

RCVD JAN 24 '08  
OIL CONS. DIV.

DIST. 3

RECEIVED

Form 3160-3  
(April 2004)

DEC 21 2007

FORM APPROVED  
OMB NO. 1004-0137  
Expires: March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR Bureau of Land Management  
BUREAU OF LAND MANAGEMENT Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. SF-079364
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Chevron Midcontinent L.P.		7 If Unit or CA Agreement, Name and No. Rincon Unit NMNM 78406D-MV
3a Address P O Box 36366 Houston, TX 77236		8 Lease Name and Well No. Rincon Unit 409
3b Phone No (include area code) 281-561-4859		9 API Well No 30453 30-039-27853
4 Location of well (Report location clearly and in accordance with any State requirements *) At surface 60' FNL 1470' FWL Lat 36.33'08"N Long 107.30'46"W At proposed prod zone		10 Field and Pool, or Exploratory Blanco MV & Basin Dakota
11 Sec, T, R, M, or Blk and Survey or Area C Sec. 30 T27N R6W		12 County or Parish Rio Arriba
13 State New Mexico		
14 Distance in miles and direction from the nearest town or post office* 35 Miles Southeast of Blanco, NM	15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg. unit line, if any) 60'	16 No of acres in lease 2560.34 2605.33
17 Spacing Unit dedicated to this well West 319 08 acres	18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 1065'	19 Proposed Depth 7700'
20 BLM/ BIA Bond No. on file NM2881	21 Elevations (Show whether DF, RT, GR, etc) 6636' Ground Level	22 Aproximate date work will start* 6/1/2008
23 Estimated duration 30 days	24 Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1 shall be attached to this form

- |   |  |
|---|--|
| 1 Well plat certified by a registered surveyor.   | 4 Bond to cover the operations unless covered by existing bond on file (see item 20 above).          |
| 2 A Drilling Plan   | 5 Operator certification   |
| 3 A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6 Such other site specific information and/ or plans as may be required by the a authorized officer. |

25 Signature 	Name (Printed/ Typed) Pamela Rainey	Date 12/20/2007
Title Regulatory Specialist		
BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS 1/23/08		
Approved By (Signature) 	Name (Printed/ Typed) AFM	Office FFO
Title AFM		

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 applicant to conduct operations thereon

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

\*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

PA - FEB 25 2008 AV

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RCVD FEB 25 '08

☐ AMENDED REPORT

OIL CONS. DIV.

DIST. 3

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-30453	<sup>2</sup> Pool Code 72319 / 71599	<sup>3</sup> Pool Name BLANCO MESAVERDE / BASIN DAKOTA
<sup>4</sup> Property Code 26629 302737	<sup>5</sup> Property Name RINCON UNIT	<sup>6</sup> Well Number 409
<sup>7</sup> OGRID No. 241333	<sup>8</sup> Operator Name CHEVRON MIDCONTINENT L.P.	<sup>9</sup> Elevation 6628'

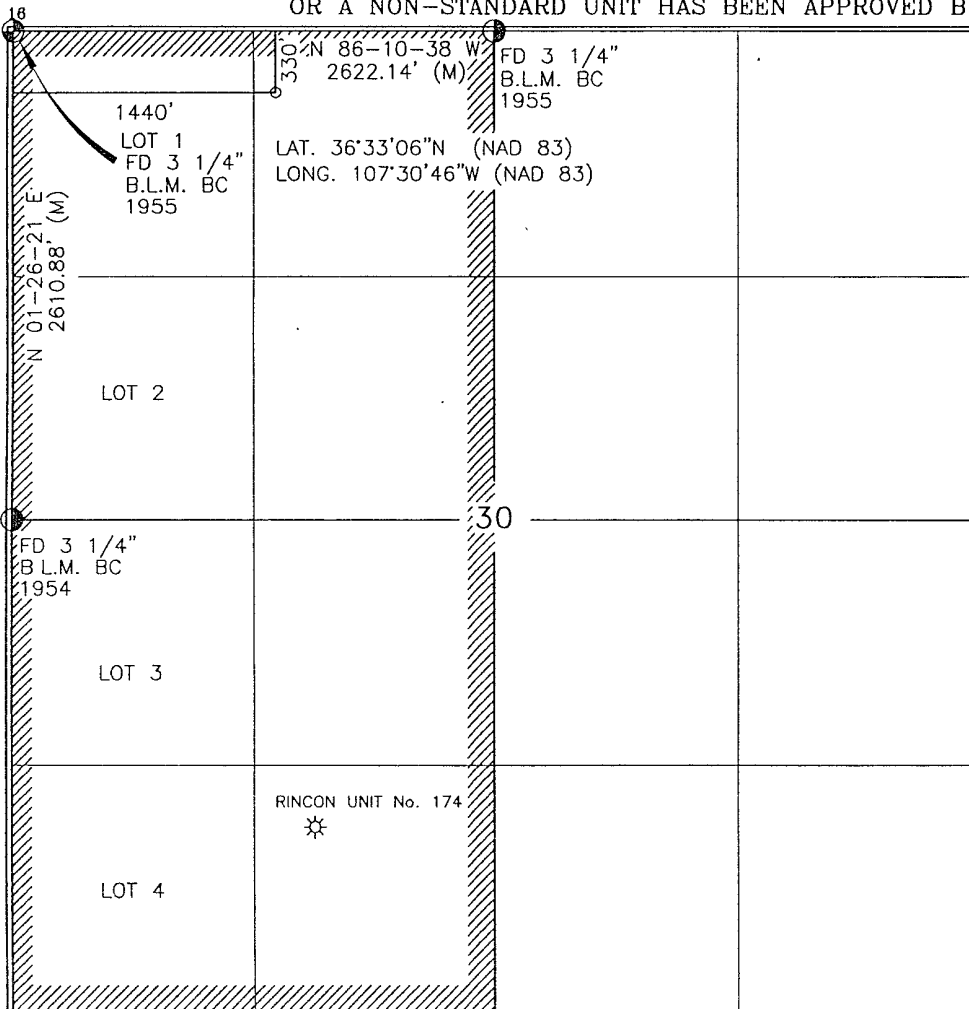
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	30	27-N	6-W		330'	NORTH	1440'	WEST	RIO ARRIBA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 319.08 W/2			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Pamela Rainey*  
Signature

