

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Designation and Serial No. SF-079364
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Pure Resources, LP NM OGRID # 189071		7. If Unit or CA, Agreement, Name and No. RINCON UNIT NMNM 78406D
3a. Address c/o Mike Pippin, LLC 3104 N. Sullivan Ave., Farmington, NM 87401		8. Lease Name and Well No. RINCON UNIT #409
3b. Phone Number (505) 327-4573		9. API Well No. 3003927853
4. Location of Well (Footage, Sec, T. R., M, or Survey Description) At surface: Unit Letter C, 60' FNL, 1470' FWL At proposed prod. Zone:		10. Field and Pool, or Exploratory Blanco MV & Basin DK
14. Distance in miles and direction from nearest town or post office* 35 Miles Southeast of Blanco, NM		11. Sec., T., R., M., or Blk. and Survey or Area C Sec 30, T-27-N, R-06-W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. Unit line, if any) 60'	16. No of Acres in lease 2560.34	12. County or Parish, <input checked="" type="checkbox"/> Rio Arriba
18. Distance from proposed* location to nearest well 1065'	19. Proposed Depth 7700'	13. State New Mexico
21. Elevation (Show whether DF, KDB, RT, GL, etc.) 6636' Ground Level	22. Approximate date work will start* 1/5/2005	17. Spacing Unit dedicated to this well 319.08 H West 320 acres
23. Estimated duration 30 days		20. BLM/BIA Bond No. on file

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#	2900'	327 Sxs, 632 ft3 - 45% Excess
6-1/4"	4-1/2" I-80	11.6#	7700'	583 Sxs, 1206 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, 33 Min, 08 Sec N  
Longitude: 107 Deg, 30 Min, 46 Sec W

25. Signature <i>Mike Pippin</i>	Name(Printed/Typed) Mike Pippin	Date 7/17/2004
Title Agent - Petroleum Engineer		
Approved by (Signature) <i>Jim Lyle</i>	Name(Printed/Typed)	Date 10/18/04
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.

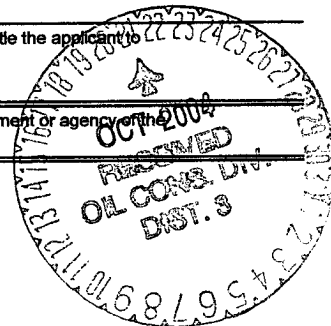
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

NMOCD

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

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102  
Revised June 10, 2003

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27853		*Pool Code 22319 21599	*Pool Name BLANCO MV + BASIN DK
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 409
*OGRID No. 189071	*Operator Name PURE RESOURCES		*Elevation 6636'

<sup>10</sup> Surface Location

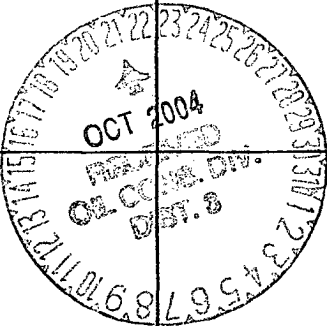
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	27-N	6-W		60	NORTH	1470	WEST	RIO ARriba

<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 314.08 W/2 720					*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 N 01-26-21 E 2610.88' (M)	1470' FD 3 1/4" B.L.M. BC 1955 LOT 1	60' N 86-10-38 W 2622.14' (M) LAT. 36°33'08"N (NAD 83) LONG. 107°30'46"W (NAD 83)	FD 3 1/4" B.L.M. BC 1955
	LOT 2		
	FD 3 1/4" B.L.M. BC 1955 LOT 3		
	LOT 4	RINCON UNIT #174 WELL HEAD	



