				(Other Instructions on reverse side)	OMB NO. 10 Expires: February	
	UN	ITED STATES				
	DEPARTME	NT OF THE INTERIO	R		5. LEASE DESIGNATION A	ND SERIAL NO.
		OF LAND MANAGEMENT			SF-07	
	APPLICATION FOR I	PERMIT TO DRILL OR	DEEPEN		6. IF INDIAN, ALLOTTEE C	R TRIBE NAME
YPE OF WORK		DEEPEN			7. UNIT AGREEMENT NAM	1E
					Rincon	1 Init
		SINGLE			8. FARM OR LEASE NAME	
					Rincon U	nit 11P
	Pu	e Resources			9. API WELL NO.	
DDRESS AND TELEPHONE NO.					30039	272
		Bloomfield New Mexico		······································	10. FIELD AND POOL OR W	ALDCAT
·····	on clearly and in accordance with any S				Basin Dakota/	Mesa Verde
t surface t proposed prod.zone		895' FSL and 665' FEL			11. SEC., T.,R.,M., OR BLK. AND SURVEY OR AREA	
		Same as Surface			P Sec. 6, T-26	i-N, R-6-W
ISTANCE IN MILES AND DIRECTION	ON FROM NEAREST TOWN OR POS	T OFFICE*			12. COUNTY OR PARISH	
	40 miles Sout	heast from Bloomfield NM.			Rio Arriba	NM
DISTANCE FROM PROPOSED" LOCATION TO NEAREST PROPERTY OR LEASE LINE FT (Also to	665'	16. NO. OF ACRES IN LEAS		17. NO. OF ACRES THIS WELL	ASSIGNED TO	6
roperity or lease line FT (Also to learest drig. Unit line, if any) DISTANCE FROM PROPOSED* LOCATIO		19. PROPOSED DEPTH	645.09	20. ROTARY OR	J21,36 220 5/	2
NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE,	D 2050'		7720'		Rotary	
ELEVATIONS (Show whether DF, R	T, GR,		1120		22. APPROX.DATE WORK	MILL START
	· ·	6777'			ASAF	,
·····	P	ROPOSED CASING AND CE	MENTING PROGRA	M		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	· ·	QUANTITY OF CEMENT	
12-1/4"	H-40 9-5/8"	32.3#	350'	200 SACKS	"B" TOC @ SURFACE	
8-3/4"	K-55 7"	20#	2745'		TYPE III TOC @ SURFA	· · _ ·
8-3/4" 6-1/4"	K-55 7" N-80 4-1/2"	20# 11.6# "Expedited AP	7720'		TYPE III TOC @ SURFA 85/35 POZ TYPE III TOC	· · _ ·
6-1/4* Pure plans to drill the Rinco well will be an infill 80 acre BOP- One double gate BO will hydraulically operate B	N-80 4-1/2" on Unit 11P, and complete i	11.6# <u>"Expedited AP</u> in the Mesa Verde and the Ba rams, one choke manifold wi ressary capacity to close the r	7720' D/ROW sin Dakota and dow th adjustable and po	610 SACKS 7" casing mhole commingle	e the two formations. T	This
6-1/4" Pure plans to drill the Rinco well will be an infill 80 acre BOP- One double gate BO will hydraulically operate B Rotating head will be utilize (Schematics are attached) DRILLING OPERATIO SUBJECT TO COMPL *GENERAL REQUIRE BOVE SPACE DESCRIBED PRO	N-80 4-1/2" N-80 4-1/2" N-80 4-1/2" on Unit 11P, and complete it on Unit 11P, and complete i	11.6# <u>"Expedited AP</u> in the Mesa Verde and the Ba i rams, one choke manifold wi xessary capacity to close the r S-1/4" hole. This action is subject procedural review pur and appeal pursuant en, give data on present productive ind measured and true vertical dep	7720' D/ROW sin Dakota and dow th adjustable and por ams and retain a m to technical and rsuant to 43 CFF 316 to 43 CFR 3165.4 e zone and proposed	610 SACKS 7" casing mhole commingle psitive chokes, an inimum of 200 ps 25.3 new productive zon eventer program, if a	e the two formations. T a accumulator i above recharge.	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the application to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

P	PF	201	Æ	D	BY	•

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*See Instructions On Reverse Side

Title18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious of fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD

DATE **OCT - 8** 2003

State of New Mexico DISTRICT I Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1000 Rio Brazos Rd., Aztec, N.M. 87410 2040 South Pacheco Santa Fe, NM 87505 DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT ³Pool Name *Pool Code 'API Number 71559 Basin Dakota 30-039 7 Well Number * Property Code ^a Property Name 11P **RINCON UNIT** 26629 "OGRID No. ⁶Operator Name ^o Elevation 6777' PURE RESOURCES 189071 ¹⁰ Surface Location UL or lot no. North/South line Section Feet from the Feet from the East/West line Township Range Lot Idn 26-N 6--W 895 P 6 SOUTH 665 EAST ¹¹ Bottom Hole Location If Different From Surface Feet from the East/West line UL or lot no. Section Lot Idn Feet from the North/South line Township Range ¹⁸ Dedicated Acres ¹⁵ Joint or Infill ¹⁴ Consolidation Code ¹⁸ Order No. 321.35 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 16 17 \geq LOT LOT 3 LOT 2 LOT 1 2 S Signatur Log Log Mike Phillips *** **Printed Name** 070 Foreman LOT 5 Title 5325. Date w 18 00'19'24" RINCON UT. #3 LOT 6 ₩ z

