

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

5. Lease Serial No.
NMSF - 079160

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 #415

9. API Well No.
3003927804

10. Field and Pool, or Exploratory Area
Blanco Mesaverde & Basin Dakota

11. County or Parish, State
Rio Arriba County, New Mexico

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)
2110' FSL 460' FEL (I) Sec. 1 T26N R07W

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 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	59%	OIL: DAKOTA	47%
GAS: MESAVERDE	41%	OIL: MESAVERDE	53%

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

Name (Printed/Typed) Mike Pippin	Title Petr. Engr. (Agent)
Signature <i>Mike Pippin</i>	Date October 11, 2004

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>John Lovato</i>	Title Petr. Eng	Date 1/11/05
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.

NMOC

Rincon MV/DK Commingling Percentages											
wells commingled as of August 2004											
ALL WELLS SORTED BY LOCATION											
RINCON UNIT #415											
Gas								Oil			
		LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
1	1	RINCON 11E	6 26 6	0.87	0.13	1.00		0.73	0.27	1.00	
2	2	RINCON 11P	6 26 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
3	3	RINCON 150E	6 26 6	0.89	0.11	1.00		0.50	0.50	1.00	
4	4	RINCON 57	1 26 7	0.67	0.33	1.00		0.38	0.62	1.00	
5	5	RINCON 164R	2 26 7	0.74	0.26	1.00	New% eff. 11/02 & 5/03	0.50	0.50	1.00	
6	6	RINCON #201	2 26 7	0.30	0.70	1.00		0.46	0.54	1.00	
7	7	RINCON #302	11 26 7	0.52	0.48	1.00		0.50	0.50	1.00	
8	8	RINCON #302M	11 26 7	0.77	0.23	1.00	Comgl 3/02-New% 11/02	1.00	0.00	1.00	
9	9	RINCON #304	11 26 7	0.48	0.52	1.00		0.27	0.73	1.00	
10	10	RINCON #304M	11 26 7	0.28	0.72	1.00		0.41	0.59	1.00	
11	11	RINCON #231E	12 26 7	0.22	0.78	1.00		0.19	0.81	1.00	
12	12	RINCON #231R	12 26 7	0.92	0.08	1.00	Comgl May, 2002	0.49	0.51	1.00	Eff. May, 2002
13	13	RINCON 134E	12 26 7	0.32	0.68	1.00		0.15	0.85	1.00	
14	14	RINCON #176	31 27 6	0.71	0.29	1.00		0.24	0.76	1.00	
15	15	RINCON #176E	31 27 6	0.75	0.25	1.00		0.94	0.06	1.00	
16	16	RINCON #183	31 27 6	0.38	0.62	1.00		0.38	0.62	1.00	
17	17	RINCON #183E	31 27 6	0.44	0.56	1.00		0.07	0.93	1.00	
18	18	RINCON 138E	25 27 7	0.63	0.37	1.00		0.50	0.50	1.00	
19	19	RINCON 139	25 27 7	0.77	0.23	1.00		0.50	0.50	1.00	
20	20	RINCON 139E	25 27 7	0.67	0.33	1.00		0.50	0.50	1.00	
21	21	RINCON 138	25 27 7	0.57	0.43	1.00		0.43	0.57	1.00	
22	22	RINCON #187E	35 27 7	0.86	0.14	1.00		0.50	0.50	1.00	
23	23	RINCON #193M	35 27 7	0.58	0.42	1.00		0.81	0.19	1.00	eff. Dec., 2001
24	24	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
25	25	RINCON 131	36 27 7	0.58	0.42	1.00		0.49	0.51	1.00	
26	26	RINCON 131E	36 27 7	0.38	0.62	1.00		0.67	0.33	1.00	
27	27	RINCON #168	36 27 7	0.48	0.52	1.00		0.25	0.75	1.00	
28	28	RINCON #168E	36 27 7	0.29	0.71	1.00		0.56	0.44	1.00	
29	29	RINCON 168R	36 27 7	0.79	0.21	1.00	eff May, 2003	0.50	0.50	1.00	
30											
31											
32											
33											
34											
35											
36											
37											
	AVERAGES			0.5888	0.4112	1.0000		0.4724	0.5276	1.0000	
	TOTAL NUMBER WELLS =			29							