17 OPERATOR CERTIFICATION

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

Mike Pippin  
Signature


MIKE PIPPIN  
Printed Name

AGENT-PETR. ENGR.  
Title

7-17-04  
Date

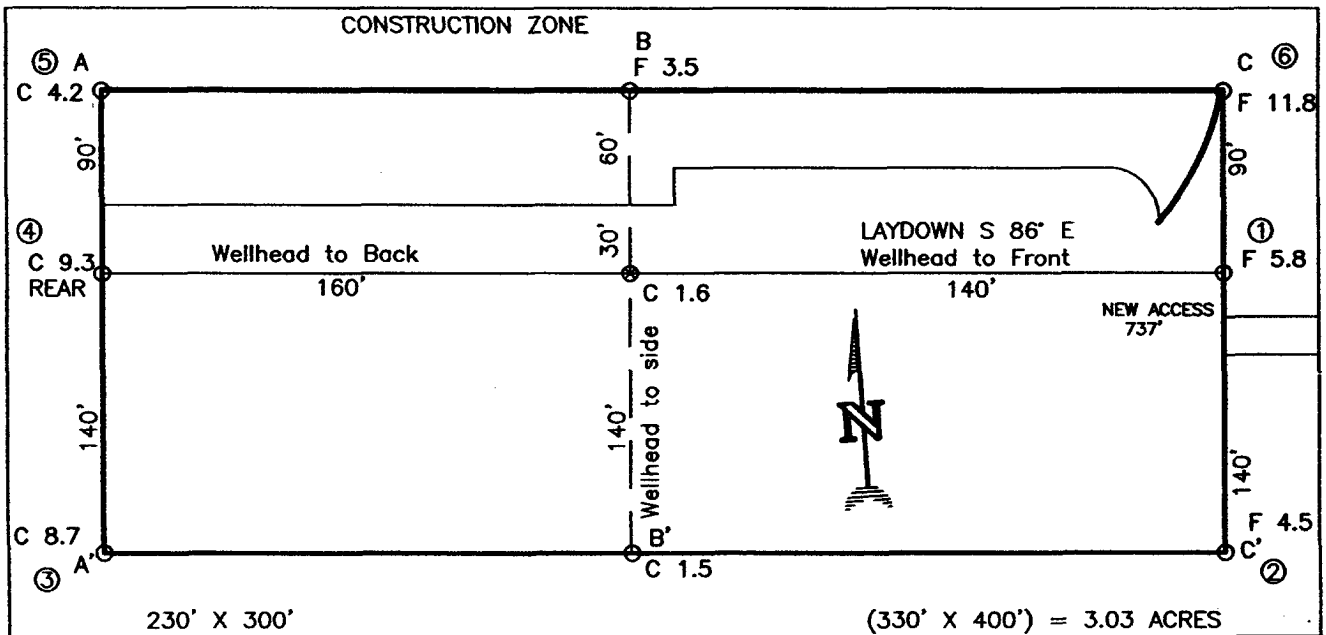
18 SURVEYOR CERTIFICATION

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 knowledge.



