

RCVD JAN 24 '08

OIL CONS. DIV.

DIST. 3

RECEIVED

Form 3160-3
(April 2004)

DEC 21 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

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

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-079364
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 414
3b. Phone No (include area code) 281-561-4859		9 API Well No 30-039-27670 30455
4. Location of well (Report location clearly and in accordance with any State requirements *) At surface 2575' FNL 175' FWL Lat. 36 31'53"N Long 107 31'02"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 E Sec. 31 T27N R6W		12. County or Parish Rio Arriba
13 Miles Southeast of Blanco, NM		13 State New Mexico
15 Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any) 175'	16 No of acres in lease 2605.33	17 Spacing Unit dedicated to this well North 349.93
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1741'	19. Proposed Depth 7660'	20 BLM/ BIA Bond No on file NM 2881
21. Elevations (Show whether DF, RT, GR, etc) 6625' Ground Level	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 	Name (Printed/ Typed) Pamela Ramey	Date 12/20/2007
Title Regulatory Specialist		
<p>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</p>		
Approved By (Signature) 	Name (Printed/ Typed) AEM	Office FFO
Title AEM		

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.

* (Instructions on page 2)

NOTIFY AZTEC OGD 24 HRS.
PRIOR TO CASING & CEMENT

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

NMOCD
MAR 24 2008

Obtain a pit permit from NMOCD prior to constructing location

HOLD C104 FOR ACSC IN MV
OK in PA.

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised October 12, 2005

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-30455		*Pool Code 72319/71599		*Pool Name BLANCO MESAVERDE/BASIN DAKOTA	
*Property Code 26629 302737		*Property Name RINCON UNIT			*Well Number 414
*GRID No. 241333		*Operator Name CHEVRON MIDCONTINENT L.P.			*Elevation 6625'

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
E	31	27-N	6-W		2575	NORTH	175	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

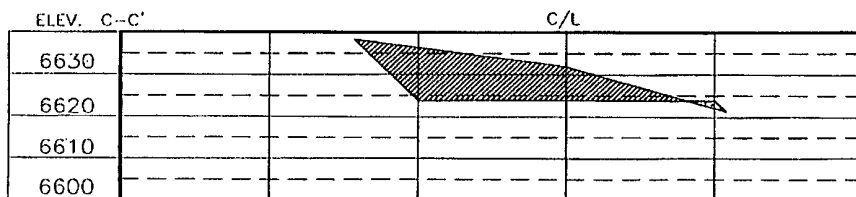
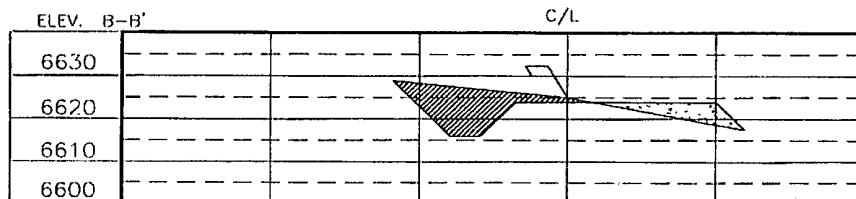
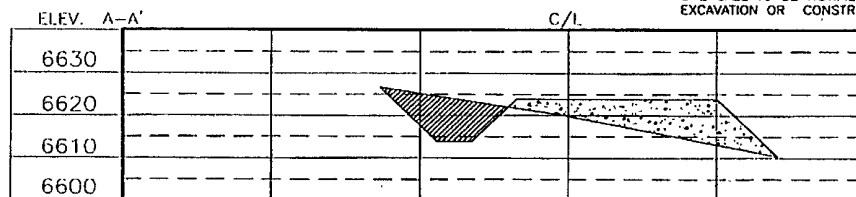
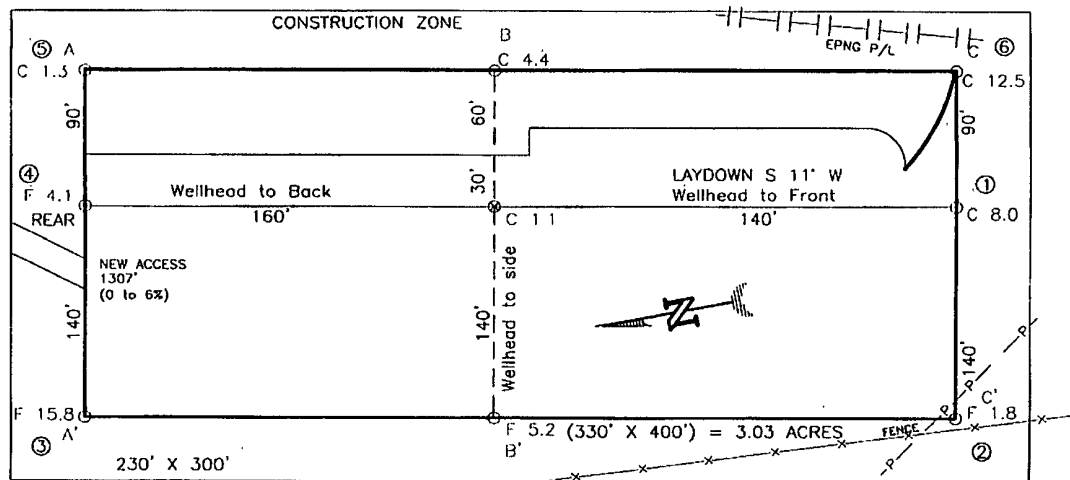
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 349.93 N/2					*Joint or Infill		*Consolidation Code		*Order No

