Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
NMSF - 013654

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Rincon Unit NMNM 78406D

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
Rincon Unit #79A

2. Name of Operator
Pure Resources c/o Mike Pippin LLC (Agent)

9. API Well No.
30-039-21717

3a. Address
c/o: Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. *(include area code)*
505-327-4573

10. Field and Pool, or Exploratory Area
Blanco Mesaverde

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1110' FNL 730' FWL (D) Sec. 17 T27N R06W

11. County or Parish, State
Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other DHC APPLICATION
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This well was inadvertently commingled on 12/11/02 without filing the necessary paperwork.
Pure Resources requests administrative approval to downhole commingle the Basin Dakota (71599) & Blanco Mesaverde (72319), which are both included in the pre-approved pools established by State Division Order R-11363. Both intervals have common ownership & produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, & all the fluids are compatible. Downhole commingleing will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-103 with the State.

These Gas & Oil allocations are based on the average gas & oil allocations from all the other MV/DK commingled wells in the nine sections directly around the subject well. See the attached list of MV/DK commingled wells & their allocations from these sections.

GAS:	DAKOTA	63%	OIL:	DAKOTA	56%
GAS:	MESAVERDE	37%	OIL:	MESAVERDE	44%

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*: Mike Pippin
Title: Petr. Engr. (Agent)

Signature: Mike Pippin
Date: October 15, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by: Joe Hewitt
Title: Acting Team Lead
Date: 12-8-04

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office: FDO

Title 18 U.S.C. Section 1001, makes 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)

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

NMOCD

wells commingled as of October 2004

ALL WELLS SORTED BY LOCATION

RINCON UNIT #79A

					Gas				Oil			
			LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
1	RINCON 156M	16	27 6		0.85	0.15	1.00	New % eff. May, 2002	0.60	0.40	1.00	
2	RINCON 156R	16	27 6		0.50	0.50	1.00	eff May, 2003	0.50	0.50	1.00	
3	RINCON #179M	16	27 6		0.77	0.23	1.00		1.00	0.00	1.00	Appr. % 12/01
4	RINCON 79A	17	27 6		0.70	0.30	1.00		0.50	0.50	1.00	Total % 12-7-02
5	RINCON 155M	17	27 6		0.43	0.57	1.00		0.25	0.75	1.00	Eff. Sep., 2001
6	RINCON 155R	17	27 6		0.63	0.37	1.00		0.57	0.43	1.00	
7	RINCON 161M	17	27 6		0.60	0.40	1.00	July 04	0.51	0.49	1.00	
8	RINCON 157M	18	27 6		0.71	0.29	1.00	Comgl 9/02 new % eff. 3/02	0.84	0.16	1.00	
9	RINCON 159P	18	27 6		0.62	0.38	1.00		0.54	0.46	1.00	
10	RINCON 159M	18	27 6		0.44	0.56	1.00		0.50	0.50	1.00	
11	RINCON #174M	19	27 6		0.59	0.41	1.00		0.50	0.50	1.00	
12	RINCON 174P	19	27 6		0.60	0.40	1.00	July 04	0.51	0.49	1.00	
13	RINCON 174R	19	27 6		0.44	0.56	1.00	New cmgl eff 2/04	0.21	0.79	1.00	New % eff. 2/04
14	RINCON #170	20	27 6		0.61	0.39	1.00		0.60	0.40	1.00	
15	RINCON 170R	20	27 6		0.74	0.26	1.00	May 04	1.00	0.00	1.00	
16	RINCON #170M	20	27 6		0.75	0.25	1.00		0.50	0.50	1.00	
17	RINCON #175M	20	27 6		0.61	0.39	1.00		0.50	0.50	1.00	
18	RINCON #171M	21	27 6		0.90	0.10	1.00		0.50	0.50	1.00	
19	RINCON #180M	21	27 6		0.39	0.61	1.00		0.50	0.50	1.00	
20	RINCON 180R	21	27 6		0.69	0.31	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
	AVERAGES				0.6283	0.3718	1.0000		0.5564	0.4435	1.000	
	TOTAL NUMBER WELLS =					20						

10/13/2004