

Submit 3 Copies To Appropriate District
Office
District I
4625 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

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

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK FOR A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR PROPOSALS.)		WELL API NO. 30-039-29630
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PURE RESOURCES LP		6. State Oil & Gas Lease No. FEDERAL: SF - 080385
3. Address of Operator: c/o Agent, Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401 505-327-4573		7. Lease Name or Unit Agreement Name RINCON UNIT
4. Well Location Unit Letter D : 215 feet from the North line and 330 feet from the West line Section 26 Township 27N Range 7W NMPM Rio Arriba County		8. Well Number: #516
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6655' GL		9. OGRID Number: 189071
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000' Distance from nearest surface water 200'-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 <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: Administrative Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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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 63%
GAS: MESAVERDE 37%

OIL: DAKOTA 56%
OIL: MESAVERDE 44%

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. 3 DATE APR 28 2006
Conditions of Approval (if any):

Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

MIKE PIPPIN

ALL WELLS SORTED BY LOCATION

RINCON UNIT #516 - 4/27/06

Gas							Oil			
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
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
RINCON #229M	34	27 7	0.83	0.17	1.00	New % May, 2002 -	1.00	0.00	1.00	
RINCON #306	34	27 7	0.58	0.42	1.00		0.50	0.50	1.00	
RINCON #306M	34	27 7	0.71	0.29	1.00	New% eff. 11/02	0.83	0.17	1.00	
RINCON #187E	35	27 7	0.86	0.14	1.00		0.50	0.50	1.00	
RINCON #193M	35	27 7	0.58	0.42	1.00		0.81	0.19	1.00	eff. Dec., 2001
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
RINCON 131	36	27 7	0.58	0.42	1.00		0.49	0.51	1.00	
RINCON 131E	36	27 7	0.38	0.62	1.00		0.67	0.33	1.00	
RINCON #168	36	27 7	0.48	0.52	1.00		0.25	0.75	1.00	
RINCON #168E	36	27 7	0.29	0.71	1.00		0.56	0.44	1.00	
RINCON 168R	36	27 7	0.79	0.21	1.00	eff May, 2003	0.50	0.50	1.00	

AVERAGES			0.6316	0.3684	1.0000		0.5638	0.4363	1.0000	
TOTAL NUMBER WELLS =			24							