

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

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

Form C-103  
May 27, 2004

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-039-29699
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease: <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>PURE RESOURCES LP</b>		6. State Oil & Gas Lease No. <b>FEDERAL: SF - 079321</b>
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 <b>RINCON UNIT</b>
4. Well Location Unit Letter <u>H</u> : <u>1975</u> feet from the <u>North</u> line and <u>300</u> feet from the <u>East</u> line Section <u>25</u> Township <u>27N</u> Range <u>7W</u> NMPM Rio Arriba County		8. Well Number: <b>#502</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>6655' GL</u>		9. OGRID Number: <u>189071</u>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat <u>Blanco MV &amp; Basin DK</u>
Pit type <u>Drilling</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>200'-1000'</u>		
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume <u>        </u> bbls; Construction Material <u>        </u>		

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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Administrative Downhole Commingle</u> <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 60%  
GAS: MESAVERDE 40%

OIL: DAKOTA 50%  
OIL: MESAVERDE 50%

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 4/26/06  
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

## ALL WELLS SORTED BY LOCATION

RINCON UNIT #502 - 4/26/06

Gas							Oil			
	LOCATION		DK %	MV %	Total %	Comments	DK %	MV %	Total %	Comments
RINCON #174M	19	27 6	0.59	0.41	1.00				0.00	
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 #176	31	27 6	0.71	0.29	1.00		0.24	0.76	1.00	
RINCON #176E	31	27 6	0.75	0.25	1.00		0.94	0.06	1.00	
RINCON #183	31	27 6	0.38	0.62	1.00		0.38	0.62	1.00	
RINCON #183E	31	27 6	0.44	0.56	1.00		0.07	0.93	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				0.00	
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 #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	

<b>AVERAGES</b>			<b>0.5951</b>	<b>0.4049</b>	<b>1.0000</b>		<b>0.4972</b>	<b>0.5028</b>	<b>0.9259</b>	
<b>TOTAL NUMBER WELLS =</b>			<b>27</b>							