

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.

P.O. Box 850, Bloomfield New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)*

At surface

1030' FNL and 2505' FEL

At proposed prod. zone

Same as Surface

5. 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 FT. (Also to
nearest dip. Unit line, if any)

1030'

16. NO. OF ACRES IN LEASE

2645.09

17. NO. OF ACRES ASSIGNED TO
THIS WELL

320 3.05

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

1000'

19. PROPOSED DEPTH

7700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR.

6624' GR

22. APPROX. DATE WORK WILL START*

June 2002

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#	2763'	300 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7700'	600 SACKS 65/35 POZ TYPE III TOC TIED
				INTO 7" CASING OR CIRC

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 159R, 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)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPARISON 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

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 Drilling Production Foreman

DATE

5/04/02

(This space for Federal or State office use)

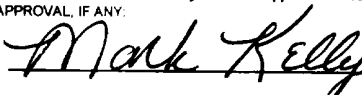
PERMIT NO.

APPROVAL DATE

6/5/02

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



TITLE

AFM (Acting)

DATE

JUN - 5 2002

*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.

HOLD C104 FOR

Maguade for change of status to #80

NMOOD

DISTRICT I
1626 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

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

DISTRICT III
1040 Rio Brazos Rd., Artec, 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 30-039 26998		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 159R
*OGRD No. 189071	*Operator Name PURE RESOURCES		*Elevation 6624'

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
B	18	27-N	6-W		1030'	NORTH	2505'	EAST	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 320			**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	FD B.L.M. BC 1955	N 88-13-00 W 2620.92'	FD BC B.L.M. 1955
LOT 1	LAT. 36°34'42"N LONG. 107°30'27"W	1030'	1195'
LOT 2	116'	2505'	299'
LOT 3	10	5314.79'	
LOT 4	20:11:10 E- APR 2002		FD B.L.M. BC 1955

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Mike C Phillips
Signature

Mike C Phillips
Printed Name

San Juan Drilling/Production
Title

5/04/02
Date

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.

10-08-8801
Date of Survey

Professional Surveyor
Signature and Seal of Professional Surveyor

8894
Certificate Number

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Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039 26998	Pool Code 72319	Pool Name Blanco Mesa Verde
Property Code 26629	Property Name RINCON UNIT	Well Number 159R
OGED No. 189071	Operator Name PURE RESOURCES	Elevation 6624'

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
B	18	27-N	6-W		1030'	NORTH	2505'	EAST	RIO ARriba

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Dedicated Acres 320			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	FD B.L.M. BC 1955	N 88-13-00 W 2620.92'	FD BC B.L.M. 1955	17	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Mike C. Phillips</u> Signature Mike C Phillips Printed Name San Juan Drilling/Production Title 5/04/02 Date	
LOT 1	LAT. 36°34'42"N LONG. 107°30'27"W	1030'	1195'			
LOT 2	116'	299'	2505'			
LOT 3						
LOT 4						
					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 knowledge and belief. Date of Survey Signature and Seal of Professional Surveyor: 8894 Certificate Number

