

RCVD JAN 24 '08

OIL CONS. DIV.

DIST. 3

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. SF-080385	
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 checked="" 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 516	
3b Phone No (include area code) 281-561-4859		9 API Well No 30462 30-039-20630	
4 Location of well (Report location clearly and in accordance with any State requirements. *) At surface 215' FNL 330' FWL Lat. 36 33'06.0"N Long 107.33'08 9"W At proposed prod zone		10 Field and Pool, or Exploratory Blanco MV & Basin Dakota	
14 Distance in miles and direction from the nearest town or post office* 28 Miles Southeast of Blanco, NM		11 Sec ,T,R,M, or Blk and Survey or Area Sec 26 T27N R7W	
15 Distance from proposed* location to nearest property or lease line, ft. 215' (Also to nearest drlg unit line, if any)		12 County or Parish Rio Arriba	
16 No of acres in lease 2645 09		13 State New Mexico	
17 Spacing Unit dedicated to this well MV = W/2 - 337 36 DK = N/2 - 339.08		18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1272'	
19 Proposed Depth 7630'		20 BLM/ BIA Bond No on file NM 2881	
21 Elevations (Show whether DF RT, GR, etc) 6655'		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:

- 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 existing bond on file(see item 20 above).
- Operator certification.
- 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	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
Title Regulatory Specialist		
Approved By (Signature) <i>[Signature]</i>	Name (Printed/ Typed) AFM	Date 1/23/08
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 USC Section 1001 and Title 43 USC 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 page 2)

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOCD
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
1825 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30462	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code 26629 300737	⁵ Property Name RINCON UNIT	⁶ Well Number 516
⁷ GRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT L.P.	⁹ Elevation 6655'

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
D	26	27-N	7-W		215	NORTH	330'	WEST	RIO ARRIBA

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 337.36 W/2			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

16

QTR. CORNER
FD 3 1/4" BC
1955 BLM

SEC. CORNER
FD 3 1/4" BC
1955 BLM

2639.6' (M)

2773.5' (M)

26

LOT 1

LOT 2

LOT 3

LOT 4

LOT 5

LOT 6

LOT 7

LOT 8

LOT 9

LOT 10

LOT 11

LOT 12

LOT 13

LOT 14

LOT 15

LOT 16

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.

Signature
Pamela Rainey

Printed Name
Pamela Rainey

Date
2/20/08

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.

Date of Survey
MAY 12 2005

Signature and Seal of Professional Surveyor
02104-08

Certificate Number
8894

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

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

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1000 Rio Brazos Rd., Aztec, NM 87410

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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
OIL CONS. DIV.
DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30462	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 26629 302737	⁵ Property Name RINCON UNIT	⁶ Well Number 516
⁷ GRID No. 241333	⁸ Operator Name CHEVRON MIDCONTINENT L.P.	⁹ Elevation 6655'

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
D	26	27-N	7-W		215	NORTH	330'	WEST	RIO ARRIBA

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 339.08 N/2					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

16

N 88-35-29° E 2639.6' (M)		QTR. CORNER FD 3 1/4" BC 1955 BLM	
SEC. CORNER FD 3 1/4" BC 1955 BLM	LAT. 36°33'06.0" N (NAD 83) LONG. 107°33'08.9" W (NAD 83)	LOT 4	LOT 3
S 00-29-43° W 2773.5' (M)		LOT 2	LOT 1
26		LOT 5	LOT 6
QTR. CORNER FD 3 1/4" BC 1955 BLM		LOT 7	LOT 8
LOT 12		LOT 11	LOT 10
LOT 13		LOT 14	LOT 15
		LOT 9	LOT 16

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.

Paula Rainey
Signature
Printed Name
Date
2/20/08

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.

Date of Survey
Signature and Seal of Professional Surveyor
Certificate Number

NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
04-08
8894

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

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District IV

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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103

May 27, 2004

WELL API NO.