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

16				17 OPERATOR CERTIFICATION			
<p>FD 3 1/4" BC. S 85°19'31" E 1955 B.L.M. 2641.59'(M)</p> <p>LOT 8 LOT 7 LOT 6 LOT 5</p> <p>S 00°05'21" W 2575' 3117.69'(M)</p> <p>LOT 9 LOT 10 LOT 11 LOT 12</p> <p>175'</p> <p>FD 3 1/4" BC. 1955 B.L.M.</p> <p>LOT 16 LOT 15 LOT 14 LOT 13</p> <p>LOT 4</p> <p>31</p> <p>X RINCON UT. 168</p> <p>X LAT = 36-31-53 N. LONG. = 107-31-02 W.</p>				<p>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.</p> <p><u>Pamela Rainey</u> Signature Pamela Rainey 3/19/08 Printed Name Date</p>			
18 SURVEYOR CERTIFICATION							
<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 belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor 03-1-08 ROY A. RUSH NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 80894</p> <p>Certificate Number</p>							

RCUD MAR 21 '08
OIL CONS. DIV.
DIST. 3

CHEVRON MIDCONTINENT L.P.
 RINCON UNIT No. 414, 2575 FNL 175 FWL
 SECTION 31, T27N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N. M.
 GROUND ELEVATION: 6625, DATE: JUNE 15, 2004, 2002



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	BY	DATE	BY
NAME CHANGE	7/22/04	BL		
ROUTE PAD LAYOUT	5/25/04	BL		
COMPANY NAME CHANGE	02/27/05	A.C.		

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 510 Farmington, NM 87499
 Phone (505) 325-1772 • Fax (505) 325-6013
 NEW MEXICO L.S. No. 8894
 COUNTY: PROCTOR
 DATE: 08/19/02

