

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

1 a. TYPE OF WORK  
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL  
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☒

2. NAME OF OPERATOR  
Pure Resources

3. ADDRESS AND TELEPHONE NO.  
463 Turner Dr. Ste 101 Durango Colorado 81303

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)\*  
At surface 2523' FSL and 826' FEL  
At proposed prod zone Same as Surface

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
40 miles Southeast from Bloomfield NM.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE F-1 (Also to nearest drg. Unit line, if any) 2510'

16. NO. OF ACRES IN LEASE 2645.09

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1488'

19. PROPOSED DEPTH 7700'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, ) 6698'

22. APPROX. DATE WORK WILL START\* ASAP

5. LEASE DESIGNATION AND SERIAL NO. SF-079364

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME Rincon Unit

8. FARM OR LEASE NAME, WELL NO. Rincon Unit 129P

9. API WELL NO. 3003927515

10. FIELD AND POOL OR WILDCAT Basin Dakota/ Mesa Verde

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 29, T-27-N, R-6-W

12. COUNTY OR PARISH Rio Arriba

13. STATE NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	H-40 9-5/8"	32.3#	350'	200 SACKS Type III TOC @ SURFACE
8-3/4"	K-55 7"	20#	2734'	405 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7700'	610 SACKS 65/35 POZ TYPE III TOC TIED INTO
				7" casing

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 129P, and complete in the Mesa Verde and the Basin Dakota and downhole commingle the two formations. This well will be an infill 80 acre.

BOP- One double gate BOP with 3-1/2" pipe and blind rams, one choke manifold with adjustable and positive chokes, an accumulator will hydraulically operate BOP with 1 1/2 times the necessary capacity to close the rams and retain a minimum of 200 psi above recharge. Rotating head will be utilized during the drilling of the 6-1/4" hole. (Schematics are attached)



IN ABOVE SPACE DESCRIBED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Mike C. Phillips TITLE San Juan Basin Area Drlg Prod Foreman DATE 4/30/03

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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 application to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Charlie Beecham TITLE \_\_\_\_\_ DATE DEC 10 2003

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, 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.

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

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

NMOCD

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  
611 South First, Artesia, N.M. 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87506

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 <b>30-039-27515</b>		Pool Code <b>71599</b>	Pool Name <b>Basin Dakota</b>
Property Code <b>26629</b>	Property Name <b>RINCON UNIT</b>		Well Number <b>129P</b>
OGHD No. <b>189071</b>	Operator Name <b>PURE RESOURCES</b>		Elevation <b>6698'</b>

<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
1	29	27-N	6-W		2523	SOUTH	826	EAST	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 <b>320</b>			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

				<p><sup>17</sup> 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><i>Michael Phillips</i> Signature</p> <p><b>Michael Phillips</b> Printed Name</p> <p><b>SAN JUAN FOREMAN</b> Title</p> <p><b>MAY 1, 2003</b> Date</p>	
				<p><sup>18</sup> 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 belief.</p> <p><i>David A. Johnson</i> Signature and Seal of Professional Surveyor</p> <p><b>14827</b> Date of Survey</p> <p><b>14827</b> Certificate Number</p>	

DISTRICT I  
1825 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., Asteo, 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 <b>30-039-27515</b>		*Pool Code <b>72319</b>	*Pool Name <b>Blanco Mesa Verde</b>
*Property Code <b>26629</b>	*Property Name <b>RINCON UNIT</b>		*Well Number <b>129P</b>
*OGRID No. <b>189071</b>	*Operator Name <b>PURE RESOURCES</b>		*Elevation <b>6698'</b>

<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
1	29	27-N	6-W		2523	SOUTH	826	EAST	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 <b>320</b>			*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

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				LAT. = 36°32'41" N. LONG. = 107°29'05" W.		QUARTER COR. FD 3 1/4" BC 1955 BLM		135'		826'		1194'		2523'		N 00-03-57 E 2857.99'(M)		PURE - RINCON UNIT No. 129M *		S 87-08-26 W 2642.14'(M)		SEC. COR. FD 3 1/4" 1955 BLM BC		QUARTER COR. FD 3 1/4" BC 1955 BLM			
<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><i>Michael Phillips</i></u> Signature</p> <p><u>Michael Phillips</u> Printed Name</p> <p><u>SAN JUAN FORMAN</u> Title</p> <p><u>MAY 1, 2003</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 belief.</p> <p><u><i>DAVID A. JOHNSON</i></u> Date of Survey</p> <p><u>NEW MEXICO</u> Signature and Seal of Professional Surveyor:</p> <p><u>14827</u> Certificate Number</p>																											

**PURE RESOURCES  
RINCON UNIT WELL NO. 129P  
2523' FSL, 826' FEL, SEC. 29, T-27-N, R-6-W**

**8 POINT DRILLING PLAN**

**1. ESTIMATED FORMATION TOPS**

<b><u>FORMATION NAME</u></b>	<b><u>DEPTH FROM GL</u></b>
San Jose	Surface
Ojo Alamo	2,365'
Kirtland Shale	2,702'
Pictured Cliffs	3,194'
Cliff House	4,883'
Point Lookout	5,441'
Mancos	5,815'
Tocito Sand	6,969'
Dakota	7,556'
ETD	7,698'
Permit TD	7,700'

**2. OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES**

<b><u>EXPECTED GAS ZONES</u></b>	<b><u>DEPTH FROM GL</u></b>
Fruitland Coal	2985'-3194'
Pictured Cliffs	3194-3343'
Mesa Verde	4883-5815'
Dakota	7556-7698'

<b><u>EXPECTED WATER ZONES</u></b>	<b><u>DEPTH FROM GL</u></b>
Ojo Alamo	2365'

Possible water zones will be protected by 7" intermediate casing and/or 4-1/2" production strings, 7" cemented to surface, and 4-1/2" casing cement tied in to 7".

