

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
Revised June 10, 2003

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. 30-039-27523
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Pure Resources c/o Mike Pippin LLC (Agent)		6. State Oil & Gas Lease No. Federal: NMSF - 079366
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name Rincon Unit NMNM 78406D
4. Well Location Unit Letter <u>O</u> : <u>10'</u> feet from the <u>SOUTH</u> line and <u>2630'</u> feet from the <u>EAST</u> line Section <u>22</u> Township <u>27N</u> Range <u>06W</u> NMPM Rio Arriba County		8. Well Number #158Q
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6509'		9. OGRID Number 189071
10. Pool name or Wildcat Basin Dakota / Blanco Mesaverde		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input checked="" type="checkbox"/> OTHER: Administrative Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input 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. Commingling these zones will not reduce the ultimate recovery of either pool. Downhole commingling will improve recovery of liquids, eliminate redundant surface equipment, and maximize productivity.

Allocation of production will be determined later utilizing the established production rate from the Basin Dakota minus the total commingled production rate, to obtain the Blanco Mesaverde portion.

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

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

SIGNATURE Mike Pippin TITLE Petr. Engr. (Agent) DATE 12/18/03

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No.: 505-327-4573
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APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #1 DATE DEC 18 2003
Conditions of approval, if any: