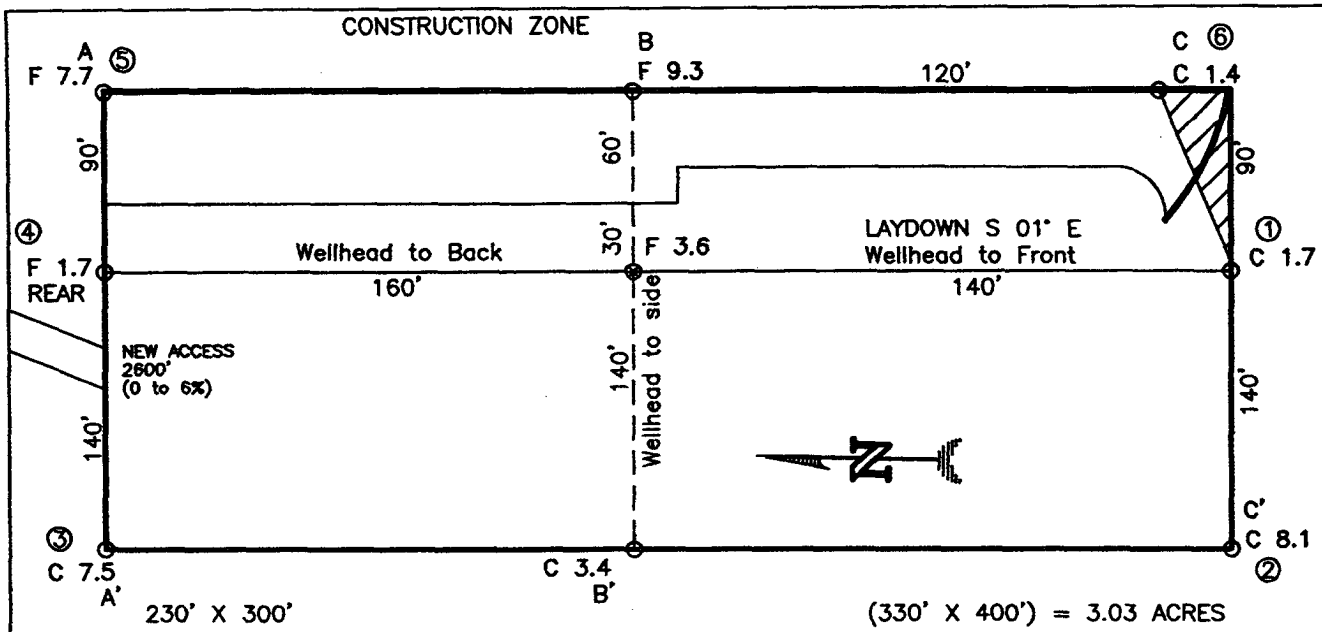
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 320 W/2 MY 5/20K		*Joint or Infill Y		*Consolidation Code		*Order No.			

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

<p>16</p> <p>FD. 3 1/4" BC. 1955 B.L.M.</p>		<p>21</p> <p>RINCON UT. 240 *</p> <p>LAT. = 36°33'10" N. (NAD 83) LONG. = 107°28'22" W. (NAD 83)</p> <p>S89°07'43"W 2649.56' (M) 2635' 20'</p> <p>NO 1°13'24"E</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Mike Pippin</u> Signature</p> <p><u>MIKE PIPPIN</u> Printed Name</p> <p><u>AGENT-PETR. ENGR.</u> Title</p> <p><u>7/7/04</u> Date</p>	
				<p>18 SURVEYOR CERTIFICATION</p> <p>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 knowledge and belief.</p> <p><u>JOHN A. VIKONICH</u> Signature and Seal of Professional Surveyor</p> <p>14831 Certificate Number</p>	

PURE RESOURCES  
 RINCON UNIT No. 404, 20 FSL 2618 FEL  
 SECTION 21, T27N, R6W, N.M.P.M., RIO ARriba COUNTY, N. M.  
 GROUND ELEVATION: 6555, DATE: AUGUST 29, 2003



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REASON: NAME CHANGE REQUEST

DATE: 04/21/04


RECEIVED BY: B.L.

