

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
070 FARMINGTON, NM
JUL 9 PM 1 50

FORM APPROVED

OMB No. 1004-0136

Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
Pure Resources, LP NM OGRID # 189071

3a. Address c/o Mike Pippin, LLC
3104 N. Sullivan Ave., Farmington, NM 87401

3b. Phone Number
(505) 327-4573

4. Location of Well (Footage, Sec, T, R., M., or Survey Description)
At surface: Unit Letter E, 1980' FNL, 10' FWL
At proposed prod. Zone:

5. Lease Designation and Serial No.
SF-079298D

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement, Name and No.
RINCON UNIT NMNM 78406D

8. Lease Name and Well No.
RINCON UNIT #413

9. API Well No.
3003927824

10. Field and Pool, or Exploratory
Blanco MV & Basin DK

11. Sec., T., R., M., or Bk. and Survey or Area
E Sec 13, T-27-N, R-07-W

14. Distance in miles and direction from nearest town or post office*
35 Miles Southeast of Blanco, NM

15. Distance from proposed* location to nearest property or lease line, ft.
10'

16. No of Acres in lease
760

17. Spacing Unit dedicated to this well
North 320 acres Bdk
W 327.36 BMV

18. Distance from proposed* location to nearest well
980'

19. Proposed Depth
7764'

20. BLM/BIA Bond No. on file

21. Elevation (Show whether DF, KDB, RT, GL, etc.)
6645' Ground Level

22. Approximate date work will start*
11/28/2004

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:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer

Size of Hole	Grade, Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12-1/4"	9-5/8" H-40	32.3#	350'	158 Sxs, 220 ft3 - 100% Excess
8-3/4"	7" K-55	20#	2950'	332 Sxs, 643 ft3 - 45% Excess
6-1/4"	4-1/2" I-80	11.6#	7764'	588 Sxs, 1216 ft3 - 45% Excess

The on-site inspection was on 7/7/04 by Roger Herrera
Archy is by DCA
EA is by Permits West

SEE ATTACHED APD INFORMATION

Latitude: 36 Deg, 34 Min, 36 Sec N
Longitude: 107 Deg, 32 Min, 08 Sec W

25. Signature *Mike Pippin* Name (Printed/Typed) Mike Pippin Date 7/8/2004

Title Agent - Petroleum Engineer

Approved by (Signature) *Jim Lovel* Name (Printed/Typed) Date 10/19/04

Title Acting Field Manager Minerals Office

Application approval does not warrant or certify 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 reverse)

NMOC

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

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
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., Aztec, 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 30-039-27824		*Pool Code 72319 71599	*Pool Name BLANCO MV & BASIN DK
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 413
*OGRID No. 189071	*Operator Name PURE RESOURCES		*Elevation 6645'

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	13	27-N	7-W		1980	NORTH	10	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 320		327.36 1/2 MV N/2 DK		*Joint or Infill Y		*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. 3 1/4" BC. 1955 B.L.M.	S 87°21'05" E 2656.55' (M)	FD. 3 1/4" BC. 1955 B.L.M.	
1980			
S 06°33'05" W 2570.44' (M)	LAT. = 36°34'36" N LONG. = 107°32'08" W.	(NAD 83)	RINCON UT. 278 *
10'			
FD. 3 1/4" BC. 1955 B.L.M.	LOT 4	LOT 3	LOT 2
	LOT 5	LOT 6	LOT 7

3

LOT 1

OCT 2004

NEW MEXICO

14831

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 Pippin

Printed Name
MIKE PIPPIN

Title
AGENT - PETR. ENGR.

