

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)

2588' FSL 1980' FWL (K) Sec. 23 T27N R06W

5. Lease Serial No.

NMSF - 079365-A

6. If Indian, Allottee or Tribe Name

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

Rincon Unit NMNM 78406D

8. Well Name and No.

Rincon Unit #401

9. API Well No.

30-039-27669

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
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other DHC APPLICATION
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomple 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 recompletion 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 55%
GAS: MESAVERDE 45%

OIL: DAKOTA 46%
OIL: MESAVERDE 54%

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Date

October 4, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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.

Office

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

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)

NMOC

1	Rincon MV/DK Commingling Percentages										
2	wells commingled as of August 2004										
3	ALL WELLS SORTED BY LOCATION										
4	RINCON UNIT #401										
5	Gas							Oil			
6		LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
7	1	RINCON 158M	22 27 6	0.51	0.49	1.00		0.50	0.50	1.00	
8	2	RINCON 158Q	22 27 6	0.59	0.41	1.00		0.50	0.50	1.00	
9	3	RINCON 158R	22 27 6	0.70	0.30	1.00		0.70	0.30	1.00	
10	4	RINCON #181M	22 27 6	0.07	0.93	1.00		0.02	0.98	1.00	eff. Feb., 2002
11	5	RINCON 146M	23 27 6	0.68	0.32	1.00	Comgt 9/02 new % eff. 3/02	0.33	0.67	1.00	
12	6	RINCON #173M	23 27 6	0.72	0.28	1.00		0.50	0.50	1.00	
13	7	RINCON 125M	26 27 6	0.44	0.56	1.00		0.50	0.50	1.00	
14	8	RINCON 125P	26 27 6	0.41	0.59	1.00	eff May, 2003	0.50	0.50	1.00	Total Percentages
15	9	RINCON 125R	26 27 6	0.51	0.49	1.00	eff May, 2003	0.50	0.50	1.00	Total Percentages
16	10	RINCON 182R	26 27 6	0.61	0.39	1.00	eff May, 2003	0.50	0.50	1.00	Temporary %
17	11	RINCON 126	27 27 6	0.78	0.22	1.00		0.50	0.50	1.00	
18	12	RINCON 126M	27 27 6	0.48	0.52	1.00		0.50	0.50	1.00	
19	13	RINCON 126R	27 27 6	0.64	0.36	1.00	April 04	0.22	0.78	1.00	
20	14	RINCON 126Q	27 27 6	0.60	0.40	1.00	May 04	0.51	0.49	1.00	
21	15	RINCON 165M	27 27 6	0.46	0.54	1.00	New% eff.11/02	0.58	0.42	1.00	
22	AVERAGES			0.5470	0.4530	1.0000		0.4572	0.5428	1.0000	
23	TOTAL NUMBER WELLS =			#REF!							