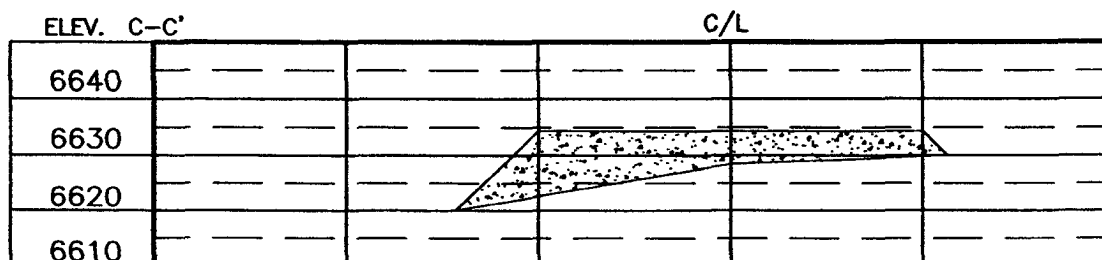
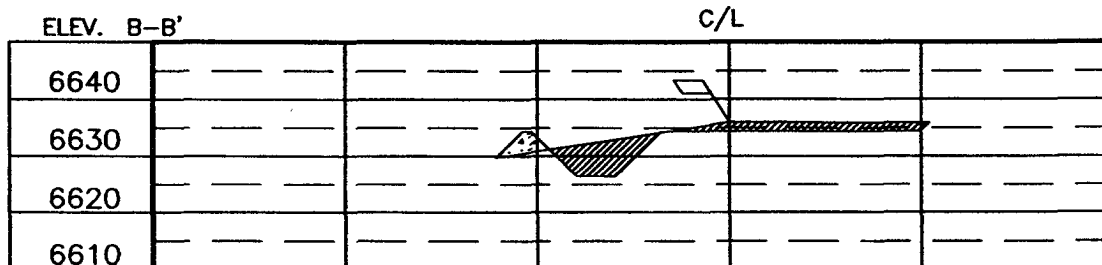
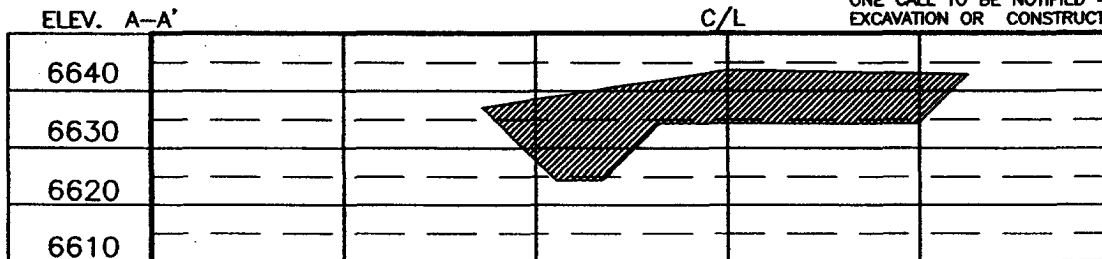
14831  
Certificate Number

PURE RESOURCES  
 RINCON UNIT No. 409, 60 FNL 1470 FWL  
 SECTION 30, T27N, R6W, N.M.P.M., RIO ARriba COUNTY, N. M.  
 GROUND ELEVATION: 6636, DATE: JUNE 11, 2004



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.



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	DATE	REVISION BY
1	7/09/04	B.L.	6/18/04	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 COUNTY PROB1CF8 DRAWN BY: A.G. ROW# PR0091				

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

Form C-103  
March 4, 2004

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

WELL API NO.
5. Indicate Type of Lease: <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>FEDERAL</b> : SF-079364
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well Number #409
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 C: 60 feet from the North line and 1470 feet from the West line

Section 30 Township 27N Range 6W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6636' GL

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

Pit Location: UL C Sect 30 Twp 27N Rng 6W Pit type: Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'

Distance from nearest surface water >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 7/17/04

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 DEPUTY OIL & GAS INSPECTOR DATE OCT 21 2004  
Conditions of approval, if any:

**PURE RESOURCES LP**  
**RINCON UNIT #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
Rio Arriba County, NM

**Drilling Program**

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

<u>Formation Name</u>	<u>Depth</u>
Nacimient	1187'
Ojo Alamo	2281'
Kirtland	2555'
Fruitland	2827'
Pictured Cliffs	3107'
Cliffhouse	4794'
Menefee	4872'
Point Lookout	5357'
Greenhorn	7267'
Graneros	7350'
Dakota	7511'
Intermediate TD (7")	2900'
TD (4-1/2")	7700'

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 #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
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	2900'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7700'

**Surface casing** will be cemented to the surface with ~220 cu. ft. (~158 sx) Type III cmt or equivalent (1.39 ft<sup>3</sup>/sx yield, 14.6 ppg, & 6.7 gps) with 2% CaCl<sub>2</sub> 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 = 632 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 ~521 cu. ft. (~247 sx) Premium Lite w/2% CaCl<sub>2</sub>, 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% CaCl<sub>2</sub>, 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 = 1206 cu. ft.. Volumes are

**PURE RESOURCES LP**  
**RINCON UNIT #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
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 ~1005 cu. ft. (~497 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'-2900'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2950'-7700'	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.