30-039-304102

5. Indicate Type of Lease: **FEDERAL**
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
FEDERAL: SF 080385

7. Lease Name or Unit Agreement Name
RINCON UNIT

8. Well Number: #516

9. OGRID Number: 189071

10. Pool name or Wildcat
Blanco MV & Basin DK

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 D : 215 feet from the North line and 330 feet from the West line

Section 26 Township 27N Range 7W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6655' GL

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 200'-1000'

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Register Drilling Pit ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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 8/905

Type or print name Mike Pippin

E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573

For State Use Only

APPROVED BY:

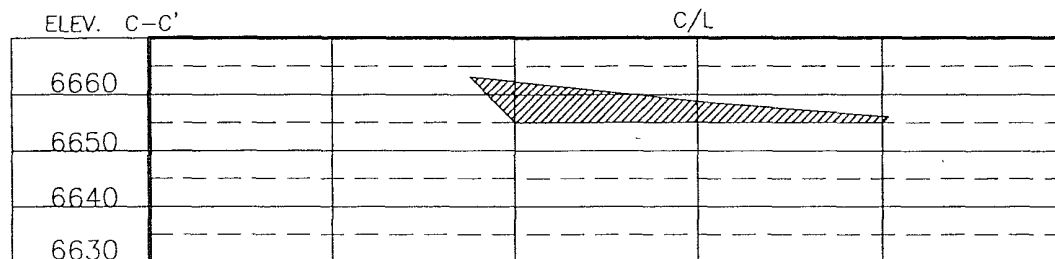
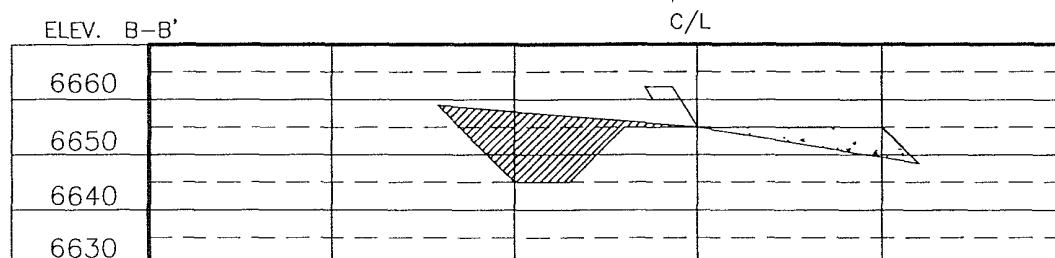
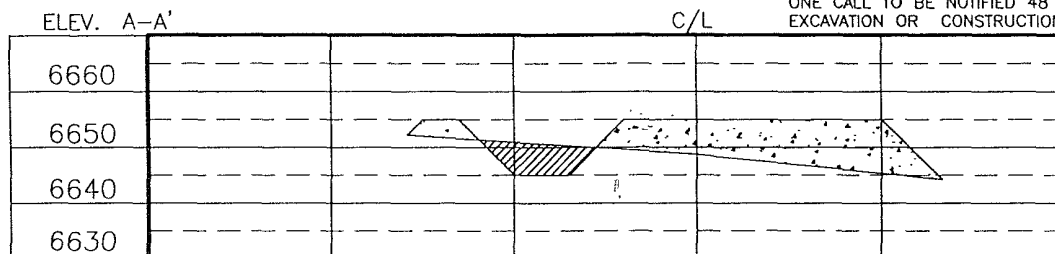
[Signature]

