

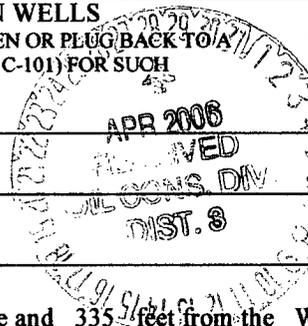
Submit 3 Copies To Appropriate District Office,  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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. 30-039-29698
5. Indicate Type of Lease: <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>FEDERAL: SF - 079298-D</b>
7. Lease Name or Unit Agreement Name <b>RINCON UNIT</b>
8. Well Number: #508
9. OGRID Number: 189071
10. Pool name or Wildcat Blanco MV & Basin DK
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6718' GL
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type <u>Drilling</u> 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



**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 : 1430 feet from the South line and 335 feet from the West line  
 Section 24 Township 27N Range 7W NMPM Rio Arriba County

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

<b>NOTICE OF INTENTION TO:</b>	<b>SUBSEQUENT REPORT OF:</b>
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: <input type="checkbox"/>
OTHER: Administrative Downhole Commingle <input checked="" 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 62%	OIL: DAKOTA 53%
GAS: MESAVERDE 38%	OIL: MESAVERDE 47%

*OWG 2237 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. 8 DATE APR 28 2006  
 Conditions of Approval (if any):

8

# Rincon MV/DK Commingling Percentages

wells commingled & 1st delivered as of April 2006

MIKE PIPPIN

## ALL WELLS SORTED BY LOCATION

RINCON UNIT #508 -4/27/06

	Gas					Oil				
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON 157M	18	27 6	0.71	0.29	1.00	Comgl 9/02 new % eff. 3/02	0.84	0.16	1.00	
RINCON 159P	18	27 6	0.62	0.38	1.00		0.54	0.46	1.00	
RINCON 159M	18	27 6	0.44	0.56	1.00		0.50	0.50	1.00	
RINCON #174M	19	27 6	0.59	0.41	1.00		0.50	0.50	1.00	
RINCON 174P	19	27 6	0.60	0.40	1.00	July 04	0.51	0.49	1.00	
RINCON 174R	19	27 6	0.44	0.56	1.00	New cmgl eff 2/04	0.21	0.79	1.00	New % eff. 2/04
RINCON 1E	30	27 6	0.62	0.38	1.00		0.50	0.50	1.00	
RINCON 149M	30	27 6	0.45	0.55	1.00		0.95	0.05	1.00	
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 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	

<b>AVERAGES</b>		<b>0.6217</b>	<b>0.3783</b>	<b>1.0000</b>		<b>0.5289</b>	<b>0.4710</b>	<b>0.9999</b>	
<b>TOTAL NUMBER WELLS =</b>		<b>22</b>							