**Daggett Enterprises, Inc.**  
 Surveying and Oil Field Services  
 P. O. Box 15088 • Farmington, NM 87401  
 Phone (505) 326-1772 • Fax (505) 326-6019  
 COLORADO L.S. No. 20863

DATE: 6/03/03

BY: B.L.

ROW: PR078



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.

NMSF - 079366

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Rincon Unit NMNM 78406D

8. Well Name and No.

Rincon Unit #404

9. API Well No.

3003927704

10. Field and Pool, or Exploratory Area

Blanco Mesaverde / Basin Dakota

11. County or Parish, State

Rio Arriba County, New Mexico

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Pure Resources c/o Mike Pippin LLC (Agent)

3a. Address

c/o Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

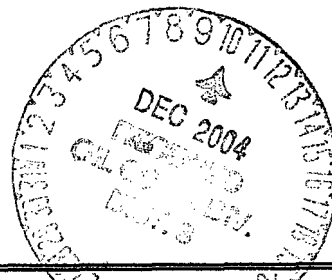
20' FSL 2635' FWL (N) Sec. 21 T27N R06W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Move
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Well Location
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The proposed new well location was moved 32' west as per the attached well plat (C-102) and cut & fill diagram.  
The new well location was on-sited by Roger Herrera on 7/7/04.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

*Mike Pippin*

Date

July 7, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

*Jim Givels*

Title

Acting Field Manager

Date

12/7/04

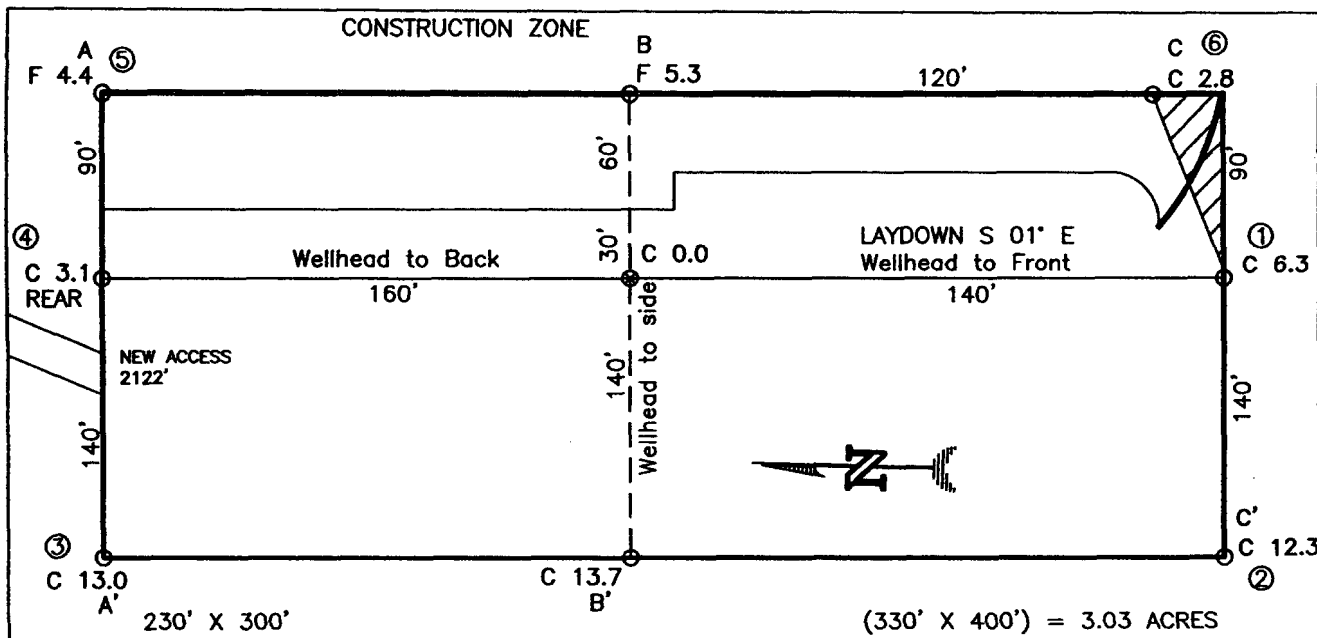
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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.

