

Submit 3 Copies To Appropriate District Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-039-29624
5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. FEDERAL: SF - 080385
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well Number: #509
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 BACK TO 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 **L** : **2025** feet from the **South** line and **330** feet from the **West** line
Section **23** Township **27N** Range **7W** NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6634' 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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
OTHER: Administrative Downhole Commingle <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

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 67%
GAS: MESAVERDE 33%

OIL: DAKOTA 54%
OIL: MESAVERDE 46%

Oil C 2236 AZ

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 **4/27/06**
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. 6** DATE **APR 28 2006**
Conditions of Approval (if any):

Q

Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

MIKE PIPPIN

ALL WELLS SORTED BY LOCATION

RINCON UNIT #509 - 4/27/06

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	
RINCON 138E	25	27 7	0.63	0.37	1.00		0.50	0.50	1.00	
RINCON 139	25	27 7	0.77	0.23	1.00		0.50	0.50	1.00	
RINCON 139E	25	27 7	0.67	0.33	1.00		0.50	0.50	1.00	
RINCON 138	25	27 7	0.57	0.43	1.00		0.43	0.57	1.00	
RINCON #169	26	27 7	0.47	0.53	1.00		0.52	0.48	1.00	
RINCON 202	27	27 7	0.55	0.45	1.00		0.51	0.49	1.00	
RINCON 202M	27	27 7	0.61	0.39	1.00		0.64	0.36	1.00	Eff. Oct., 2001

AVERAGES			0.6735	0.3265	1.0000		0.5367	0.4633	1.0000	
TOTAL NUMBER WELLS =			18							