Date
7/8/04

18 SURVEYOR CERTIFICATION

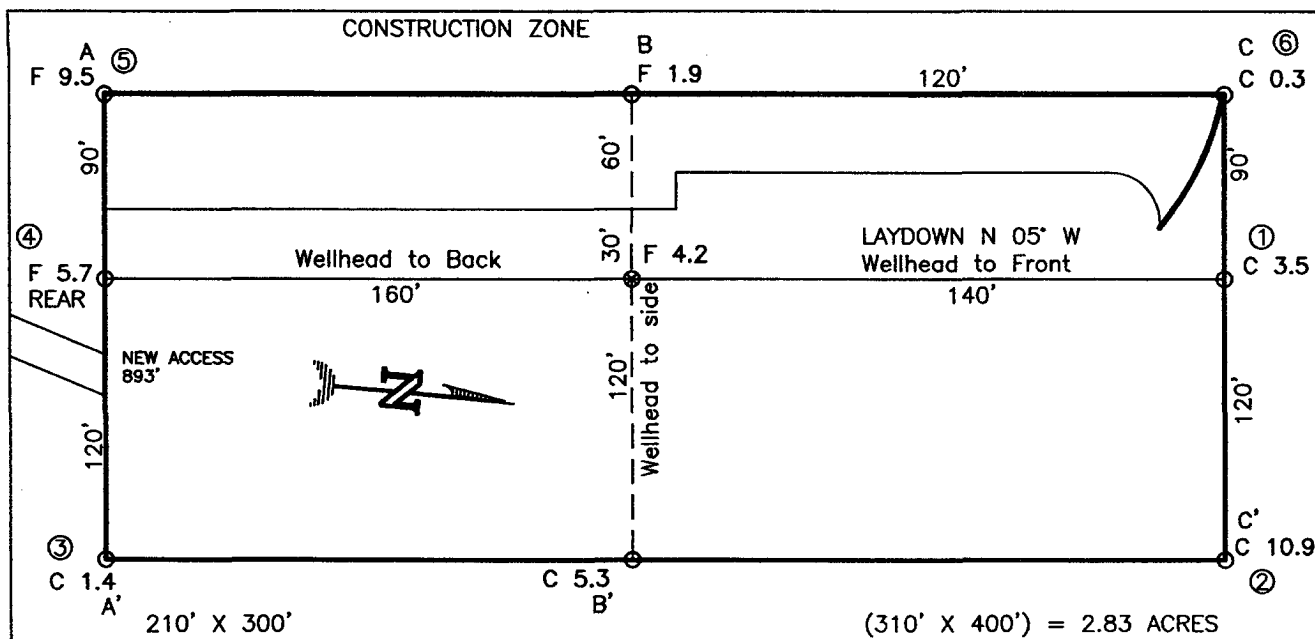
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct.

Date of Survey
August 28, 2003

Signature and Seal of Professional Surveyor
14831

Certificate Number
14831

PURE RESOURCES
 RINCON UNIT No. 413, 1980 FNL 10 FWL
 SECTION 13, T27N, R7W, N.M.P.M., RIO ARRIBA COUNTY, N. M.
 GROUND ELEVATION: 6645, DATE: AUGUST 28, 2003

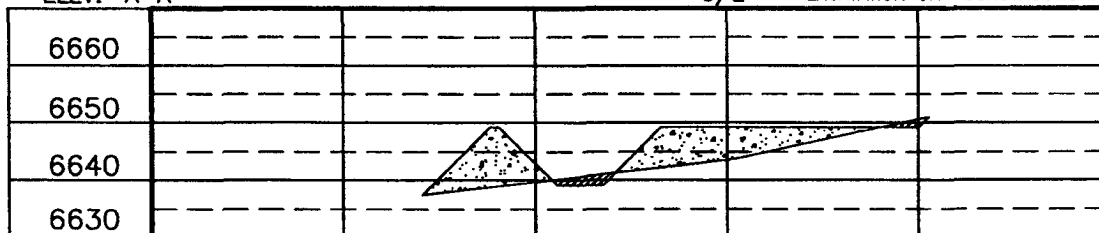


NOTE:

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.

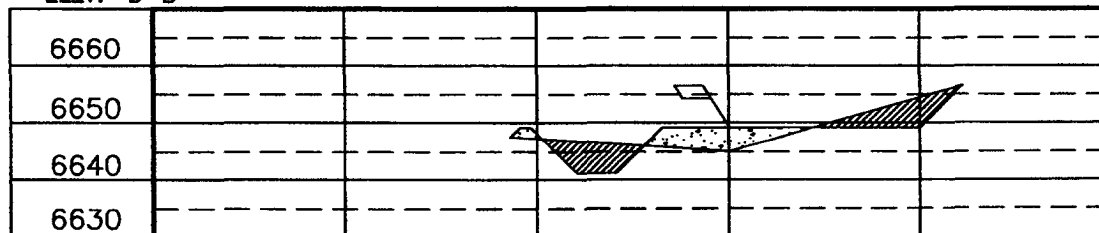
ELEV. A-A'

