

Submit 3 Copies To Appropriate District Office

State of New Mexico Energy, Minerals & Natural Resources

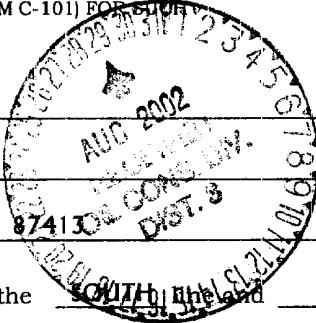
Form C-103 Revised March 25, 1999

District I 1625 N. French Dr. Hobbs, NM 88240
District II 811 South First, Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

WELL API NO. 30-039-26977
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. Federal Lease SF079298
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well No. 177R
9. Pool name or Wildcat Basin DK/Blanco MV
10. Elevation (Show wheather DF,RKB,RT,GR,etc.) 6731' GR

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 [X] Other []
2. Name of Operator PURE RESOURCES L.P.
3. Address of Operator P.O. BOX 850, BLOOMFIELD, NM 87413
4. Well Location Unit Letter N : 817' feet from the ... 2225' feet fom the WEST line
Section 13 Township 27N Range 07W NMPM RIO ARRIBA County



11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] REMEDIAL WORK [] ALTERING CASING []
TEMPORARILY ABANDON [] CHANGE PLANS [] COMMENCE DRILLING OPNS [] PLUG AND ABANDONMENT []
PULL OR ALTER CASING [] MULTIPLE COMPLETION [X] CASING TEST AND CEMENT JOB []
OTHER: [] OTHER: []

12. 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 recompliation

SEE ATTACHED

DHC 881A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE [Signature] TITLE San Juan Basin Drilling/ Production Foreman DATE 08/23/02

Type or print name Mike Phillips TELEPHONE NO. (505) 632-1811
This space for State Use Original Signed by STEVEN AL HAYDEN DEPUTY OIL & GAS INSPECTOR DIST. #1 AUG 29 2002

APPROVED BY [Signature] TITLE DATE
Conditions of approval, if any:

In accordance with Division Order - NO.R-11383.19.5.5.303 (C)-c, Pure Resources request permission to down hole commingle Blanco Mesa Verde formation and Basin Dakota in the following well.

Rincon Unit No. 177R
817' F S L & 2225' F W L
" N " Sec 13 , T 27N - R 07W
Rio Arriba County, New Mexico

Perforated intervals

(Basin Dakota)

Graneros
Dakota

(Blanco Mesa Verde)

Cliff house
Menefee
Pt Lookout

Allocation of production will be at a later date using established production of the Dakota minus the total Production of the commingled well.

The Blanco Mesa Verde formation is uneconomic to drill as a stand-alone well. To develop these reserves, a dual or commingled completion is required. We estimate an ultimately recovery of approximately 750 MMCFD from the Mesa Verde Horizon, which would remain otherwise undeveloped.

Both zones are common ownership and produce essentially dry gas. Therefore the formation fluids are compatible. Also no cross flows will occur between the commingled zones.

Also a copy of the respective 3160 will be sent to the BLM for notification.

