

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1.a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐SINGLE ZONE ☐MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Pure Resources

3. ADDRESS AND TELEPHONE NO.

P.O. Box 850, Bloomfield New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)*

At surface

2310' FSL and 2310' FEL

At proposed prod. zone

Same as Surface

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

40 miles Southeast from Bloomfield NM.

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST
PROPERTY OR LEASE LINE: F-1 (Also to
nearest drig. Unit line, if any)

2310'

16. NO. OF ACRES IN LEASE

2645.09

18. DISTANCE FROM PROPOSED* LOCATION TO
NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

1150'

19. PROPOSED DEPTH

7820'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, I)

6580'

22. APPROX. DATE WORK WILL START*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	H-40 9-5/8"	32.3#	350'	200 SACKS "B" TOC @ SURFACE
8-3/4"	K-55 7"	20#	2775'	405 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7850'	610 SACKS 65/35 POZ TYPE III TOC TIED INTO
				7" casing

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 126Q, and complete in the Mesa Verde and the Basin Dakota and downhole commingle the two formations. This well will be an infill 80 acre.

BOP- One double gate BOP with 3-1/2" pipe and blind rams, one choke manifold with adjustable and positive chokes, an accumulator will hydraulically operate BOP with 1 1/2 times the necessary capacity to close the rams and retain a minimum of 200 psi above recharge. Rotating head will be utilized during the drilling of the 6-1/4" hole.

(Schematics are attached)

IN ABOVE SPACE DESCRIBED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

MIKE C. PHILLIPS

TITLE

San Juan Basin Area Drig Prod Foreman

DATE

10/11/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the application to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

David J. Markiewicz

TITLE

DATE

DEC - 1 2003

***See Instructions On Reverse Side**

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

DISTRICT I
1626 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

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

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

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27525		*Pool Code 71599	*Pool Name BASIN DAKOTA
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 126Q
*OGRD No. 189071	*Operator Name PURE RESOURCES		*Elevation 6580'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	27	27-N	6-W		2310'	SOUTH	2310'	EAST	RIO ARriba

¹¹ 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 320			**Joint or Infill		**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

<p>16</p> <p>RECEIVED</p> <p>DEC 2003</p> <p>RINCON UNIT</p> <p>OIL CON. DIV.</p> <p>DIST. 3</p> <p>FD 3 1/4" B.L.M. BC 1955</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Mike Phillips</u></p> <p>Signature</p> <p><u>Mike Phillips</u></p> <p>Printed Name</p> <p><u>Completion Foreman</u></p> <p>Title</p> <p><u>10/11/03</u></p> <p>Date</p>	
<p>27</p> <p>LAT. 36°32'41"N</p> <p>LONG. 107°27'14"W</p> <p>RINCON UNIT #243</p> <p>WELL HEAD ☀</p> <p>FD 3 1/4" B.L.M. BC 1955</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p><u>DAVID A. JOHNSON</u></p> <p>Date of Survey</p> <p><u>14827</u></p> <p>Signature and Seal of Professional Surveyor</p> <p><u>14827</u></p> <p>Certificate Number</p>	

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

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611 South First, Artesia, N.M. 88210

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2040 South Pacheco
Santa Fe, NM 87505

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-2725	*Pool Code 72.319	*Pool Name Blanco Mesa Verde
*Property Code 26629	*Property Name RINCON UNIT	*Well Number 126Q
*OCRID No. 189071	*Operator Name PURE RESOURCES	*Elevation 6580'

¹⁰ Surface Location

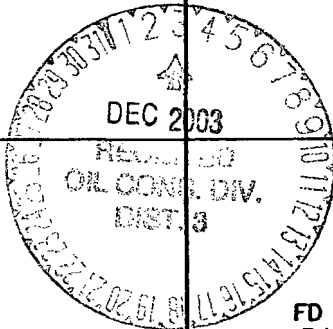
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	27	27-N	6-W		2310'	SOUTH	2310'	EAST	RIO ARriba

¹¹ 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 320			*Joint or Infill		*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			



FD 3 1/4"
B.L.M. BC
1955

17 OPERATOR CERTIFICATION

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

Mike Phillips
Signature

Mike Phillips
Printed Name

Completion Foreman
Title

10/11/03
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 belief.

