

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

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

WELL API NO.

30-039-29612

5. Indicate Type of Lease:

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

RINCON UNIT

8. Well Number: #513

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 : 2650 feet from the North line and 330 feet from the West line

Section 36 Township 27N Range 7W NMPM Rio Arriba County

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

6635' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

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 COMPL ☐

OTHER: Administrative Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/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.

Pure Resources requests administrative approval to downhole commingle the Basin Dakota (71599) and Blanco Mesaverde (72319), which are both included in the pre-approved pools established by Division Order R-11363. Both intervals have common ownership and produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, and all the fluids are compatible. Downhole commingling will improve recovery of liquids and gas, eliminate redundant surface equipment, and maximize productivity.

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 60%

GAS: MESAVERDE 40%

OIL: DAKOTA 50.5%

OIL: MESAVERDE 49.5%

OH C 22 #042

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 NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 4/27/06

Type or print name Mike Pippin E-mail address: mike@pippinllc.com Telephone No.: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4

APR 28 2006

DATE

Conditions of Approval (if any):

Q

Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

MIKE PIPPIN

ALL WELLS SORTED BY LOCATION

RINCON UNIT #513 - 4/27/06

Gas							Oil			
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON 11E	6	26 6	0.87	0.13	1.00		0.73	0.27	1.00	
RINCON 11P	6	26 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 150E	6	26 6	0.89	0.11	1.00		0.50	0.50	1.00	
RINCON 57	1	26 7	0.67	0.33	1.00		0.38	0.62	1.00	
RINCON #415	1	26 7	0.59	0.41	1.00	1st del. 9/1/05	0.47	0.53	1.00	1st del. 9/1/05
RINCON 164R	2	26 7	0.74	0.26	1.00	New% eff. 11/02 & 5/03	0.50	0.50	1.00	
RINCON #201	2	26 7	0.30	0.70	1.00		0.46	0.54	1.00	
RINCON 1E	30	27 6	0.62	0.38	1.00		0.50	0.50	1.00	
RINCON 149M	30	27 6	0.45	0.55	1.00		0.95	0.05	1.00	
RINCON #176	31	27 6	0.71	0.29	1.00		0.24	0.76	1.00	
RINCON #176E	31	27 6	0.75	0.25	1.00		0.94	0.06	1.00	
RINCON #183	31	27 6	0.38	0.62	1.00		0.38	0.62	1.00	
RINCON #183E	31	27 6	0.44	0.56	1.00		0.07	0.93	1.00	
RINCON 138E	25	27 7	0.63	0.37	1.00		0.50	0.50	1.00	
RINCON 139	25	27 7	0.77	0.23	1.00		0.50	0.50	1.00	
RINCON 139E	25	27 7	0.67	0.33	1.00		0.50	0.50	1.00	
RINCON 138	25	27 7	0.57	0.43	1.00		0.43	0.57	1.00	
RINCON #169	26	27 7	0.47	0.53	1.00		0.52	0.48	1.00	
RINCON #187E	35	27 7	0.86	0.14	1.00		0.50	0.50	1.00	
RINCON #193M	35	27 7	0.58	0.42	1.00		0.81	0.19	1.00	eff. Dec., 2001
RINCON 201R	36	27 7	0.62	0.38	1.00	New cmgl eff Feb, 2004 -	0.27	0.73	1.00	New % eff. 2/04
RINCON 131	36	27 7	0.58	0.42	1.00		0.49	0.51	1.00	
RINCON 131E	36	27 7	0.38	0.62	1.00		0.67	0.33	1.00	
RINCON #168	36	27 7	0.48	0.52	1.00		0.25	0.75	1.00	
RINCON #168E	36	27 7	0.29	0.71	1.00		0.56	0.44	1.00	
RINCON 168R	36	27 7	0.79	0.21	1.00	eff May, 2003	0.50	0.50	1.00	

AVERAGES			0.6037	0.3963	1.0000		0.5050	0.4950	1.0000	
TOTAL NUMBER WELLS =			26							