

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

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

WELL API NO.

30-039-29686

5. Indicate Type of Lease: **FEDERAL**
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
FEDERAL: NM-012209

7. Lease Name or Unit Agreement Name
RINCON UNIT

8. Well Number: **#504**

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 OR TO ABANDON A WELL IN A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ 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 I : 2435 feet from the South line and 705 feet from the East line

Section 14 Township 27N Range 7W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6646' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water >1000'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Administrative Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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. Notice has been filed concurrently on form 3160-5 with the BLM.

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 71%
GAS: MESAVERDE 29%

OIL: DAKOTA 55%
OIL: MESAVERDE 45%

DHC 2224A2

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 4/19/06
Type or print name Mike Pippin E-mail address: mike@pippinllc.com Telephone No.: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 2 DATE APR 21 2006
Conditions of Approval (if any):

Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

ALL WELLS SORTED BY LOCATION

RINCON UNIT #504 4 19 06

Gas							Oil			
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON #167M	13	27 7	0.79	0.21	1.00		0.50	0.50	1.00	
RINCON 177Q	13	27 7	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 133R	14	27 7	0.57	0.43	1.00	eff May, 2003	0.50	0.50	1.00	
RINCON 151M	14	27 7	0.74	0.26	1.00		0.50	0.50	1.00	
RINCON #184M	15	27 7	0.96	0.04	1.00		0.50	0.50	1.00	
RINCON #185E	22	27 7	0.79	0.21	1.00		0.92	0.08	1.00	
RINCON 136E	23	27 7	0.92	0.08	1.00		0.50	0.50	1.00	
RINCON 136P	23	27 7	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON #178	23	27 7	0.54	0.46	1.00		0.41	0.59	1.00	
RINCON #178E	23	27 7	0.71	0.29	1.00		0.71	0.29	1.00	
RINCON 137E	24	27 7	0.63	0.37	1.00		0.50	0.50	1.00	

AVERAGES			0.7138	0.2862	1.0000		0.5509	0.4491	1.0000	
TOTAL NUMBER WELLS =			11							