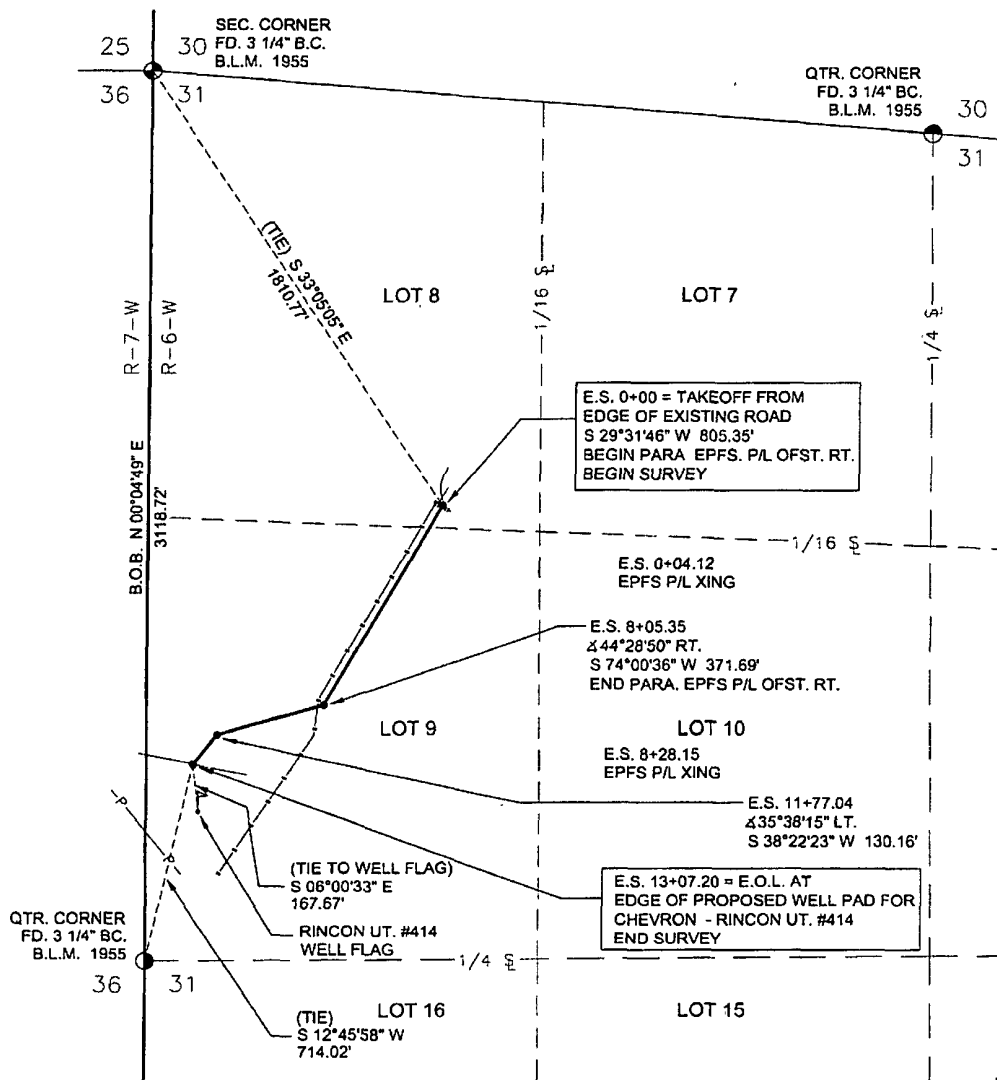
DAUGHTER: A.C.
 NAME: PROCTOR

RCVD MAR 21 '08
 OIL CONS. DIV.
 DIST. 3

A PRELIMINARY SURVEY
BEING A CENTERLINE SURVEY ON B.L.M. LANDS FOR
CHEVRON MIDCONTINENT L.P.
PROPOSED RINCON UNIT No. 414 ACCESS ROAD

LOTS 8 & 9 OF SEC. 31, TOWNSHIP 27 NORTH, RANGE 6 WEST, N.M.P.M.
LOCATED SOUTHEAST OF NAVAJO CITY,
RIO ARriba COUNTY, NEW MEXICO

RCVD MAR 21 '08
OIL CONS. DIV.
DIST. 3

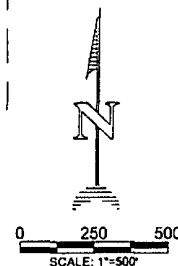


NOTES:

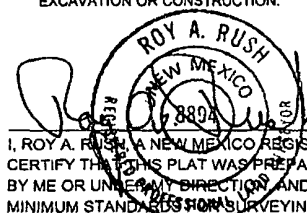
1) BASIS OF BEARING: BETWEEN FOUND MONUMENTS AT THE WEST QUARTER CORNER AND THE NORTHWEST CORNER OF SEC. 31, T-27-N, R-6-W, N.M.P.M. LINE BEARS N 00°04'49\" E, A DISTANCE OF 3118.72 FEET PER G.P.S.

2) DATE OF SURVEY: 6/15/2004

3) 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.




OWNER	STATION	FT./RODS
B.L.M.	E.S. 0+00 TO E.S. 13+07.20	1307.20/79.22



DATE: 03-03-08

I, ROY A. RUSH, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT THIS PLAT WAS PREPARED FROM AN ACTUAL SURVEY PERFORMED BY ME OR UNDER MY DIRECTION AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

I FURTHER CERTIFY THAT THIS IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT.

REVISION	REV. BY	DATE
CHANGE OPERATOR NAME	A.G.	02/27/08
 Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 510 Farmington, NM 87499 Phone (505) 326-1772 Fax (505) 326-6019 REGISTERED LAND SURVEYOR NEW MEXICO No. 8894		
SHEET 1 OF 1		CADFILE: PR061P01
DRAWN BY: B.L.	ROW#: PR061	DATE: 06/29/04

DAGGETT ENTERPRISES, INC. REV. 02/04

**PURE RESOURCES LP
RINCON UNIT #414 MV/DK
2575' FNL, 175' FWL
Unit E Sec. 31 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	2100'
Kirtland	2620'
Pictured Cliffs	3010'
Lewis	3110'
Cliffhouse	4725'
Point Lookout	5270'
Mancos	5640'
Gallup	6640'
Greenhorn	7190'
Graneros	7240'
Dakota	7410'
TD	7660'

2. NOTABLE ZONES

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Pictured Cliffs	Ojo Alamo Kirtland	
Cliffhouse		
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 #414 MV/DK
 2575' FNL, 175' FWL
 Unit E Sec. 31 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 & #6.