(Instructions on reverse)

NMOCD

PURE RESOURCES  
 RINCON UNIT No. 404, 20 FSL 2635 FWL  
 SECTION 21, T27N, R6W, N.M.P.M., RIO ARriba COUNTY, N. M.  
 GROUND ELEVATION: 6557, DATE: JUNE 10, 2004

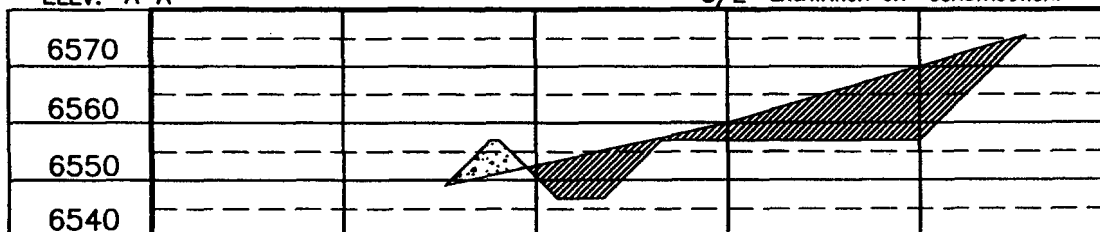


NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR  
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO  
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO  
 EXCAVATION OR CONSTRUCTION.

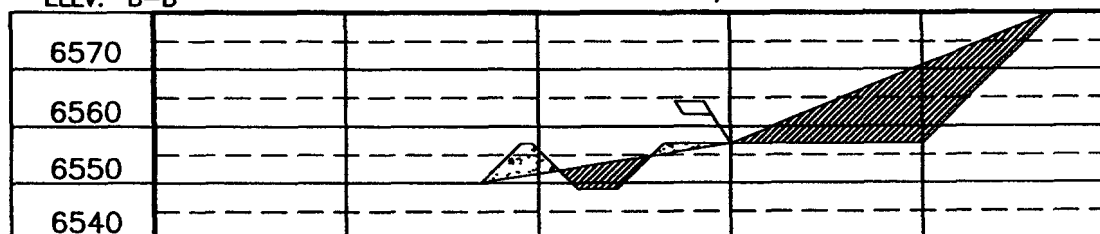
ELEV. A-A'

C/L



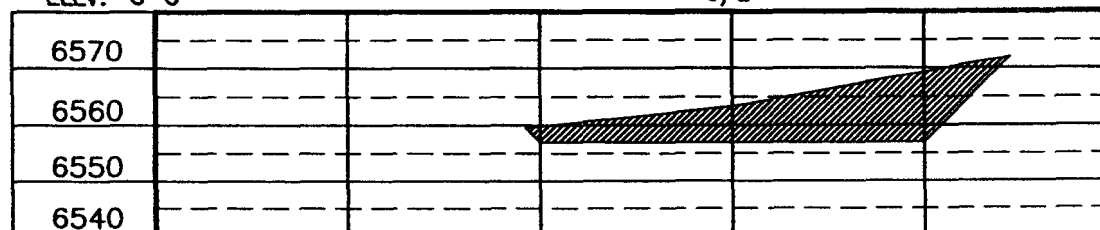
ELEV. B-B'

C/L



ELEV. C-C'

C/L



NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR  
 CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	REVISION BY:
NAME CHANGE REQUEST	04/21/04	B.L.
RESTAKE WELL LOCATION	08/17/04	B.L.
<b>Daggett Enterprises, Inc.</b> Surveying and Oil Field Services P. O. Box 15088 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 COLORADO L.S. No. 20693		
OWNER BY: B.L.	CADFILE: PRO78CFB	DATE: 8/03/03
ROW# PRO78		

**PURE RESOURCES LP**  
**RINCON UNIT #404 MV/DK**  
2618' FEL, 20' FSL  
Unit O Sec. 21 T27N R06W  
Rio Arriba County, NM

**Drilling Program**

1. **ESTIMATED FORMATION TOPS (KB)**

<u>Formation Name</u>	<u>Depth</u>
San Jose	Surface
Ojo Alamo	2222'
Kirtland	2610'
Fruitland	2850'
Pictured Cliffs	3126'
Cliffhouse	4826'
Point Lookout	5362'
Greenhorn	7307'
Graneros	7397'
Dakota	7517'
Intermediate TD (7")	2900'
TD (4-1/2")	7727'

2. **NOTABLE ZONES**

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland		Fruitland
Pictured Cliffs	Ojo Alamo	
	Kirtland	
Cliffhouse		
Menefee		
Point Lookout		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.

