

District I
1625 N. French Dr. Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.	30-039-26996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	RINCON UNIT
8. Well No.	164R
9. Pool name or Wildcat	Basin DK/Blanco MV
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	6385'GR

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator PURE RESOURCES L.P.	
3. Address of Operator P.O. BOX 850, BLOOMFIELD, NM 87413	
4. Well Location Unit Letter <u>K</u> : <u>1939'</u> feet from the <u>South</u> line and <u>2310'</u> feet from the <u>West</u> line Section <u>2</u> Township <u>26N</u> Range <u>07W</u> NMPM <u>RIO ARRIBA</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 6385'GR	

11. 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Completion Sundry <input checked="" type="checkbox"/>		

12. 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)

See attached

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

SIGNATURE <u>[Signature]</u>	TITLE <u>San Juan Basin Drilling/ Production Foreman</u>	DATE <u>09/04/02</u>
Type or print name <u>Mike Phillips</u>	TELEPHONE NO. <u>(505) 632-1811</u>	
APPROVED BY <u>ORIGINAL SIGNED BY CHARLES T. PETERSON</u>	TITLE <u>DEPUTY OIL & GAS INSPECTOR, NM</u>	DATE <u>SEP -5 2002</u>

Conditions of approval, if any:

Pure Resources, Inc.
Well History

RINCON UNIT #164R - 76.82% WI From 1/1/1920 through 9/4/2002

Well Name RINCON UNIT #164R - 76.82% WI
State: NM County: RIO ARRIBA

Lease Well 521522-0164

8/22/2002 MIRU DRAKE #18 UNIT; TIH WITH 3 7/8" BIT AND TALLY TBG FROM FLOAT; CLEAN OUT TO PBTD OF 7310'; CIRC HOLE CLEAN; TOH WITH 2 3/8" TBG LAYING DOWN ON FLOAT.

8/23/2002 NU FRAC VALVE; PRESS TEST 4 1/2" CSG AND FRAC VALVE TO 1200#; RD RIG AND ALL EQUIP MOVE TO YARD; RU SCHLUMBERGER; RAN TDT, CCL, GR LOG FROM PBTD; RD SCHLUMBERGER; SWI.

8/28/2002 RU COBRA WIRELINE; RAN DEVIATION SURVEY FROM PBTD OF 7310'; RD COBRA WIRELINE; RU SCHLUMBERGER; PERFORATE DAKOTA FORMATION AS FOLLOWS: 7112', 22', 28', 60', 72', 77', 87', 7204', 08', 10', 12', 16', 20', 32', 34', 36', 48', 52', 56', 60', 70', 74', 78' AND 80'; NO FLUID LOSS FROM PERFORATIONS; SWI TO FRAC IN A.M.

8/29/2002 RU BJ SERVICES; BREAK DOWN FORMATION AT 3840#; INCREASED RATE TO 27 BPM AT 3600#; ISDP OF 1400#; FRAC WELL WITH 67,904 GALS 70Q FOAM + 136,200# WHITE SAND 20/40, 7900# FLEX SAND 14/40; TOTAL OF 144,100# SAND IN 4 STAGES; AVG PRESS 4710# AT 35 BPM; ISDP 3090#, 5 MINS - 2765#, 10 MINS - 2730#, 15 MINS - 2705#; WELL SHUT IN FOR 2 HRS AFTER FRAC OPENING UP ON 8/64" CHOKE WITH 2650#; LEFT WELL FLOWING BACK TO BLOW PIT WITH FLOW BACK CREW ON LOCATION.

8/30/2002 FLOWED WELL TO PIT OVERNIGHT ON 10/64" CHOKE; PRESSURE 2800# - 2000# - 2200#; MADE APPROX 350 OF 740 LTR.

8/31/2002 FLOWED WELL TO PIT OVERNIGHT ON 10/64" CHOKE; PRESSURE 2200# - 1050# AND STABLE; RATE @ 1.6 MMCFD; TR 420 OF 740 LTR; SWI FOR BUILD UP.

CASING HISTORY REPORT

SURFACE LEVEL

Location SW SEC 2, T26N, R7W

TD Date 8/13/2002

TD Hole

Total Depth: 372

Hole 12-1/4"

Joints	Joint Description	Total	Running
	WELLHEAD	1.50	1.50
	INSERT FLOAT	0.00	1.50
1	9-5/8" 32.3# STC CSG	34.25	35.75
	SAWTOOTH COLLAR	1.00	36.75
	KB	15.00	51.75
8	9-5/8" 32.3# STC CSG	312.55	364.30
9	Total Joints Ran	364.30	

Cemented as

Top Cement:

Stage 1 - 200 SX TYPE 111 W/ 2% CACL2, .25% CELLOFLAKE MIXED @ 6.7 GAL/SK (YLD:1.39, WT:14.60)

Comment

1st INTERMEDIATE LEVEL

Location SW SEC 2, T26N, R7W

TD Date 8/15/2002

TD Hole

Total Depth: 2407

Hole 8-3/4"

Joints	Joint Description	Total	Running
	MANDREL	0.50	0.50
	FLOAT COLLAR	1.00	1.50
57	7" 20# K-55 STC CSG	2343.60	2345.10
1	7" 20# K-55 STC CSG	41.22	2386.32
	KB	15.00	2401.32
	SAWTOOTH COLLAR	1.00	2402.32
	FLOAT COLLAR	1.00	2403.32
58	Total Joints Ran	2403.32	

Cemented as

Top Cement:

Stage 1 - 230 SX TYPE F W/ 2% CACL2, .25% CELLOFLAKE, 8% GEL, 6.25 PPS LCM-1 MIXED @ 11.9 GAL/SK (YLD:2.11, WT:12.10)

Tail: 110 SX TYPE 111 W/ 2% CACL2, .25% CELLOFLAKE MIXED @ 6.7 GAL/SK (YLD:1.39, WT:14.60)

2nd INTERMEDIATE LEVEL

Location SW SEC 2, T26N, R7W

TD Date 8/19/2002

TD Hole

Total Depth: 7317

Hole 6-1/4"

Joints	Joint Description	Total	Running
1	4-1/2" 11.6# N-80 LTC CSG	33.27	33.27
	FLOAT COLLAR	1.00	34.27
168	4-1/2" 11.6# I-80 LTC CSG	7034.05	7068.32
1	MARKER JT	21.00	7089.32
5	4-1/2" 11.60 I-80 LTC CSG	210.80	7300.12
	KB	15.00	7315.12
	FLOAT SHOE	1.00	7316.12
175	Total Joints Ran	7316.12	

Cemented as

Top Cement:

Stage 1 - 85 SX TYPE 111 PREM LITE HIGH STRENGTH W/ 2% CACL2, 5 PPS LCM-1, .25 PPS CF, 1% FL-52, .3% CD-32, .3% R-3 MIXED @ 12.7 GPS (YLD:2.37, WT:11.90)

Tail: 525 SX TYPE 111 PREM LITE HIGH STRENGTH W/ 2% CACL2, 5 PPS LCM-1, .25 PPS CF, 1% FL-52, 3% CD-32, .3% R-3 MIXED @ 10.1 GPS (YLD:2.02, WT:12.50)

Comment