DAVID A. JOHNSON
Date of Survey
NEW MEXICO
Signature and Seal of Professional Surveyor:
14827

14827
Certificate Number

	LAT. 36°32'41"N LONG. 107°27'14"W	2310'	
RINCON UNIT #243 WELL HEAD ☀			
		2310'	
			N 00-31-01 E 2594.31'
	FD 3 1/4" B.L.M. BC 1955	S 88-40-17 W 2634.13'	FD 3 1/4" B.L.M. BC 1955

PURE RESOURCES
RINCON UNIT WELL NO. 126Q
2310' FSL, 2310' FEL, SEC. 27, T-27-N, R-6-W
Rio Arriba County, New Mexico

DRILLING PLAN

1. ESTIMATED FORMATION TOPS AND PLAN

***Note: Depths are BGL – does not include ~15' RKB**

Formation	Depth BGL	Remarks	Mud	Hole / Casing	Cement
San Jose	Surface		Spud Mud	12-1/4"	225 sxs "Type III" + 2% CaCl ₂ + 0.25 pps Cello Flake @ 14.6 ppg & 1.39 cfs. TOC = 0'.
*Casing Point	390'			Hole 9-5/8", 32.3#, H40, STC (New)	
Ojo Alamo	~2,095'	Water	FW Gel 8.3-8.6 ppg 30-35 vis	8-3/4"	Lead: 325 sxs Prem Lite FM + 8% Gel + 2% CaCl ₂ + 0.25% LCM-1 + 0.25 pps Cello Flake @ 12.1 ppg & 2.11 cfs; Tail: 80 sxs "Type III" + 2% CaCl ₂ + 0.25 pps Cello Flake @ 14.6 ppg & 1.39 cfs. TOC = 0'.
Kirtland Shale	2,655'			Hole 7", 20#, K55, STC (New)	
*Casing Point	2,775'				
Fruitland Coal	3,070'	Gas	Air/N2	6-1/4"	Lead: 85 sxs Prem Lite HS FM + 0.3% R-3 + 2% CaCl ₂ + 0.25 pps Cello Flake + 0.3% CD-32 + 5 pps LCM-1 + 1% FL-52 @ 11.9 ppg & 2.37 cfs; Tail: 525 sxs Prem Lite HS FM + 0.3% R-3 + 2% CaCl ₂ + 0.25 pps Cello Flake + 0.3% CD-32 + 5 pps LCM-1 + 1% FL-52 @ 12.5 ppg & 2.02 cfs. TOC = 0'.
Pictured Cliffs	3,160'	Gas		Hole 4-1/2", 11.6#, N80, LT&C (New)	
Cliff House	4,830'	Gas			
Mancos	5,775'				
Greenhorn	7,280'				
Dakota	7,500'	Gas			
*Est. TD	7,820'				

Minimum Safety Factors for Casing:

Collapse = 1.125
Burst = 1.1
Tension = 1.8

Casing hardware for the production string is to include a guide shoe, float collar, centralized shoe joint, and the next five joints centralized. Centralizers will be placed across the production zones.

2. PRESSURE CONTROL BOP'S AND RELATED EQUIPMENT

Casing Head: 7" x 11" – 3000 psi WP.

BOP Stack and Related Equipment: (See Attachments).

One double-gate BOP with 4-1/2" and then 3-1/2" pipe and blind rams.

One choke manifold with adjustable and positive chokes.

An accumulator will hydraulically operate the BOP with 1-1/2 times the necessary capacity to close the rams and retain a minimum of 200 psi above recharge. The remote unit will be located in the bottom "dog house" or on the ground between the "dog house" and the toolpushers trailer. A rotating head on top of the BOP stack will be utilized when necessary.

Testing Procedure:

The BOP and related equipment will be tested in accordance with the provisions of Onshore Oil and Gas Order No. 2. BOP's will be operationally tested daily and each test will be logged in the IADC Daily Drilling Report.

Blooe Line:

The blooe line and related equipment will meet all requirements of Onshore Oil and Gas Order No. 2.

Auxiliary Equipment:

A kelly cock will be used with the handle available. A full opening safety valve will be used when the kelly is not on the drillstring. A rotating head will be used while air drilling. Vacuum diversion will be available on the blooe line.

3. CORING, TESTING, & LOGGING PROGRAM

DST's: None planned.

Logging: Cased hole GR/Dual Burst Thermal Decay

Cores: None planned.

Completion: During completion, the drilling rig will be removed and a completion rig will be moved in and BOP's of a similar pressure rating will be used. The Dakota and Mesa Verde will be selectively perforated and individually hydraulically stimulated. The wells will be commingled with 2-3/8" production string. A "Well Completion or Re-completion Report and Log" (Form 3160-4) will be submitted within 30 days after completion of the well per 43 CFR 3164. Two copies of all logs, geologic summaries, sample descriptions, and all other data obtained during the drilling, workover, and completion operations will be filed with form 3160-4.