**PURE RESOURCES LP**  
**RINCON UNIT #404 MV/DK**  
 2618' FEL, 20' FSL  
 Unit O Sec. 21 T27N R06W  
 Rio Arriba County, NM

**3. PRESSURE CONTROL**

Maximum expected pressure is ~2700 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" 3,000 psi model is on PAGE #5.

BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 3000 psi system. A 3000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 3000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge. BOPs will be tested every 24 hours. Tests will be recorded on IADC log.

**4. CASING & CEMENT**

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
12-1/4"	9-5/8"	32.3#	H-40	New	ST&C	350'
8-3/4"	7"	20#	K-55	New	ST&C	2900'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7727'

**Surface casing** will be cemented to the surface with ~313 cu. ft. (~225 sx) Type III cmt or equivalent (1.39 ft<sup>3</sup>/sx yield, 14.6 ppg, & 6.7 gps) with 2% CaCl<sub>2</sub> and 1/4#/sx celloflake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wooden wiper plug will be displaced to within 20' of the shoe. WOC = 12 hours. Surface casing will be tested to 500 psi for 15 minutes.

<sup>797</sup>  
~~WOC~~ **Intermediate casing** will be cemented to surface with a single stage. Total cement = ~~568~~ cu. ft.. Volumes are calculated at 45% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 12 hours. Test to 1000 psi for 15 minutes.

<sup>684</sup>  
 Lead cement will be ~~~457~~ cu. ft. (~325 sx) Premium Lite w/2% CaCl<sub>2</sub>, 1/4#/sx cello flake, 6-1/4#/sx gilsonite, 8% gel mixed at 11.0 gps, 12.1 ppg for a yield of 2.11 cu. ft. per sx.

Tail cement will be ~111 cu. ft. (~80 sx) Type III w/2% CaCl<sub>2</sub>, 1/4#/sx Cello flake mixed at 6.7 gps, 14.6 ppg for a yield of 1.39 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

**Production casing** will be cemented to surface ensuring cement coverage inside the intermediate casing with a single stage. Total cement = 1262 cu. ft.. Volumes are calculated at 45% excess. If necessary, a CBL will be run during completion operations to

## **PURE RESOURCES LP**

### **RINCON UNIT #404 MV/DK**

2618' FEL, 20' FSL

Unit O Sec. 21 T27N R06W

Rio Arriba County, NM

insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi during completion operations.

Lead cement will be ~201 cu. ft. (~85 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 12.7 gps, 11.9 ppg for a yield of 2.37 cu. ft. per sx.

Tail cement will be ~1061 cu. ft. (~525 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 10.1 gps, 12.5 ppg for a yield of 2.02 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

#### **5. MUD PROGRAM**

<u>Depth</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
0'-350'	FW gel/lime spud mud	8.4-8.7	30-50	NC	10
350'-2900'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2900'-7727'	Air &/or Air/mist	N/A	N/A	N/A	N/A

Lost circulation and absorption material will be on location.

#### **6. CORING, TESTING, & LOGGING**

No cores, drill stem tests, or open hole logs are planned. A cased hole TDT log will be run from TD through the top of the Mesaverde during completion operations.