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	2710'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7660'

Surface casing will be cemented to the surface with ~313 cu. ft. (~225 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 15 minutes.

¹⁹¹ **Intermediate casing** will be cemented to surface with a single stage. Total cement = ~~588~~ 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.

^{WGL}

Lead cement will be ~~~457~~ cu. ft. (~325 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 = 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 #414 MV/DK
2575' FNL, 175' FWL
Unit E Sec. 31 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'-2710'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2710'-7660'	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.

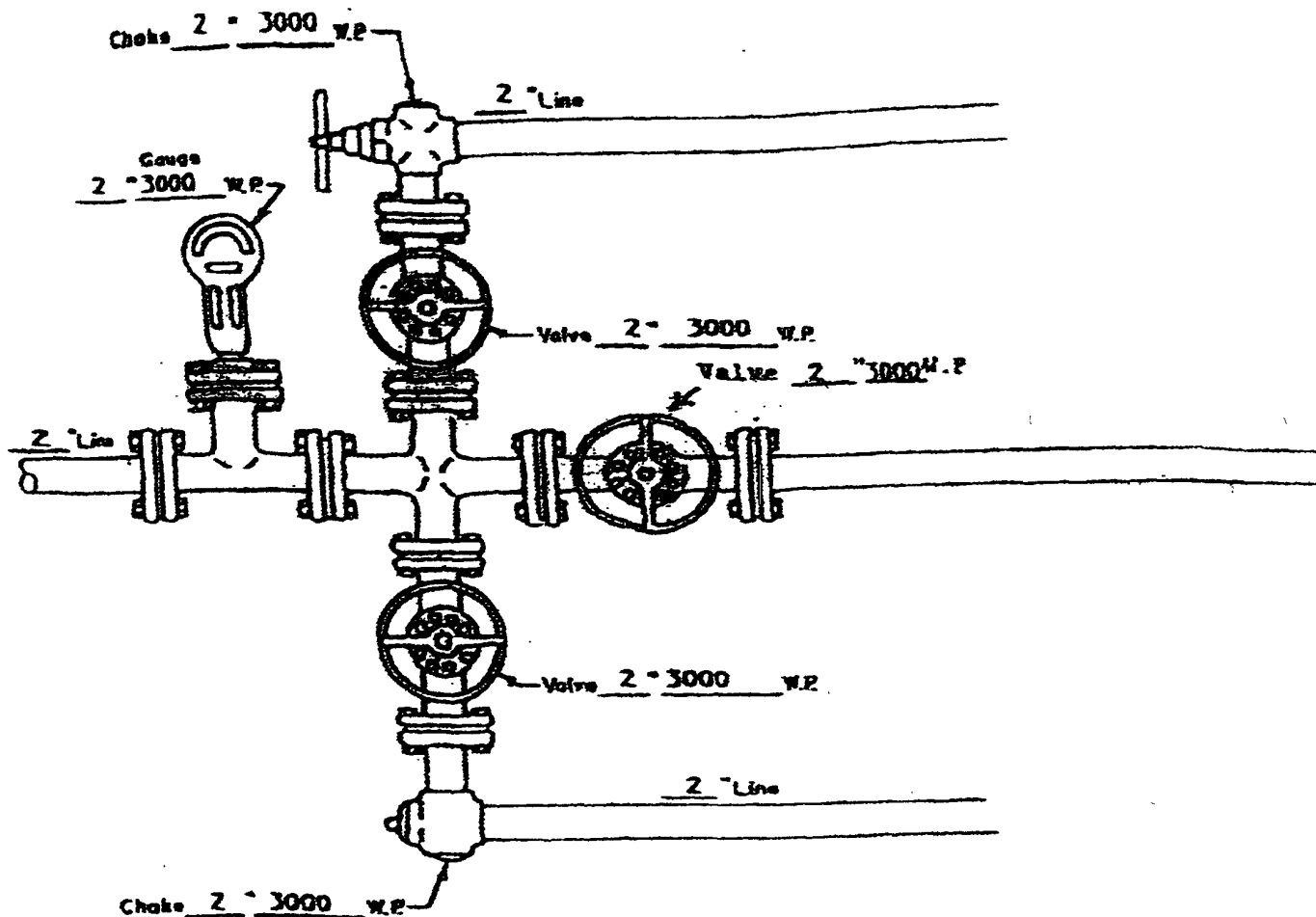
7. DOWN HOLE CONDITIONS

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

8. OTHER INFORMATION

The anticipated spud date is August 1, 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