C/L



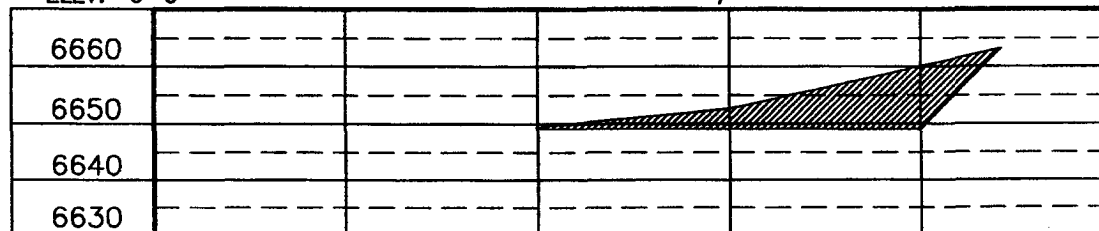
ELEV. B-B'

C/L



ELEV. C-C'

C/L



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.

PAGE #12

REVISION	DATE	REVISION BY
CORRECT ACCESS FOOTAGE	7/09/04	B.L.
NAME CHANGE	5/24/04	B.L.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-6019
 NEW MEXICO L.S. No. 14831
 COPIES: PROGRESS

DATE: 08/03/03

DRAWN BY: B.L.
 ROW#: PRO68

Submit 3 Copies To Appropriate District
Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

March 4, 2004

WELL API NO.

5. Indicate Type of Lease: **FEDERAL**
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
FEDERAL: SF-079298D

7. Lease Name or Unit Agreement Name
RINCON UNIT

8. Well Number
#413

9. OGRID Number 189071

10. Pool name or Wildcat
Blanco MV & Basin DK

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 ☒ Other

2. Name of Operator

PURE RESOURCES LP

3. Address of Operator c/o Agent, Mike Pippin LLC

3104 N. Sullivan, Farmington, NM 87401 505-327-4573

4. Well Location

Unit Letter E: 1980 feet from the North line and 10 feet from the West line

Section 13 Township 27N Range 7W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6645' GL

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL E Sect 13 Twp 27N Rng 7W Pit type: Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'

Distance from nearest surface water 200'-1000' Below-grade Tank Location UL Sect Twp Rng ;

 feet from the line and feet from the line

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Drilling Pit Registration ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

13. 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 recompletion.

We intend to drill a new MV/DK well. The drilling pit will be built and lined according to our general pit guidelines on file at the NMOCD in Aztec, NM.

When the drilling pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 7/8/04

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No. (505)327-4573

(This space for State use)

APPROVED BY [Signature] TITLE DATE OCT 21 2004
Conditions of approval, if any:

PURE RESOURCES LP
RINCON UNIT #413 MV/DK
1980' FNL, 10' FWL
Unit E Sec. 13 T27N R07W
Rio Arriba County, NM

Drilling Program

1. **ESTIMATED FORMATION TOPS: (KB)**

<u>Formation Name</u>	<u>Depth</u>
San Jose	Surface
Ojo Alamo	2445'
Kirtland	2580'
Fruitland	2895'
Pictured Cliffs	3198'
Cliffhouse	4865'
Menefee	4982'
Point Lookout	5446'
Greenhorn	7363'
Graneros	7427'
Dakota	7586'
Intermediate TD (7")	2950'
TD (4-1/2")	7764'

2. **NOTABLE ZONES**

Gas or Oil Zones

Fruitland
Pictured Cliffs

Cliffhouse
Menefee
Point Lookout
Dakota

Water Zones

Ojo Alamo
Kirtland

Coal Zone

Fruitland

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 #413 MV/DK
1980' FNL, 10' FWL
Unit E Sec. 13 T27N R07W
Rio Arriba County, NM

3. **PRESSURE CONTROL:** (See Page 5 & 6)

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.

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	2950'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7764'

Surface casing will be cemented to the surface with ~220 cu. ft. (~158 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.

Intermediate casing will be cemented to surface with a single stage. Total cement = 643 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.

