

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
May 27, 2004

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.)		WELL API NO. 30-039-29648
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PURE RESOURCES LP		6. State Oil & Gas Lease No. FEDERAL: SF - 079360
3. Address of Operator: c/o Agent, Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401 505-327-4573		7. Lease Name or Unit Agreement Name RINCON UNIT
4. Well Location Unit Letter B : <u>330</u> feet from the <u>North</u> line and <u>2455</u> feet from the <u>East</u> line Section <u>23</u> Township <u>27N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number: #507
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6661' GL		9. OGRID Number: 189071
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type <u>Drilling</u> Depth to Groundwater <u>>100'</u> Distance from nearest fresh water well <u>>1000'</u> Distance from nearest surface water <u>>1000'</u>		
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u> </u> bbls; Construction Material <u> </u>		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Administrative Downhole Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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. Notice has been filed concurrently on form 3160-5 with the BLM.

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 67%
GAS: MESAVERDE 33%

OIL: DAKOTA 54%
OIL: MESAVERDE 46%

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 4/26/06
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. 2 DATE APR 28 2006
Conditions of Approval (if any):

Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

MIKE PIPPIN

ALL WELLS SORTED BY LOCATION

RINCON UNIT #507 - 4/26/06

MIKE PIPPIN

ALL WELLS COVERED BY LOCATION

Gas							Oil			
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON #167M	13	27 7	0.79	0.21	1.00		0.50	0.50	1.00	
RINCON 177Q	13	27 7	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 133R	14	27 7	0.57	0.43	1.00	eff May, 2003	0.50	0.50	1.00	
RINCON 151M	14	27 7	0.74	0.26	1.00		0.50	0.50	1.00	
RINCON #184M	15	27 7	0.96	0.04	1.00		0.50	0.50	1.00	
RINCON #185E	22	27 7	0.79	0.21	1.00		0.92	0.08	1.00	
RINCON 136E	23	27 7	0.92	0.08	1.00		0.50	0.50	1.00	
RINCON 136P	23	27 7	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON #178	23	27 7	0.54	0.46	1.00		0.41	0.59	1.00	
RINCON #178E	23	27 7	0.71	0.29	1.00		0.71	0.29	1.00	
RINCON 137E	24	27 7	0.63	0.37	1.00		0.50	0.50	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 202	27	27 7	0.55	0.45	1.00		0.51	0.49	1.00	
RINCON 202M	27	27 7	0.61	0.39	1.00		0.64	0.36	1.00	Eff. Oct., 2001

AVERAGES			0.6735	0.3265	1.0000		0.5367	0.4633	1.0000	
TOTAL NUMBER WELLS =			18							