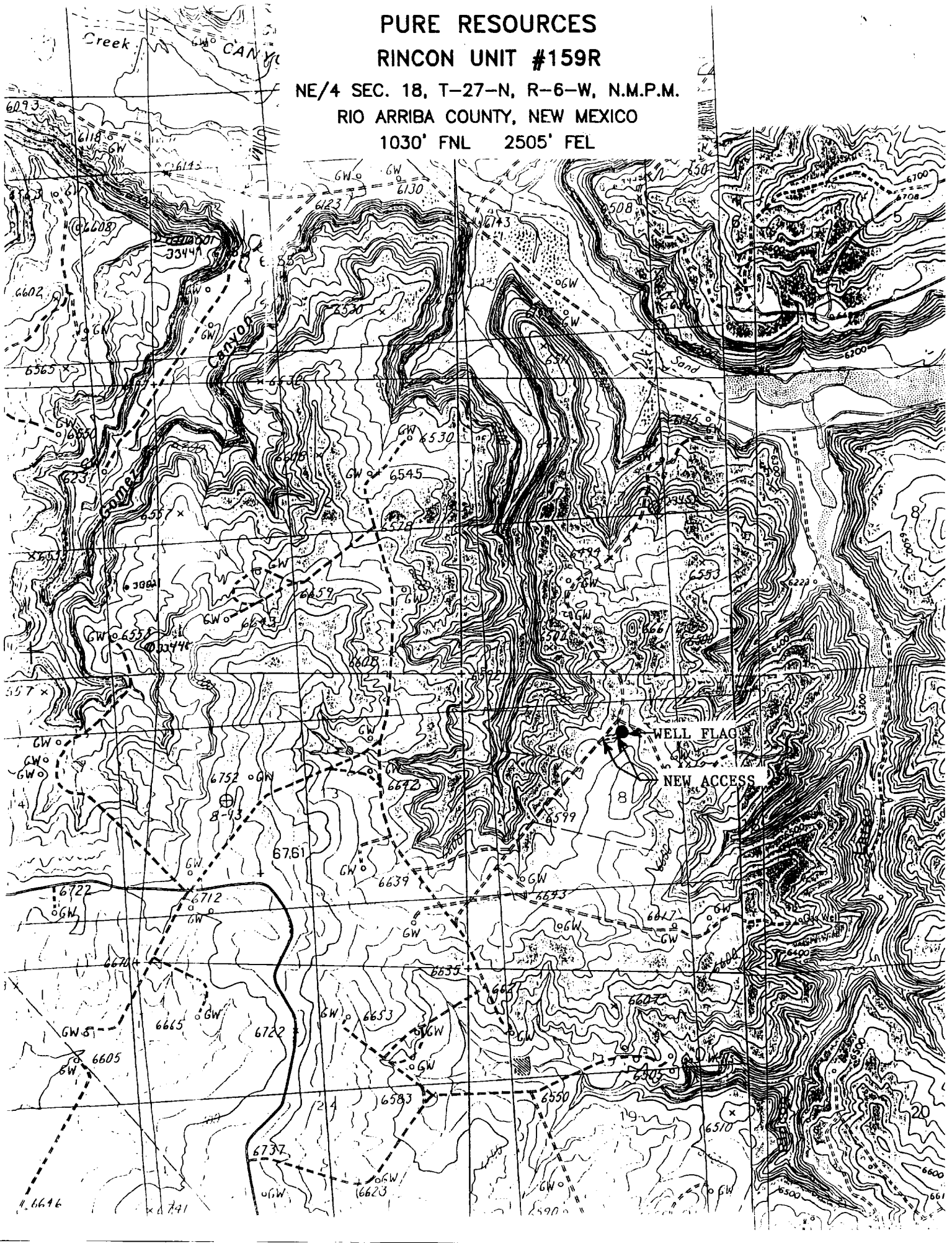
PURE RESOURCES

RINCON UNIT #159R

NE/4 SEC. 18, T-27-N, R-6-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

1030' FNL 2505' FEL



PURE RESOURCES
RINCON UNIT WELL NO. 159R
1030' FNL, 2505' FEL, SEC. 18, T-27-N, R-6-W

8 POINT DRILLING PLAN

1. **ESTIMATED FORMATION TOPS**

<u>FORMATION NAME</u>	<u>DEPTH FROM GL</u>
San Jose	Surface
Ojo Alamo	2,613'
Kirtland Shale	2,713'
Pictured Cliffs	3,215'
Cliff House	4,865'
Point Lookout	5,395'
Mancos	5,855'
Tocito Sand	6,995'
Dakota	7,360'
ETD	7,695'
Permit TD	7,700'

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

<u>EXPECTED GAS ZONES</u>	<u>DEPTH FROM GL</u>
Fruitland Coal	3115'-3215'
Pictured Cliffs	3215-3255'
Mesa Verde	4865-5855
Dakota	7360-7700'

<u>EXPECTED WATER ZONES</u>	<u>DEPTH FROM GL</u>
Ojo Alamo	2613'

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	0-2743’	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

RINCON UNIT WELL NO. 159R
DRILLING PROGRAM – PAGE 3

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 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.
350-2743’	Fresh Water Gel	8.3-8.6	30-35	N.C
2743’-TD	Air	N.C.	N.C.	N.C.