#### **7. DOWN HOLE CONDITIONS**

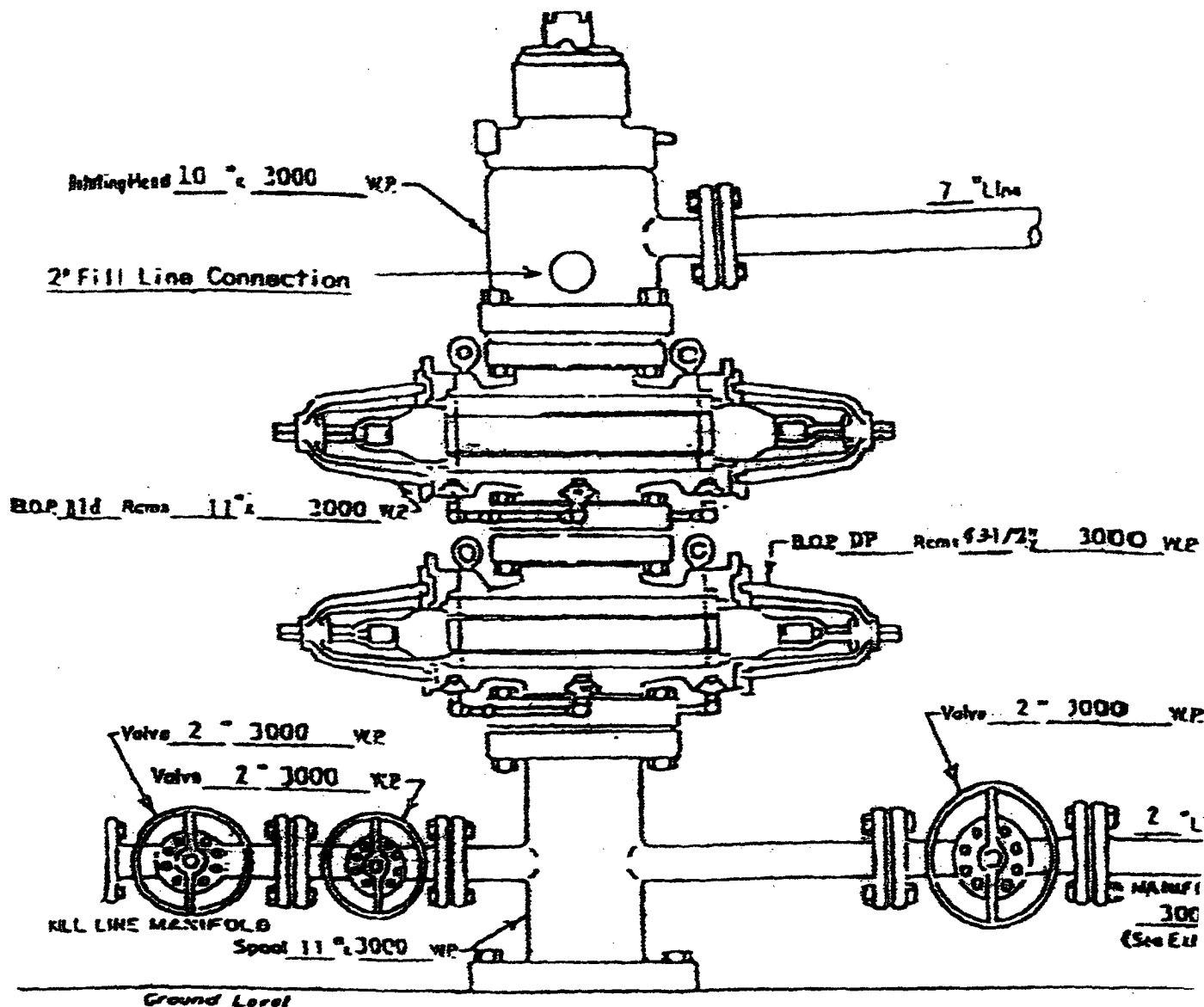
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ~2700 psi.

#### **8. OTHER INFORMATION**

The anticipated spud date is August 19, 2004. It is expected it will take ~7 days to drill and ~12 days to complete the well. Completion will start about one month after the spud and will include hydraulic fracturing.