**3. PRESSURE CONTROL BOP'S AND RELATED EQUIPMENT**

Casing Head: 7" x 11" – 3000 psi W.P.

BOP Stack and Related Equipment: (See Attachment No. 1 &2).

**RINCON UNIT WELL NO. 129P**  
**DRILLING PROGRAM – PAGE 2**

One double-gate BOP with 4-1/2" and then 3-1/2" pipe and blind rams.

One choke manifold with adjustable and positive chokes.

An accumulator will hydraulically operate the BOP with 1-1/2 times the necessary capacity to close the rams and retain a minimum of 200psi above recharge. The remote unit will be located in the bottom "dog house" or on the ground between the "dog house" and the toolpushers trailer. A rotating head on top of the BOP stack will be utilized when necessary.

**Testing Procedure:**

The BOP and related equipment will be tested in accordance with the provisions of Onshore Oil and Gas Order No. 2.

BOP's will be operationally tested daily and each test will be logged in the IADC Daily Drilling Report.

**Blooie Line:**

The blooie line and related equipment will meet all requirements of Onshore Oil and Gas Order No. 2.

4. **CASING AND CEMENTINNG PROGRAM**

**SURFACE CASING (Spud Mud)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-350'	12-1/4"	9-5/8"	32.3#	H-40	ST&C

**INTERMEDIATE CASING (FW Mud)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-2734'	8-3/4"	7"	20#	K-55	ST&C

**PRODUCTION CASING (Air Dusting)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-TD	6-1/4"	4-1/2"	11.6#	N <del>X</del> -80	LT&C

**MINIMUM SAFETY FACTORS**

Collapse: 1.125

Tension: 1.8

Burst: 1.0

**RINCON UNIT WELL NO. 129P**  
**DRILLING PROGRAM – PAGE 3**

**Cementing Program**

1. The 9-5/8" surface casing will be cemented to the surface with 200 sacks of class "Type III" cement + 2% Cacl<sub>2</sub> and 1/4# per cello flake. 14.6ppg, 1.39 yield. Represents 137% excess.
2. The 7" intermediate casing will be cemented to surface with; 325 sacks of Premium Lite FM cement + 8% gel + 2% CACL<sub>2</sub>, + 6.25#/sack LCM + .25 lbs/sk Cello Flake @ 12.1 ppg, + 2.11 yield, Followed by 80 sacks class "Type III" cement + 2% CACL<sub>2</sub> + 1/4 #/sack cello-flake. @ 14.6 ppg, 1.39 yield. This represents 33% excess.
3. The 4-1/2" production casing will be cemented and tied into the intermediate casing with 85 sacks Premium Lite HS FM + .3% R-3, + 2% CACL<sub>2</sub> + 1/4 #/sack CF + .3% CD-32 + 5#/SK LCM-1 + 1% FL-52, 11.9 ppg, 2.37 yield. Followed by 525 sks Premium Lite HS FM + .3% R-3, + 2% CACL<sub>2</sub> + 1/4# /sk CF + .3% CD-32 + 5#/sk LCM-1 + 1% FL-52. 12.5 ppg, 2.02 yield. Represents 45% excess.

Casing hardware for the production string to include guide shoe, float collar, centralized shoe joint and next five joints. Centralizers across producing zones.

**Auxiliary Equipment**

A kelly cock will be used with handle available. A full opening safety valve will be used when Kelly is out of string. Rotating head while air drilling. Will have vacuum diversion on blooie line.

5. **DRILLING FLUID PROGRAM**

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Vis</u>	<u>W.L.</u>
0-350'	Spud Mud			N.C.
350-2734'	Fresh Water Gel	8.3-8.6	30-35	N.C.
2734'-TD	Air	N.C.	N.C.	N.C.

**RINCON UNIT WELL NO. 129P**  
**DRILLING PROGRAM – PAGE 4**

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

DST's: None Planned.

Logging: Cased hole GR/Dual Burst Thermal Decay

Cores: None planned.

Completion: During completion, the drilling rig will be removed and a completion rig will be moved in and BOP's of a similar pressure rating will be used. The Dakota and Mesa Verde will be selectively perforated and individually hydraulically stimulated. The wells will be commingled with 2-3/8" production string. A "Well Completion or Re-completion Report and Log" (Form 3160-4) will be submitted within 30 days after completion of the well per 43 CFR 3164. Two copies of all logs geologic summaries, sample descriptions, and all other data obtained during the drilling, workover, and completion operations will be filed with form 3160-4.

7. **ABNORMAL PRESSURES, TEMPERATURES, AND POTENTIAL HAZARDS**

*Pressure* Due to numerous wells drilled in the unit, no above normal pressures zones are anticipated.

*Temperature* No above normal temperatures are anticipated.

*Hydrogen Sulfide* No H<sub>2</sub>S is anticipated.

8. **ADDITIONAL INFORMATION:**

**Starting Date**

Road and location work will begin as soon as approval has been received from the BLM, Drilling should commence immediately upon approval of the APD, weather permitting. The BLM will be notified 48 hours before dirt work begins and 24 hours before drilling operations begin.

**Duration of Operations**

Drilling will be approximately 8 days. Completion will be approximately 10 days.