TITLE


Deputy Oil & Gas Inspector DATE FEB 25 2008
District #3

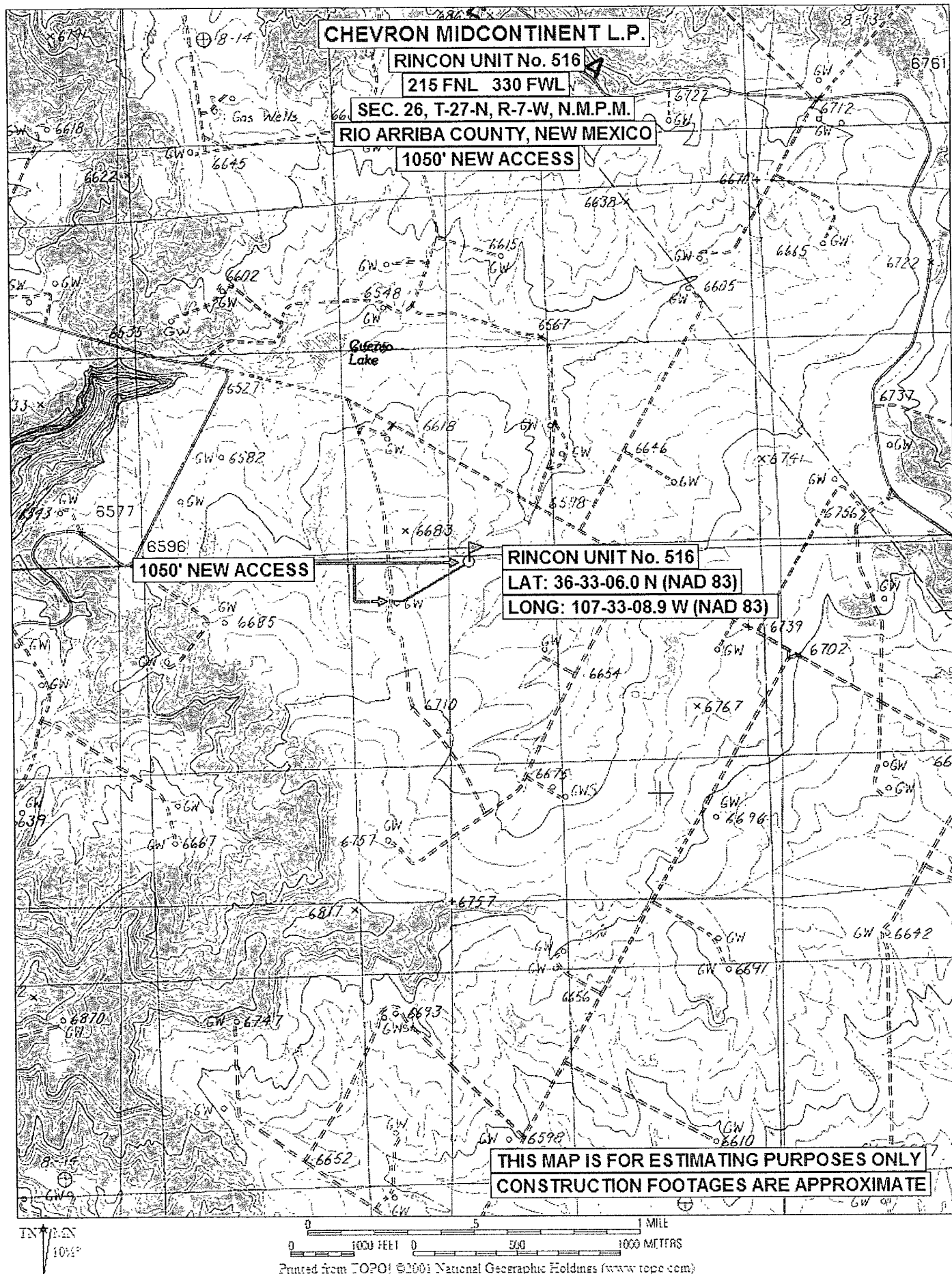
Conditions of Approval (if any):

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	REVISED BY
OPERATOR NAME CHANGE	02/01/08	A.G.
		
<p>Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 • Farmington, NM 87489 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. No. 8894</p>		
DRAWN BY: A.G.	COPY# PR118CFB	
ROW# PR118	DATE: 06/22/05	



PURE RESOURCES LP
RINCON UNIT #516 MV/DK
215' FNL, 330' FWL
Unit D Sec. 26 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	2283'
Kirtland	2411'
Fruitland	2598'
Pictured Cliffs	3036'
Cliffhouse	4744'
Menefee	4778'
Point Lookout	5281'
Greenhorn	7200'
Graneros	7259'
Dakota	7376'
Intermediate TD (7")	2800'
TD (4-1/2")	7630'

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 #516 MV/DK
215' FNL, 330' FWL
Unit D Sec. 26 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 ft³/sx yield, 14.6 ppg, & 6.7 gps) with 2% CaCl₂ 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. (~236 sx) Premium Lite w/2% CaCl₂, 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% CaCl₂, 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 = 1193 cu. ft. (572 sx). Volumes

PURE RESOURCES LP
RINCON UNIT #516 MV/DK
215' FNL, 330' FWL
Unit D Sec. 26 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 ~983 cu. ft. (~486 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 10, 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