Form C-102 Revised August 15, 2000

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

1625 N. French Dr., Hobbs, N.M. 88240 DISTRICT II 811 South First, Artesia, N.M. 68210

DISTRICT III

County **RIO ARRIBĂ** County NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED **OPERATOR CERTIFICATION** I hereby certify that the information contained herein is true and complete to the best of my knowledge 16 Ally San Juan Basin Drilling/Production Nov. 7th, 2002 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat field notes of actual surveys made by and that the LAT. = 36-30-37 N. LONG. = 107-30-08 W. 136. 665' 675 LOT 7 895, Certificate Number S 85'05'28" W 5361.85'

DIST			_				
1625	Ņ.	French	Dr.,	Hobbs,	N.M.	88240	

District II 811 South First, Artesia, N.M. 88210

DISTRICT III 1000 Ello Brazos Rd., Azteo, N.M. 87410

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DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, NM 87505 Form C-102 Revised August 15, 2000

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

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PURE RESOURCES RINCON UNIT WELL NO. 11P 895' FSL, 665' FEL, SEC. 6, T-26-N, R-6-W

8 POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS

FORMATION NAME	DEPTH FROM GL
San Jose	Surface
Ojo Alamo	2,222'
Kirtland Shale	2,642'
Pictured Cliffs	3,152'
Cliff House	4,865'
Point Lookout	5,392'
Mancos	5,742'
Tocito Sand	6,792'
Dakota	7,517'
ETD	7,700'
Permit TD	7,720'

2. OIL, GAS, WATER, OR OTHER MINERAL BEARING ZONES

EXPECTED GAS ZONES Fruitland Coal Pictured Cliffs Mesa Verde

Dakota

DEPTH FROM GL

3100'-3153' 3153-3192' 4865-5742 7517-7720'

EXPECTED WATER ZONES Ojo Alamo

DEPTH FROM GL

2222'

Possible water zones will be protected by 7" intermediate casing and/or 4-1/2" production strings, 7" cemented to surface, and 4-1/2" casing cement tied in to 7".

3. PRESSURE CONTROL BOP'S AND RELATED EQUIPMENT

Casing Head: 7" x 11" – 3000 psi W.P. BOP Stack and Related Equipment: (See Attachment No. 1 & 2).

RINCON UNIT WELL NO. 11P DRILLING PROGRAM – PAGE 2

One double-gate BOP with 4-1/2" and then 3-1/2" pipe and blind rams. One choke manifold with adjustable and positive chokes.

An accumulator will hydraulically operate the BOP with 1-1/2 times the necessary capacity to close the rams and retain a minimum of 200psi above recharge. The remote unit will be located in the bottom "dog house" or on the ground between the "dog house" and the toolpushers trailer. A rotating head on top of the BOP stack will be utilized when necessary.

Testing Procedure:

The BOP and related equipment will be tested in accordance with the provisions of Onshore Oil and Gas Order No. 2.

BOP's will be operationally tested daily and each test will be logged in the IADC Daily Drilling Report.

Blooie Line:

The blooie line and related equipment will meet all requirements of Onshore Oil and Gas Order No. 2.

4. CASING AND CEMENTINNG PROGRAM

SURFACE CASING (Spud Mud)								
Age	<u>Depth</u>	Hole Size	Size	Weight	Grade	Thread		
New	0-350'	12-1/4"	9-5/8"	32.3#	H-40	ST&C		
		<u>INTERME</u>	<u>EDIATE CASI</u>	NG (FW Mud)				
<u>Age</u>	<u>Depth</u>	<u>Hole Siz</u> e	<u>Size</u>	Weight	Grade	Thread		
New	0-2662'	8-3/4"	7"	20#	K-55	ST&C		
	PRODUCTION CASING (Air Dusting)							
Age	<u>Depth</u>	<u>Hole Siz</u> e	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	Thread		
New	0-TD	6-1/4"	4-1/2"	11.6#	L-80	LT&C		

MINIMUM SAFETY FACTORS

Collapse: 1.125 Tension: 1.8 Burst: 1.0

RINCON UNIT WELL NO. 11P DRILLING PROGRAM – PAGE 3

Cementing Program

- The 9-5/8" surface casing will be cemented to the surface with 200 sacks of class "Type III" cement + 2% Cacl2 and ¼# per cello flake. 14.6ppg, 1.39 yield. Represents 137% excess.
- 2. The 7" intermediate casing will be cemented to surface with; 325 sacks of Premium Lite FM cement + 8% gel + 2% CACL2, + 6.25#/sack LCM + .25 lbs/sk Cello Flake @ 12.1 ppg, + 2.11 yield, Followed by 80 sacks class "Type III" cement + 2% CACL2 + ¼ #/sack cello-flake. @ 14.6 ppg, 1.39 yield. This represents 33% excess.
- 3. The 4-1/2" production casing will be cemented and tied into the intermediate casing with 85 sacks Premium Lite HS FM + .3% R-3,+ 2%CACL2 + ¼ #/sack CF + .3% CD-32 + 5#/SK LCM-1 + 1% FL-52, 11.9 ppg, 2.37 yield. Followed by 525 sks Premium Lite HS FM + .3% R-3, + 2% CACL2 + 1/4# /sk CF + .3% CD-32 + 5#/sk LCM-1 + 1% FL-52. 12.5 ppg, 2.02 yield. Represents 45% excess.

Casing hardware for the production string to include guide shoe, float collar, centralized shoe joint and next five joints. Centralizers across producing zones.

<u>Auxiliary Equipment</u>

A kelly cock will be used with handle available. A full opening safety valve will be used when Kelly is out of string. Rotating head while air drilling. Will have vacuum diversion on blooie line.

5. DRILLING FLUID PROGRAM

<u>Depth</u>	Type	Weight	<u>Vis</u>	<u>W.L.</u>
0-350'	Spud Mud			N.C.
350-2662'	Fresh Water Gel	8.3-8.6	30-35	N.C
2662'-TD	Air	N.C.	N.C.	N.C.