

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		2002 SEP 10 AM 10:43		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				
2. NAME OF OPERATOR Pure Resources		5. LEASE DESIGNATION AND SERIAL NO. SF -079366		
3. ADDRESS AND TELEPHONE NO. P.O. Box 850, Bloomfield New Mexico		6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement) At surface 2251' FNL and 1425' FWL At proposed prod. zone Same as Surface		7. UNIT AGREEMENT NAME Rincon Unit		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 40 miles Southeast from Bloomfield NM.		8. FARM OR LEASE NAME, WELL NO. Rincon Unit 180R		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE FT (Also to nearest drg. Unit line, if any) 4560'		9. API WELL NO. 30 039 27067		
16. NO. OF ACRES IN LEASE 2645.09		10. FIELD AND POOL OR WILDCAT Basin Dakota/ Mesa Verde		
17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1250'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA F Sec. 21, T-27-N, R-6-W		
18. PROPOSED DEPTH 7698'		12. COUNTY OR PARISH Rio Arriba		
19. ELEVATIONS (Show whether DF, RT, GR,) 6634' GR		13. STATE NM		
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START ASAP		
23. 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'	285 SACKS "B" TOC @ SURFACE
8-3/4"	K-55 7"	20#	2730'	300 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7698'	600 SACKS 65/35 POZ TYPE III TOC TIED INTO 7" CASING OR CIRC

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 180R, 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)

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

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

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.

24. SIGNED Mike C. Phillips TITLE San Juan Basin Area Drilling Production Foreman DATE 9/10/02
MIKE C. PHILLIPS
(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/ David J. Mankiewicz TITLE _____ DATE OCT 18

*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.

NMOCD

DISTRICT I
1685 N. French Dr., Hobbs, N.M. 88240

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

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039- 27067	² Pool Code 71599	³ Pool Name Basin Dakota
⁴ Property Code 26629	⁵ Property Name RINCON UNIT	⁶ Well Number 180R
⁷ OGRD No. 189071	⁸ Operator Name PURE RESOURCES	⁹ Elevation 6634'

¹⁰ Surface Location

UL or lot no. F	Section 21	Township 27-N	Range 6-W	Lot Idn	Feet from the 2251'	North/South line NORTH	Feet from the 1425'	East/West line WEST	County RIO ARRIBA
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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 320			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

FD 3 1/4" BC BLM 1955	N 89-19-43 E 2632.75'	FD 3 1/4" BC BLM 1955	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Mike Phillips Printed Name San Juan Basin Production/ Drilling Foreman Title Sept. 10th, 2002 Date
5252.71'	2251'	1208'	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 direct supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: 8894 Certificate Number
138'	1425'	375'	
S 01-33-27 W	LAT. = 36°33'39"N. LONG. = 107°28'36"W.	2012 SEP 10 AM 10:43 RECEIVED	
FD. 3 1/4" BC BLM 1955			

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039- 27067		² Pool Code 72319	³ Pool Name Blanco Mesa Verde
⁴ Property Code 26629	⁵ Property Name RINCON UNIT		⁶ Well Number 180R
⁷ OCRD No. 18907	⁸ Operator Name PURE RESOURCES		⁹ Elevation 6634'

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
F	21	27-N	6-W		2251'	NORTH	1425'	WEST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