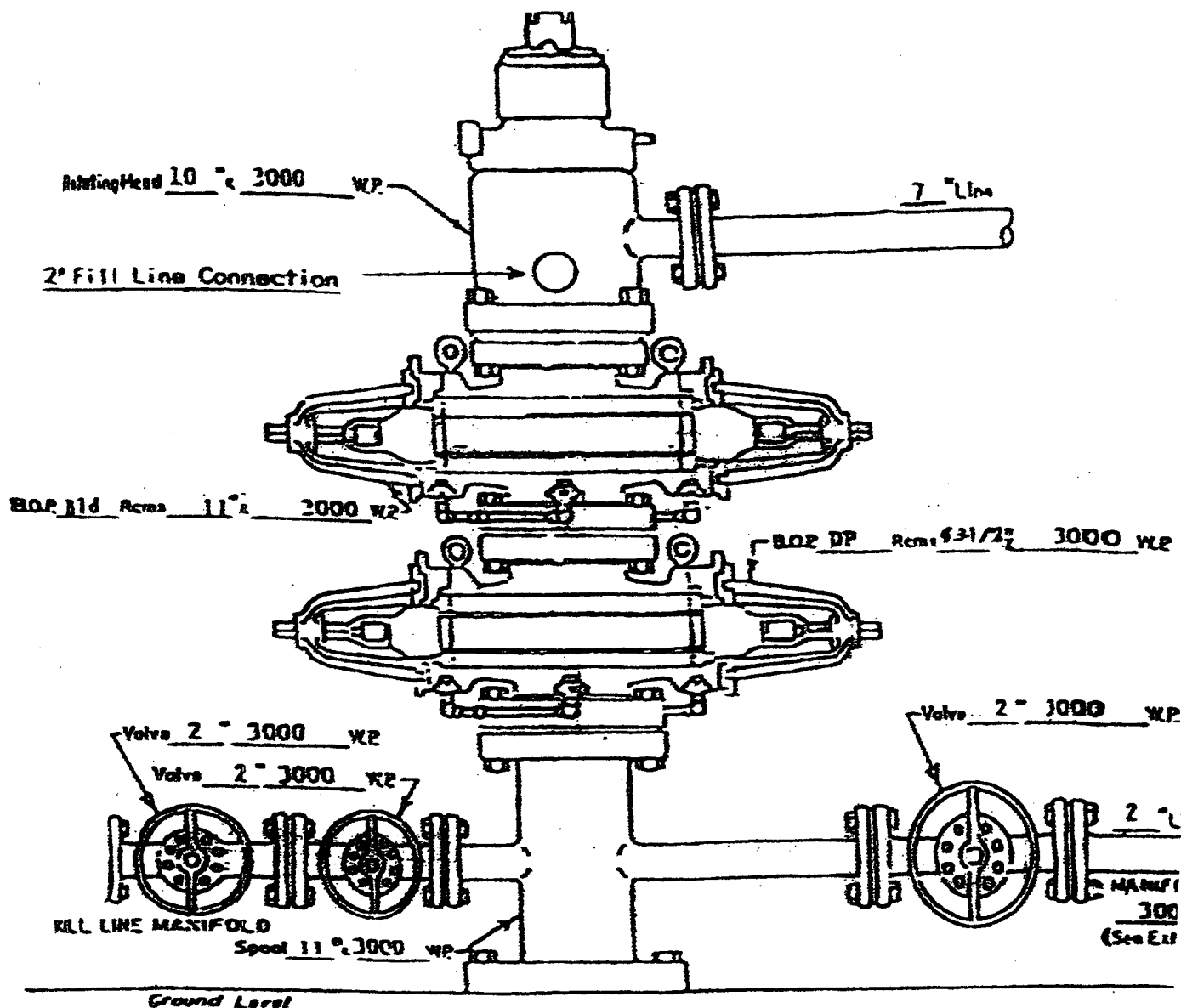
7. DOWN HOLE CONDITIONS

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

8. OTHER INFORMATION

The anticipated spud date is January 5, 2005. 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