Lead cement will be ~532 cu. ft. (~252 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 = 1216 cu. ft.. Volumes are

PURE RESOURCES LP
RINCON UNIT #413 MV/DK
1980' FNL, 10' FWL
Unit E Sec. 13 T27N R07W
Rio Arriba County, NM

calculated at 45% excess. If necessary, a CBL will be run during completion operations to 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 ~1015 cu. ft. (~503 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'-2950'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2950'-7764'	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.

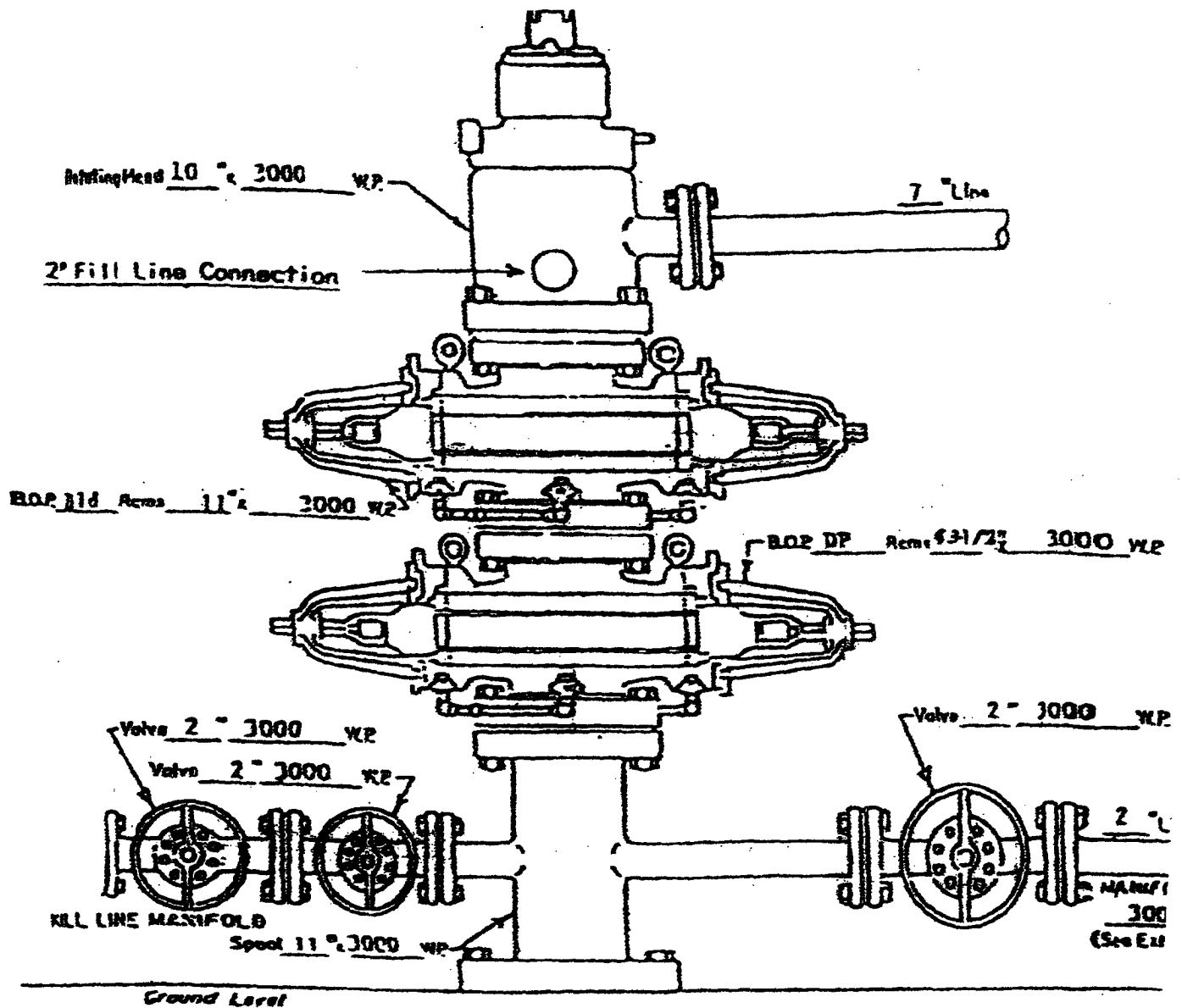
7. DOWN HOLE CONDITIONS

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

8. OTHER INFORMATION

The anticipated spud date is December 28, 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



WELL HEAD B.O.P.