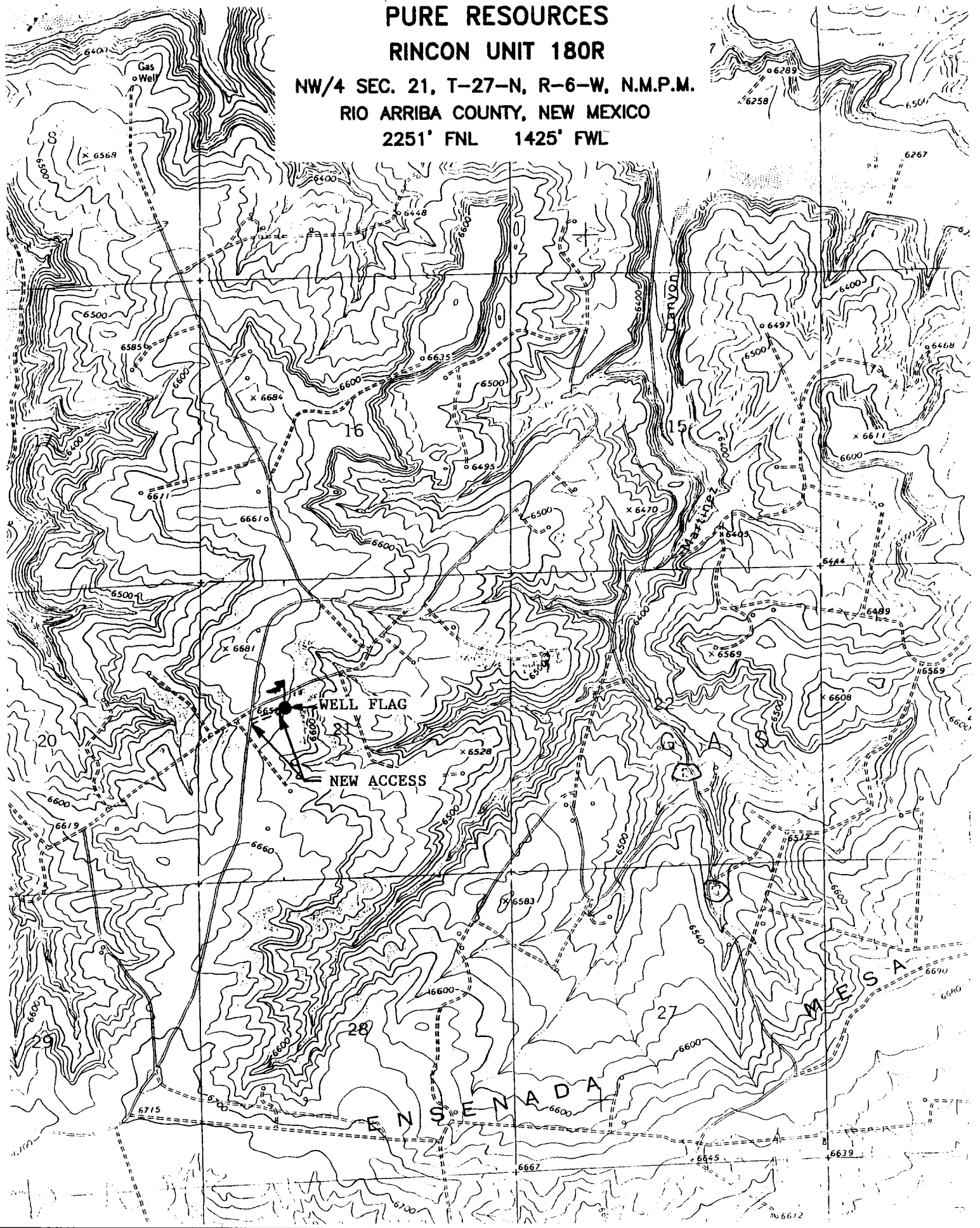
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 1/2 RF					¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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¹⁶ FD 3 1/4" BC BLM 1955		N 89-19-43 E 2632.75'		FD 3 1/4" BC BLM 1955		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Mike Phillips</u> Printed Name San Juan Basin Drilling/ Production Foreman Title Sept. 10th, 2002 Date	
5252.71'		2251'		1208'			
1425'		375'		LAT.= 36°33'39"N. LONG.= 107°28'36"W.		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 direct supervision, and that the same is true and correct to the best of my belief. Date of Survey <u>10-01-01</u> Signature and Seal of Professional Surveyor: 8894 Certificate Number	
S 01-33-27 W							
FD. 3 1/4" BC BLM 1955							

PURE RESOURCES
RINCON UNIT 180R

NW/4 SEC. 21, T-27-N, R-6-W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO
2251' FNL 1425' FWL



PURE RESOURCES
RINCON UNIT WELL NO. 180R
2251' FNL, 1425' FWL, SEC. 21, T-27-N, R-6-W

8 POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS

FORMATION NAME	DEPTH FROM GL
San Jose	Surface
Ojo Alamo	2,398'
Kirtland Shale	2,689'
Pictured Cliffs	3,248'
Cliff House	4,906'
Point Lookout	5,482'
Mancos	5,905'
Tocito Sand	7,028'
Dakota	7,589'
ETD	7,698'
Permit TD	7,698'

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

EXPECTED GAS ZONES	DEPTH FROM GL
Fruitland Coal	3038'-3248'
Pictured Cliffs	3248-3418'
Mesa Verde	4906-5905'
Dakota	7589-7698'

EXPECTED WATER ZONES	DEPTH FROM GL
Ojo Alamo	2398'

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).

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

<u>SURFACE CASING (Spud Mud)</u>						
<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

<u>INTERMEDIATE CASING (FW Mud)</u>						
<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-2730’	8-3/4”	7”	20#	K-55	ST&C

<u>PRODUCTION CASING (Air Dusting)</u>						
<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#	L-80	LT&C

MINIMUM SAFETY FACTORS

Collapse: 1.125
Tension: 1.8
Burst: 1.0

Cementing Program

- 1. The 9-5/8” surface casing will be cemented to the surface with 285 sacks of class “B” cement + 2 Cacl2 and ¼# per cello flake. 14.5ppg
- 2. The 7” intermediate casing will be cemented to surface with; 300 sacks of type III (35:65) Poz cement + 8% gel + 2% CACL2, + 6.25#/sack Gilsonite, .25 lbs/sk Cello Flake @ 12.1 ppg , Followed by 50 sacks class “B” cement + 2% CACL2 + ¼ #/sack cello-flake. @ 14.5 ppg.
- 3. The 4-1/2” production casing will be cemented and tied into the intermediate casing with 600 sacks 65/35 Poz Type III cement + ¼ #/sack CF, 6% gel, 10#/sack CSE + 3% KCL, FL-62 + .2% CD-32, @ 12.5 ppg.

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 bloolie 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.
350-2730’	Fresh Water Gel	8.3-8.6	30-35	N.C
2730’-TD	Air/Nitrogen	N.C.	N.C.	N.C.