

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Pure Resources c/o Mike Pippin LLC (Agent)

3a. Address

c/o: Pippin, 3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)

505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

376' FSL 2507' FEL (O) Sec. 20 T27N R06W

5. Lease Serial No.

NMSF - 079366

6. If Indian, Allottee or Tribe Name

7. Unit or CA/Agreement, Name and/or No.

Rincon Unit NMNM 78406D

8. Well Name and No.

Rincon Unit #405

9. API Well No.

30-039-27668

10. Field and Pool, or Exploratory Area

Blanco Mesaverde & Basin Dakota

11. County or Parish, State

Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other DHC

APPLICATION

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Pure Resources requests administrative approval to downhole commingle the Basin Dakota (71599) & Blanco Mesaverde (72319), which are both included in the pre-approved pools established by State Division Order R-11363. Both intervals have common ownership & produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-103 with the State.

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 63%

GAS: MESAVERDE 37%

OIL: DAKOTA 56%

OIL: MESAVERDE 44%

DHC 1659AZ

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Mike Pippin

Date

October 5, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Jim Lovel

Title

Petr. Engr.

Date

11/12/04

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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

(Instructions on reverse)

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

NMOCD

1	Rincon MV/DK Commingling Percentages										
2	wells commingled as of August 2004										
3	ALL WELLS SORTED BY LOCATION							RINCON UNIT #405			
4	Gas							Oil			
5		LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
6	1	RINCON 156M	16 27 6	0.85	0.15	1.00	New % eff. May, 2002	0.60	0.40	1.00	
7	2	RINCON 156R	16 27 6	0.50	0.50	1.00	eff May, 2003	0.50	0.50	1.00	
8	3	RINCON #179M	16 27 6	0.77	0.23	1.00		1.00	0.00	1.00	Appr. % 12/01
9	4	RINCON 79A	17 27 6	0.70	0.30	1.00		0.50	0.50	1.00	Total % 12-7-02
10	5	RINCON 155M	17 27 6	0.43	0.57	1.00		0.25	0.75	1.00	Eff. Sep., 2001
11	6	RINCON 155R	17 27 6	0.63	0.37	1.00		0.57	0.43	1.00	
12	7	RINCON 161M	17 27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
13	8	RINCON 157M	18 27 6	0.71	0.29	1.00	Comngl 9/02 new % eff. 3/02	0.84	0.16	1.00	
14	9	RINCON 159P	18 27 6	0.62	0.38	1.00		0.54	0.46	1.00	
15	10	RINCON 159M	18 27 6	0.44	0.56	1.00		0.50	0.50	1.00	
16	11	RINCON #174M	19 27 6	0.59	0.41	1.00		0.50	0.50	1.00	
17	12	RINCON 174P	19 27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
18	13	RINCON 174R	19 27 6	0.44	0.56	1.00	New cmgl eff 2/04	0.21	0.79	1.00	New % eff. 2/04
19	14	RINCON #170	20 27 6	0.61	0.39	1.00		0.60	0.40	1.00	
20	15	RINCON 170R	20 27 6	0.74	0.26	1.00	May 04	1.00	0.00	1.00	
21	16	RINCON #170M	20 27 6	0.75	0.25	1.00		0.50	0.50	1.00	
22	17	RINCON #175M	20 27 6	0.61	0.39	1.00		0.50	0.50	1.00	
23	18	RINCON #171M	21 27 6	0.90	0.10	1.00		0.50	0.50	1.00	
24	19	RINCON #180M	21 27 6	0.39	0.61	1.00		0.50	0.50	1.00	
25	20	RINCON 180R	21 27 6	0.69	0.31	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
26	21	RINCON 127M	28 27 6	0.83	0.17	1.00		0.50	0.50	1.00	
27	22	RINCON 127R	28 27 6	0.72	0.28	1.00	eff May, 2003	0.50	0.50	1.00	
28	23	RINCON 128M	28 27 6	0.41	0.59	1.00		0.50	0.50	1.00	
29	24	RINCON 129M	29 27 6	0.73	0.27	1.00		0.50	0.50	1.00	
30	25	RINCON 129R	29 27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
31	26	RINCON 1E	30 27 6	0.62	0.38	1.00		0.50	0.50	1.00	
32	27	RINCON 149M	30 27 6	0.45	0.55	1.00		0.95	0.05	1.00	
33											
34	AVERAGES			0.6269	0.3731	1.0000		0.5588	0.4411	1.000	
35	TOTAL NUMBER WELLS =			27							