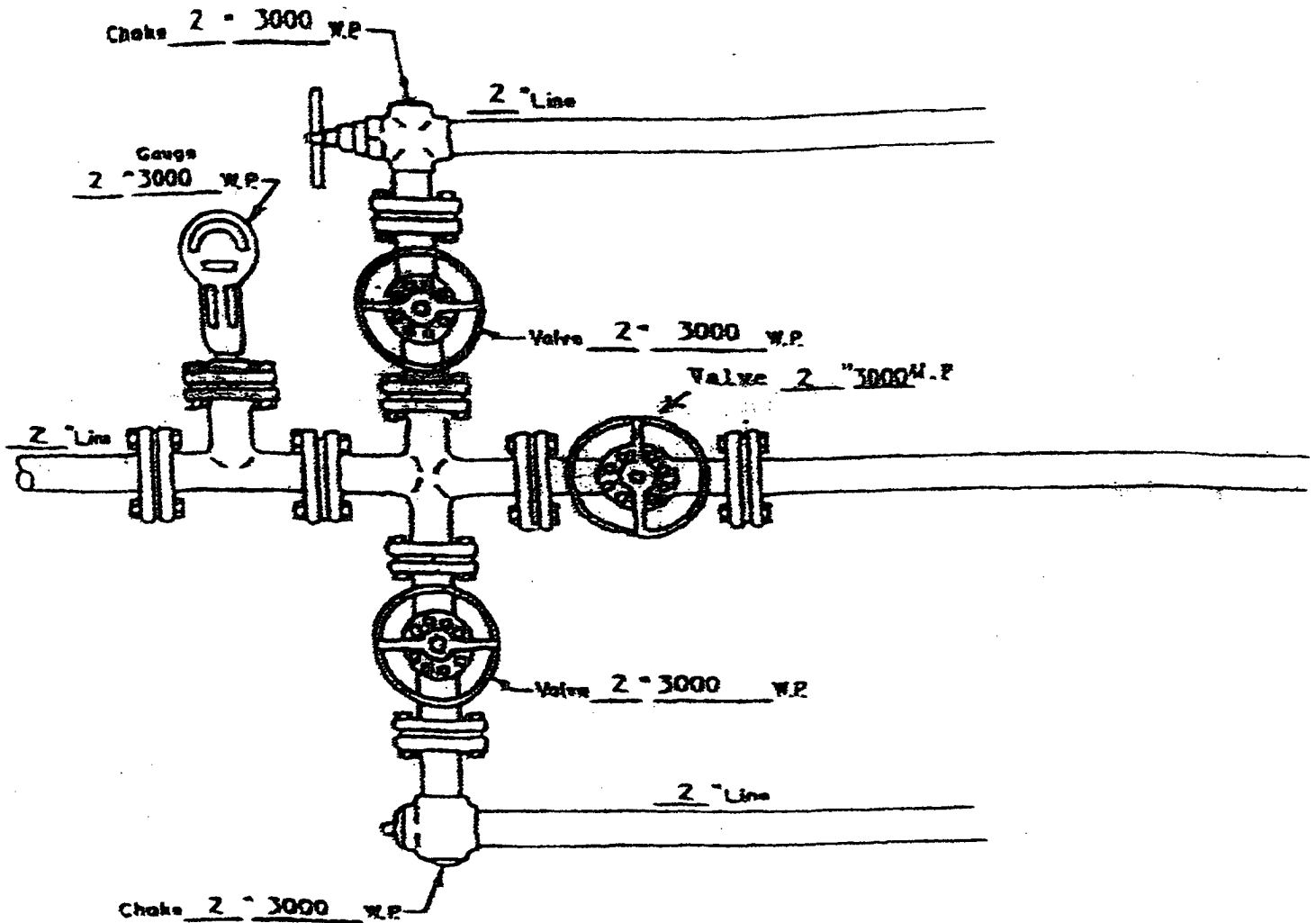
NOTE: Although 3000 psi BOP equipment will be used, equipment determination and line sizing are based on the requirements for 2000 psi BOP equipment due to the known drilling and reservoir conditions.

PAGE #5

ATTACHMENT NO. 1



RINCON UNIT WELLS  
RINCON FIELD  
RIO ARriba COUNTY, NEW MEXICO



MANIFOLD  
3000 #W.P.

☒ Manual  
☐ Hydraulic