3000 #W.P.

☐ Manual

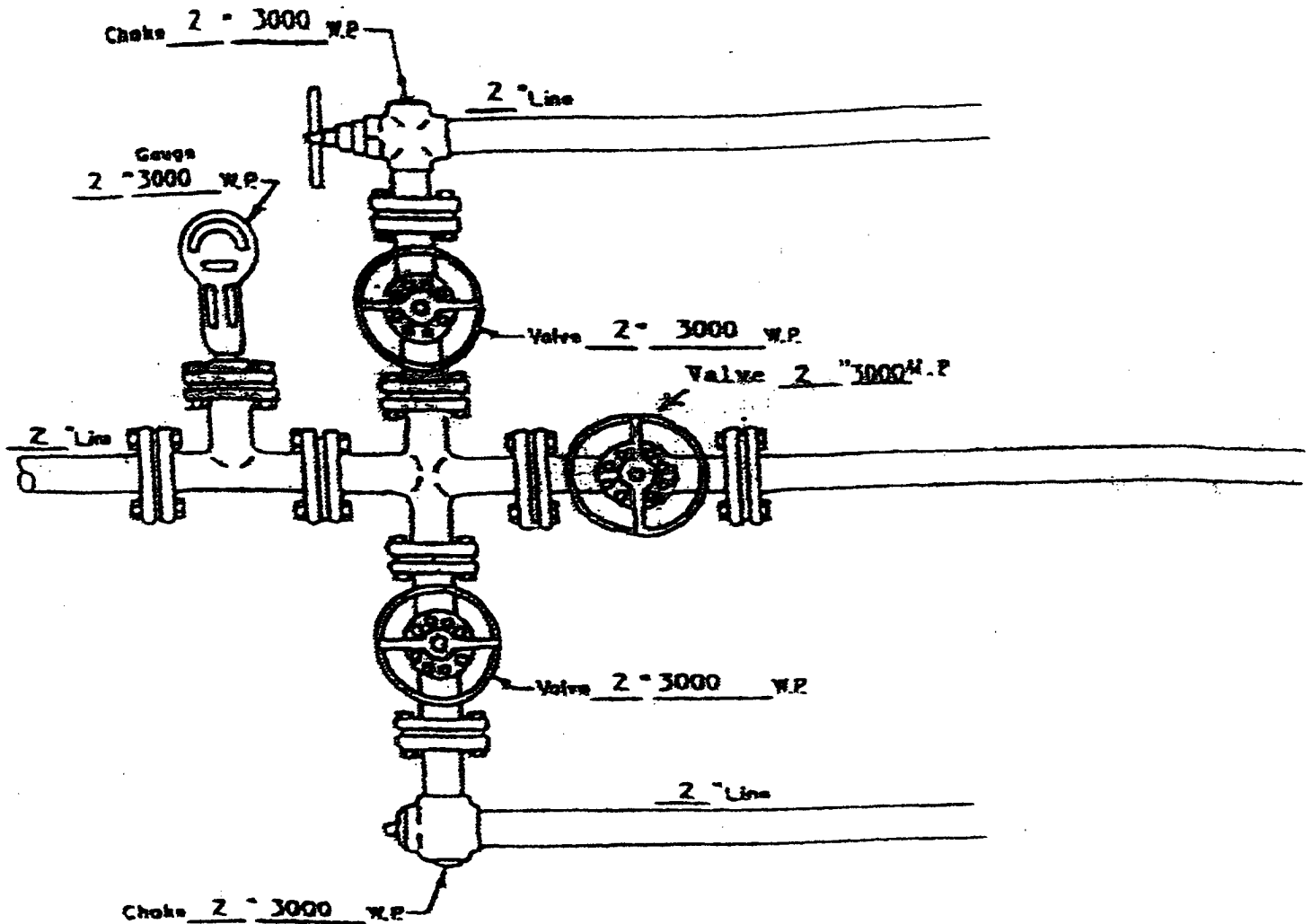
☒ Hydraulic

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.

PAGE #5

ATTACHMENT NO. 1

RINCON UNIT WELLS
RINCON FIELD
RIO ARriba COUNTY, NEW MEXICO



MANIFOLD
3000 #W.P.

☒ Manual
☐ Hydraulic