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RCVD JAN 24 '08

OIL CONS. DIV.

DIST. 3

FORM APPROVED

OMB NO. 1004-0137

Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work. <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No SF-079321
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Chevron Midcontinent L.P.		7 If Unit or CA Agreement, Name and No Rincon Unit NMNM 78406D
3a Address P.O. Box 36366 Houston, TX 77236		8 Lease Name and Well No. Rincon Unit 512
3b Phone No. (include area code) 281-561-4859		9 API Well No 30460 30-039-29687
4 Location of well (Report location clearly and in accordance with any State requirements *) At surface 695' FSL 645' FWL Lat. 36 32'20.8"N Long 107.32'00 8"W At proposed prod zone		10 Field and Pool, or Exploratory Blanco MV & Basin Dakota
11 Sec. T., R., M. or Blk. and Survey or Area M Sec. 25 T27N R7W		
14 Distance in miles and direction from the nearest town or post office* 26 Miles Southeast of Blanco, NM		12 County or Parish Rio Arriba
15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) 250'		13 State New Mexico
16 No. of acres in lease 2645.09 656.48		17 Spacing Unit dedicated to this well MV = S/2 - 328.45 DK = S/2 - 328.45
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 304'		20 BLM/ BIA Bond No on file NM2881
19 Proposed Depth 7630'		
21 Elevations (Show whether DF RT, GR, etc.) 6634'		22 Aproximate date work will start* 6/1/2008
		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

- |   |  |
|---|--|
| 1 Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).         |
| 2 A Drilling Plan   | 5 Operator certification   |
| 3 A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6 Such other site specific information and/ or plans as may be required by the a authorized officer. |

25. Signature <i>Pamela Rainey</i>	Name (Printed/ Typed) Pamela Rainey	Date 12/20/2007
Title Regulatory Specialist		BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS 1/23/08
Approved By (Signature) <i>[Signature]</i>	Name (Printed/ Typed) AFM	
Title AFM		Office FFO

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, 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

NOT RECORDED 24 HRS.  
\* (Instructions on page 2)

PRIOR TO Casing & CEMENT

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

NMOCD 2  
FEB 25 2008

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

DISTRICT II  
1301 W Grand Ave., Artesia, N.M. 88210

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

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RCVD FEB 25 '08

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT OIL CONS. DIV.

<sup>1</sup> API Number 30-039-30460	<sup>2</sup> Pool Code 72319 / 71599	<sup>3</sup> Pool Name BLANCO MEASVERDE / BASIN DANGA <b>DIST. 3</b>
<sup>4</sup> Property Code <del>26629</del> 302737	<sup>5</sup> Property Name RINCON UNIT	<sup>6</sup> Well Number 512
<sup>7</sup> GRID No. 241333	<sup>8</sup> Operator Name CHEVRON MIDCONTINENT L.P.	<sup>9</sup> Elevation 6634'

<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
M	25	27-N	7-W	7	695'	SOUTH	645'	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
<sup>12</sup> Dedicated Acres 328.45 S/2			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

18

LOT 2	LOT 1	25	N 00-28-33 E 2829.0' (M)
LOT 3	LOT 4		
QTR. CORNER FD 3 1/4" BC 1955 BLM			
LOT 6	LOT 5		
	LAT. 36°32'20.8" N (NAD 83) LONG. 107°32'00.8" W (NAD 83)		
LOT 7	LOT 8		
645'	SEC. CORNER FD 3 1/4" BC 1955 BLM N 84-44-25 E 2654.9' (M)		QTR. CORNER FD 3 1/4" BC 1955 BLM

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Pamela Rainey*  
Signature

Pamela Rainey 2/20/08  
Printed Name 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.

AUGUST 12, 2005  
Date of Survey

ROY A. RUSSELL  
Signature and Seal of Professional Surveyor

028894  
Certificate Number

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. <u>30-039-30460</u>	
5. Indicate Type of Lease: <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. <b>FEDERAL: SF 079321</b>	
7. Lease Name or Unit Agreement Name <b>RINCON UNIT</b>	
8. Well Number: <b>#512</b>	
9. OGRID Number: <b>189071</b>	
10. Pool name or Wildcat <b>Blanco MV &amp; Basin DK</b>	

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator  
**PURE RESOURCES LP**

3. Address of Operator: c/o Agent, Mike Pippin LLC  
3104 N. Sullivan, Farmington, NM 87401 505-327-4573

4. Well Location  
Unit Letter M : 695 feet from the South line and 645 feet from the West line  
Section 25 Township 27N Range 7W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6634'

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >100'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume        bbls; Construction Material       

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Register Drilling Pit <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

We intend to drill a new MV/DK well. The drilling pit will be built and lined according to our general pit guidelines on file at the NMOCD in Aztec, NM.

