

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

Form C-103
March 4, 2004

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

WELL API NO. 30-039-27742
5. Indicate Type of Lease: STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-29028
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well Number #407
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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>A:</u> <u>845</u> feet from the <u>East</u> line and <u>850</u> feet from the <u>North</u> line Section <u>16</u> Township <u>27N</u> Range <u>6W</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6647' GL	

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"/>	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: 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.

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 61%
GAS: MESAVERDE 39%

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 10/5/04

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No. (505)327-4573

(This space for State use)

APPROVED BY [Signature] TITLE OIL & GAS INSPECTOR DATE OCT - 5 2004
Conditions of approval, if any:

	A	B	C	D	E	F	G	H	I	J	K	L
1		Rincon MV/DK Commingling Percentages										
2		wells commingled as of August 2004										
3		ALL WELLS SORTED BY LOCATION										
4		RINCON UNIT #407										
5		Gas						Oil				
6		LOCATION	DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments		
7	1	RINCON 156M	16	27 6	0.85	0.15	1.00	New % eff. May, 2002	0.60	0.40	1.00	
8	2	RINCON 156R	16	27 6	0.50	0.50	1.00	eff May, 2003	0.50	0.50	1.00	
9	3	RINCON #179M	16	27 6	0.77	0.23	1.00		1.00	0.00	1.00	Appr. % 12/01
10	4	RINCON 79A	17	27 6	0.70	0.30	1.00		0.50	0.50	1.00	Total % 12-7-02
11	5	RINCON 155M	17	27 6	0.43	0.57	1.00		0.25	0.75	1.00	Eff. Sep., 2001
12	6	RINCON 155R	17	27 6	0.63	0.37	1.00		0.57	0.43	1.00	
13	7	RINCON 161M	17	27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
14	8	RINCON #170	20	27 6	0.61	0.39	1.00		0.60	0.40	1.00	
15	9	RINCON 170R	20	27 6	0.74	0.26	1.00	May 04	1.00	0.00	1.00	
16	10	RINCON #170M	20	27 6	0.75	0.25	1.00		0.50	0.50	1.00	
17	11	RINCON #175M	20	27 6	0.61	0.39	1.00		0.50	0.50	1.00	
18	12	RINCON #171M	21	27 6	0.90	0.10	1.00		0.50	0.50	1.00	
19	13	RINCON #180M	21	27 6	0.39	0.61	1.00		0.50	0.50	1.00	
20	14	RINCON 180R	21	27 6	0.69	0.31	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
21	15	RINCON 158M	22	27 6	0.51	0.49	1.00		0.50	0.50	1.00	
22	16	RINCON 158Q	22	27 6	0.59	0.41	1.00		0.50	0.50	1.00	
23	17	RINCON 158R	22	27 6	0.70	0.30	1.00		0.70	0.30	1.00	
24	18	RINCON #181M	22	27 6	0.07	0.93	1.00		0.02	0.98	1.00	eff. Feb., 2002
25		AVERAGES			0.6135	0.3865	1.0000		0.5417	0.4583	1.0000	
26		TOTAL NUMBER WELLS =			18							