RINCON UNIT WELLS  
RINCON FIELD  
RIO ARriba COUNTY, NEW MEXICO

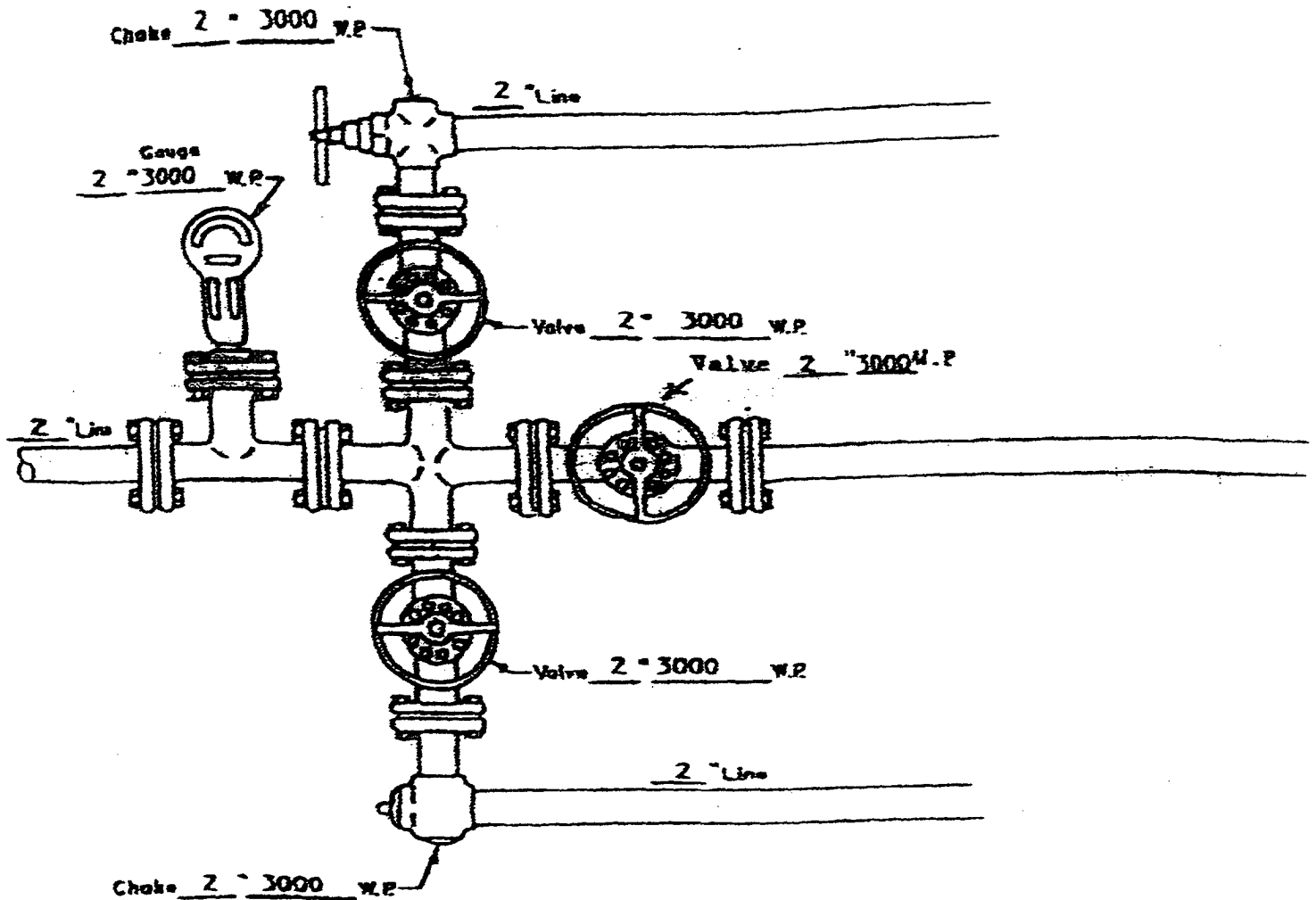


WELL HEAD B.O.P.  
3000 #W.P.

☐ Manual  
☒ Hydraulic

NOTE: Although 3000 psi BOP equipment will be used, equipment determination and line sizing are based on the requirements for 2000 psi BOP equipment due to the known drilling and reservoir conditions.

RINCON UNIT WELLS  
 RINCON FIELD  
 RIO ARriba COUNTY, NEW MEXICO



MANIFOLD  
 3000 #W.P.

☒ Manual  
☐ Hydraulic