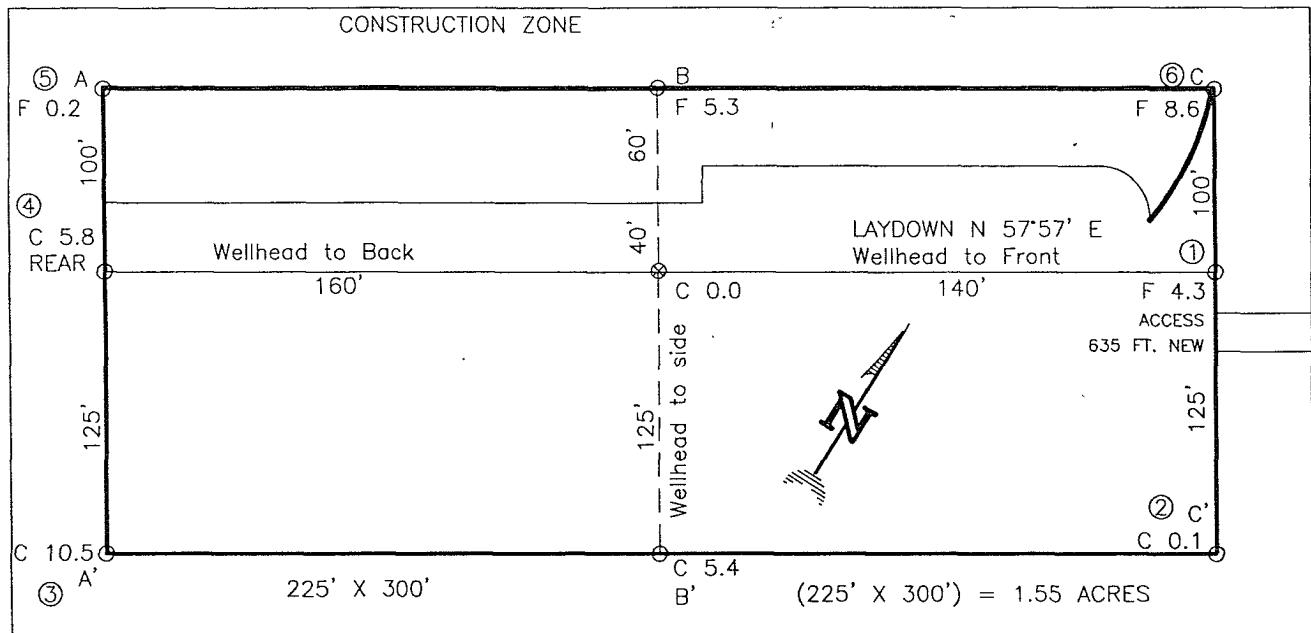
When the drilling pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 11/1/05  
Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573