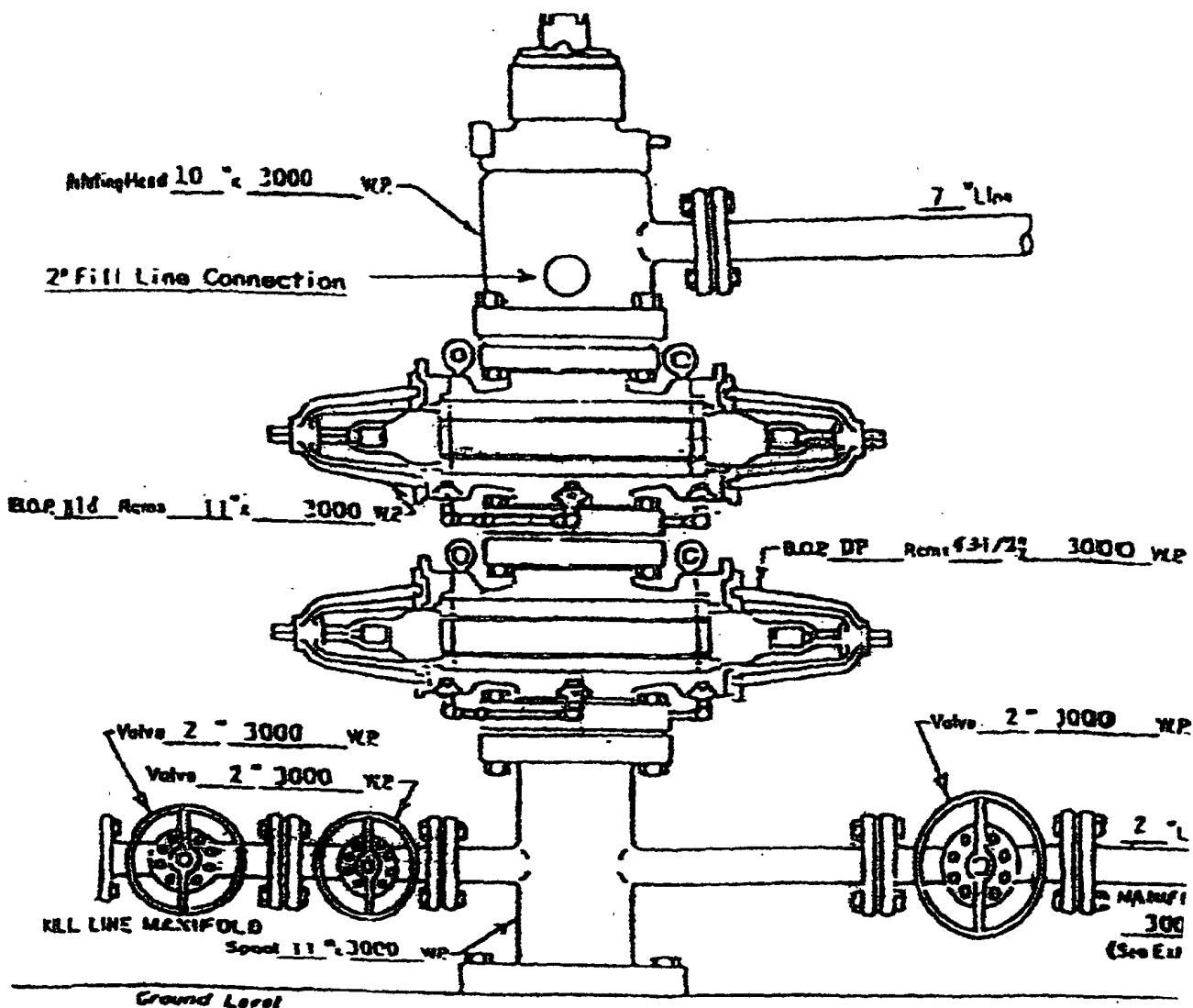


MANIFOLD
3000 # W.P.

☒ Manual
☐ Hydraulic

ATTACHMENT NO. 2

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.