

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0155
Expires July 31, 1996

5. Lease Serial No.

NMSF - 079364

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 #408

9. API Well No.

30-039-27796

10. Field and Pool, or Exploratory Area

Blanco Mesaverde & Basin Dakota

11. County or Parish, State

Rio Arriba County, New Mexico

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)

505-327-4373

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

160' FNL 490' FEL (A) Sec. 30 T27N R06W

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

TYPE OF SUBMISSION	TYPE OF ACTION
☒ Notice of Intent	☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other DHC APPLICATION
	☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
	☐ Convert to Injection ☐ Plug Back ☐ 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 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	60%	OIL: DAKOTA	49%
GAS: MESAVERDE	40%	OIL: MESAVERDE	51%

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 6, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Ann Lovelace

Title

Petr. Eng

Date

12/7/04

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.

CONDITIONS OF APPROVAL
(Instructions on reverse)
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													
4	RINCON UNIT #408													
5	Gas							Oil						
6	1	RINCON #174M	19	27 6	0.59	0.41	1.00		DK %	MV %	Total %	Comments		
7	2	RINCON 174P	19	27 6	0.60	0.40	1.00	July 04	0.50	0.50	1.00			
8	3	RINCON 174R	19	27 6	0.44	0.56	1.00	New cmgl eff 2/04	0.51	0.49	1.00			
9	4	RINCON #170	20	27 6	0.61	0.39	1.00		0.21	0.79	1.00	New % eff. 2/04		
10	5	RINCON 170R	20	27 6	0.74	0.26	1.00	May 04	0.60	0.40	1.00			
11	6	RINCON #170M	20	27 6	0.75	0.25	1.00		1.00	0.00	1.00			
12	7	RINCON #175M	20	27 6	0.61	0.39	1.00		0.50	0.50	1.00			
13	8	RINCON 129M	29	27 6	0.73	0.27	1.00		0.50	0.50	1.00			
14	9	RINCON 129R	29	27 6	0.60	0.40	1.00	July 04	0.50	0.50	1.00			
15	10	RINCON 1E	30	27 6	0.62	0.38	1.00		0.51	0.49	1.00			
16	11	RINCON 149M	30	27 6	0.62	0.38	1.00		0.50	0.50	1.00			
17	12	RINCON #176	31	27 6	0.45	0.55	1.00		0.95	0.05	1.00			
18	13	RINCON #176E	31	27 6	0.71	0.29	1.00		0.24	0.76	1.00			
19	14	RINCON #183	31	27 6	0.75	0.25	1.00		0.94	0.06	1.00			
20	15	RINCON #183E	31	27 6	0.38	0.62	1.00		0.38	0.62	1.00			
21	16	RINCON 130M	32	27 6	0.44	0.56	1.00		0.07	0.93	1.00			
22	17	RINCON 166E	32	27 6	0.58	0.42	1.00	Comgl 1/02 - New % 5/02	0.30	0.70	1.00			
23	18	RINCON 166P	32	27 6	0.65	0.35	1.00		0.47	0.53	1.00			
24	19	RINCON #166R	32	27 6	0.49	0.51	1.00	April 04	0.27	0.73	1.00			
25	20	RINCON 137E	32	27 6	0.98	0.02	1.00		0.50	0.50	1.00			
26	21	RINCON 137E	24	27 7	0.50	0.50	1.00		0.50	0.50	1.00			
27	22	RINCON 138E	25	27 7	0.63	0.37	1.00		0.50	0.50	1.00			
28	23	RINCON 139	25	27 7	0.77	0.23	1.00		0.50	0.50	1.00			
29	24	RINCON 139E	25	27 7	0.67	0.33	1.00		0.50	0.50	1.00			
30	25	RINCON 138	25	27 7	0.57	0.43	1.00		0.43	0.57	1.00			
31	26	RINCON 201R	36	27 7	0.62	0.38	1.00	New cmgl eff Feb, 2004 -	0.27	0.73	1.00	New % eff. 2/04		
32	27	RINCON 131	36	27 7	0.58	0.42	1.00		0.49	0.51	1.00			
33	28	RINCON 131E	36	27 7	0.38	0.62	1.00		0.67	0.33	1.00			
34	29	RINCON #168	36	27 7	0.48	0.52	1.00		0.25	0.75	1.00			
35	30	RINCON #168E	36	27 7	0.29	0.71	1.00		0.56	0.44	1.00			
36	31	RINCON 168R	36	27 7	0.79	0.21	1.00	eff May, 2003	0.50	0.50	1.00			
37	AVERAGES													
38	TOTAL NUMBER WELLS = 30													
					0.6043	0.3957	1.0000					0.4873	0.5127	1.0000