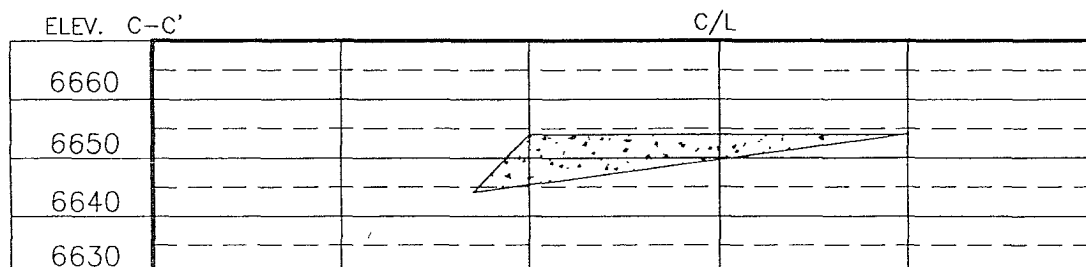
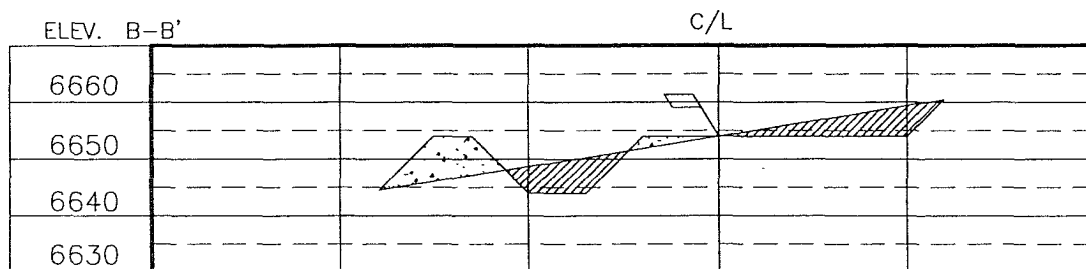
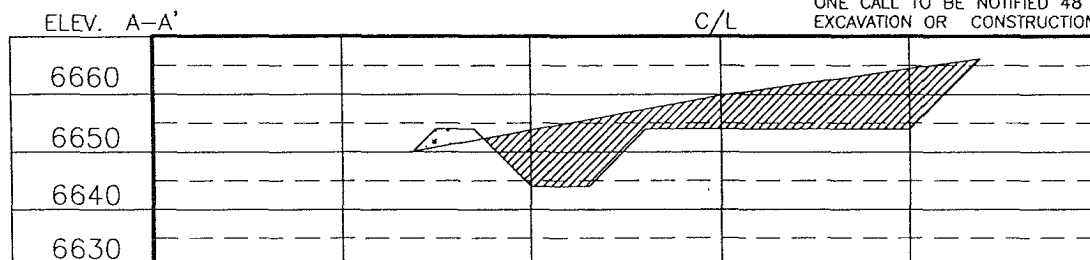
**For State Use Only**  
APPROVED BY: [Signature] TITLE Deputy Oil & Gas Inspector, DATE FEB 25 2008  
Conditions of Approval (if any): District #3

CHEVRON MIDCONTINENT L.P.  
 RINCON UNIT No. 512, 695FSL 645 FWL  
 SECTION 25, T27N, R7W, N.M.P.M., RIO ARriba COUNTY, N. M.  
 GROUND ELEVATION: 6654, DATE: MAY 11, 2005



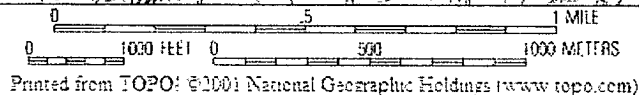
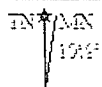
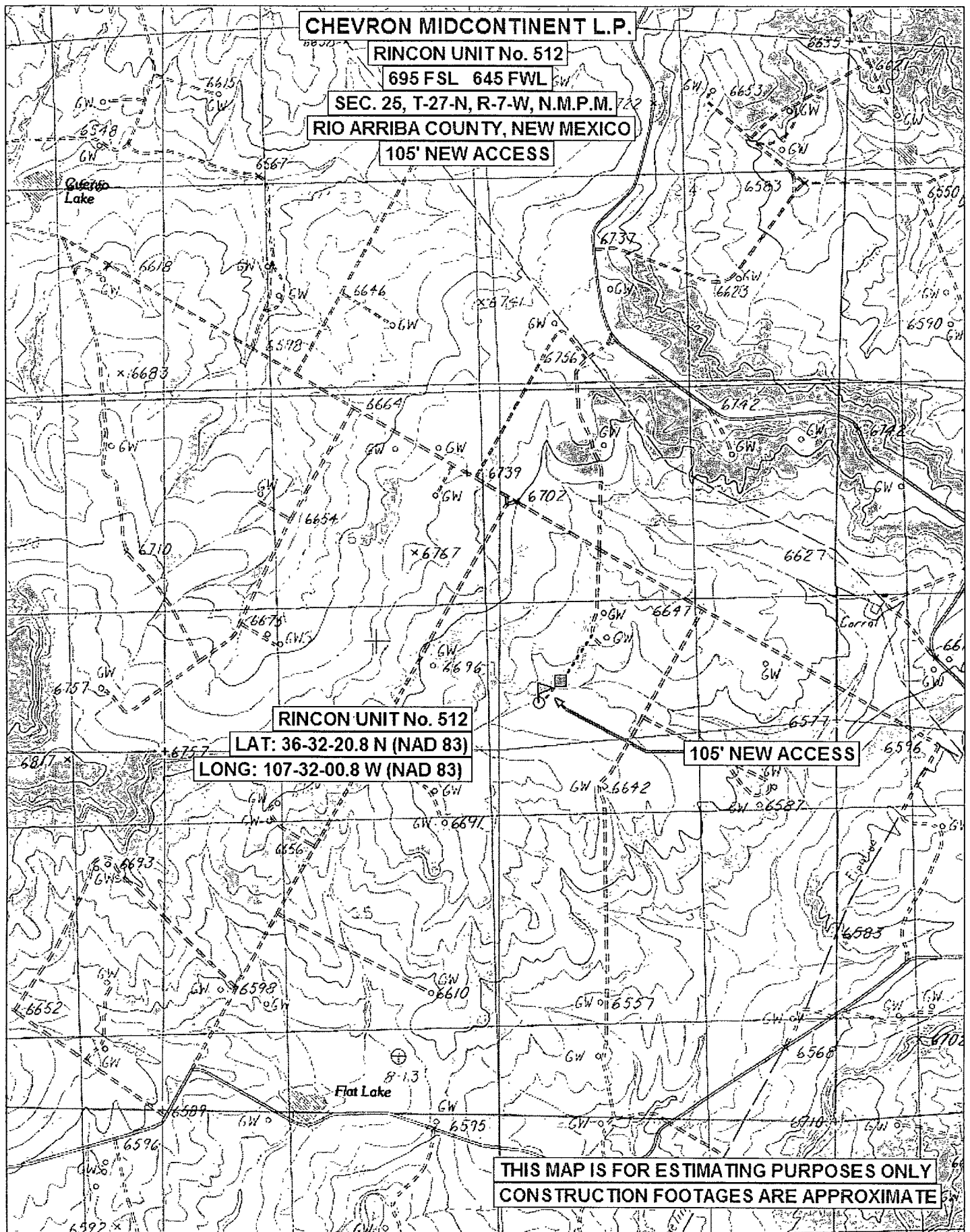
NOTE:

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.



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	REVISOR	DATE	REVISOR
01	02/01/08	AG		
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 • Farmington, NM 87499 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894 CD FILE: PR114CFB DATE: 06/22/05				
DRAWN BY: A.G. ROW#: PR114				



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**PURE RESOURCES LP**  
**RINCON UNIT #512 MV/DK**  
695' FSL, 645' FWL  
Unit M Sec. 25 T27N R07W  
Rio Arriba County, NM

**Drilling Program**

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

<u>Formation Name</u>	<u>Depth</u>
San Jose	Surface
Ojo Alamo	2127'
Kirtland	2447'
Fruitland	2732'
Pictured Cliffs	3047'
Cliffhouse	4737'
Menefee	4887'
Point Lookout	5312'
Greenhorn	7227'
Graneros	7287'
Dakota	7407'
Intermediate TD (7")	2800'
TD (4-1/2")	7630'

2. **NOTABLE ZONES**

**Gas or Oil Zones**

Fruitland  
Pictured Cliffs

Cliffhouse

Menefee

Point Lookout

Dakota

**Water Zones**

Ojo Alamo  
Kirtland

**Coal Zone**

Fruitland

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 #512 MV/DK**  
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Unit M Sec. 25 T27N R07W  
Rio Arriba County, NM

**3. PRESSURE CONTROL: (See Page 5)**

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	2800'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7630'

Surface casing will be cemented to the surface with ~220 cu. ft. (~158 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 30 minutes.

Intermediate casing will be cemented to surface with a single stage. Total cement = 610 cu. ft. (317 sx). 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 30 minutes.

Lead cement will be ~499 cu. ft. (~237 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 = 1194 cu. ft. (576 sx). Volumes

**PURE RESOURCES LP**  
**RINCON UNIT #512 MV/DK**  
695' FSL, 645' FWL  
Unit M Sec. 25 T27N R07W  
Rio Arriba County, NM

are calculated at 45% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi for 30 minutes 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 ~993 cu. ft. (~491 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'-2800'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2800'-7630'	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 March 20, 2006. 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.



PURE RESOURCES LP  
RINCON UNIT WELLS  
RINCON FIELD  
RIO ARRIBA COUNTY, NEW MEXICO

San Juan Basin  
3M BOPE - Class 2 BOPE  
Minimum of 3000 psi Working Pressure

