

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

NMSF - 079366

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

Rincon Unit NMNM 78406D

8. Well Name and No.

Rincon Unit #404

9. API Well No.

30-039-27706

10. Field and Pool, or Exploratory Area

Blanco Mesaverde / Basin Dakota

11. County or Parish, State

Rio Arriba County, New Mexico

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Pure Resources c/o Mike Pippin LLC (Agent)

3a. Address

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

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

20' FSL 2635' FWL (N) Sec. 21 T27N R06W

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
☐ Subsequent Report	☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other DHC APPLICATION
	☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
	☐ 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 recompleat 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 recompleat 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.)

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 commingling 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 62%

OIL: DAKOTA 52%

GAS: MESAVERDE 38%

OIL: MESAVERDE 48%

DHC 1729A2

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 5, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Don Lovato

Title

Petr. Eng

Date

11/12/04

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.

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

Rincon MV/DK Commingling Percentages

wells commingled as of August 2004

ALL WELLS SORTED BY LOCATION

RINCON UNIT #404

4		Gas							Oil			
5		LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments	
6	14	RINCON 156M	16	27 6	0.85	0.15	1.00	New % eff. May, 2002	0.60	0.40	1.00	
7	1	RINCON 156R	16	27 6	0.50	0.50	1.00	eff May, 2003	0.50	0.50	1.00	
8	2	RINCON #179M	16	27 6	0.77	0.23	1.00		1.00	0.00	1.00	Appr. % 12/01
9	3	RINCON 79A	17	27 6	0.70	0.30	1.00		0.50	0.50	1.00	Total % 12-7-02
10	4	RINCON 155M	17	27 6	0.43	0.57	1.00		0.25	0.75	1.00	Eff. Sep., 2001
11	5	RINCON 155R	17	27 6	0.63	0.37	1.00		0.57	0.43	1.00	
12	6	RINCON 161M	17	27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
13	7	RINCON #170	20	27 6	0.61	0.39	1.00		0.60	0.40	1.00	
14	8	RINCON 170R	20	27 6	0.74	0.26	1.00	May 04	1.00	0.00	1.00	
15	9	RINCON #170M	20	27 6	0.75	0.25	1.00		0.50	0.50	1.00	
16	10	RINCON #175M	20	27 6	0.61	0.39	1.00		0.50	0.50	1.00	
17	11	RINCON #171M	21	27 6	0.90	0.10	1.00		0.50	0.50	1.00	
18	12	RINCON #180M	21	27 6	0.39	0.61	1.00		0.50	0.50	1.00	
19	13	RINCON 180R	21	27 6	0.69	0.31	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
20	14	RINCON 158M	22	27 6	0.51	0.49	1.00		0.50	0.50	1.00	
21	15	RINCON 158Q	22	27 6	0.59	0.41	1.00		0.50	0.50	1.00	
22	16	RINCON 158R	22	27 6	0.70	0.30	1.00		0.70	0.30	1.00	
23	17	RINCON #181M	22	27 6	0.07	0.93	1.00		0.02	0.98	1.00	eff. Feb., 2002
24	18	RINCON 126	27	27 6	0.78	0.22	1.00		0.50	0.50	1.00	
25	19	RINCON 126M	27	27 6	0.48	0.52	1.00		0.50	0.50	1.00	
26	20	RINCON 126R	27	27 6	0.64	0.36	1.00	April 04	0.22	0.78	1.00	
27	21	RINCON 126Q	27	27 6	0.60	0.40	1.00	May 04	0.51	0.49	1.00	
28	22	RINCON 165M	27	27 6	0.46	0.54	1.00	New% eff.11/02	0.58	0.42	1.00	
29	23	RINCON 127M	28	27 6	0.83	0.17	1.00		0.50	0.50	1.00	
30	24	RINCON 127R	28	27 6	0.72	0.28	1.00	eff May, 2003	0.50	0.50	1.00	
31	25	RINCON 128M	28	27 6	0.41	0.59	1.00		0.50	0.50	1.00	
32	26	RINCON 129M	29	27 6	0.73	0.27	1.00		0.50	0.50	1.00	
33	27	RINCON 129R	29	27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
34												
35		AVERAGES			0.6176	0.3824	1.0000		0.5204	0.4796	1.0000	
36		TOTAL NUMBER WELLS =		27								