Pamela Rainey 2/20/08  
Printed Name Date

<sup>18</sup> SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief

APRIL 27 2008  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor.

022894  
PROFESSIONAL LAND SURVEYOR  
Certificate Number

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  
March 4, 2004

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

WELL API NO. <u>30-039-30453</u>
5. Indicate Type of Lease: <b>FEDERAL</b> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>FEDERAL</b> : SF-079364
7. Lease Name or Unit Agreement Name RINCON UNIT
8. Well Number #409
9. OGRID Number 189071
10. Pool name or Wildcat Blanco MV & Basin DK

<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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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 <u>C</u> : <u>60</u> feet from the <u>North</u> line and <u>1470</u> feet from the <u>West</u> line  Section <u>30</u> Township <u>27N</u> Range <u>6W</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6636' GL	
<u>Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)</u>	
Pit Location: UL <u>C</u> Sect <u>30</u> Twp <u>27N</u> Rng <u>6W</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>425'</u> Below-grade Tank Location UL <u>      </u> Sect <u>      </u> Twp <u>      </u> Rng <u>      </u> ; <u>      </u> feet from the <u>      </u> line and <u>      </u> feet from the <u>      </u> line	

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"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <u>Drilling Pit Registration</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.

We intend to drill a new MV/DK well. The drilling pit will be built and lined according to our general pit guidelines on file at the NMOCD in Aztec, NM.

When the drilling pit is closed, it will be closed as per our general pit closing guidelines on file at the NMOCD.

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 ☐.

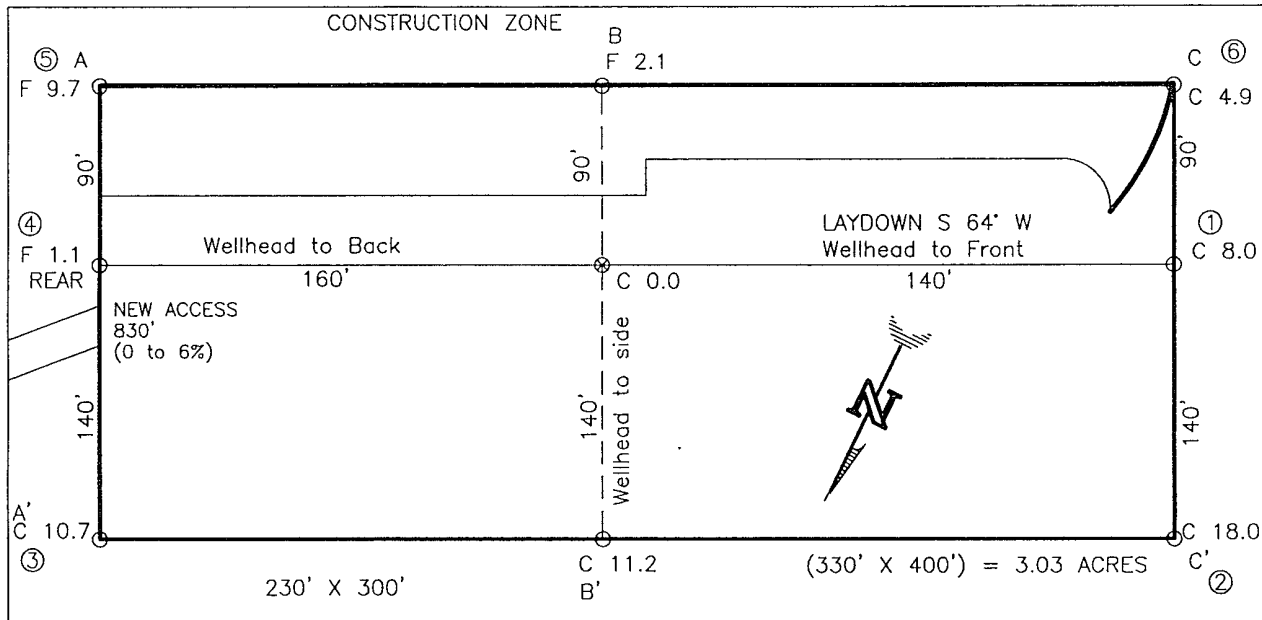
SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 7/17/04

Type or print name Mike Pippin E-mail address: mpippin@ddbroadband.net Telephone No. (505)327-4573

(This space for State use)

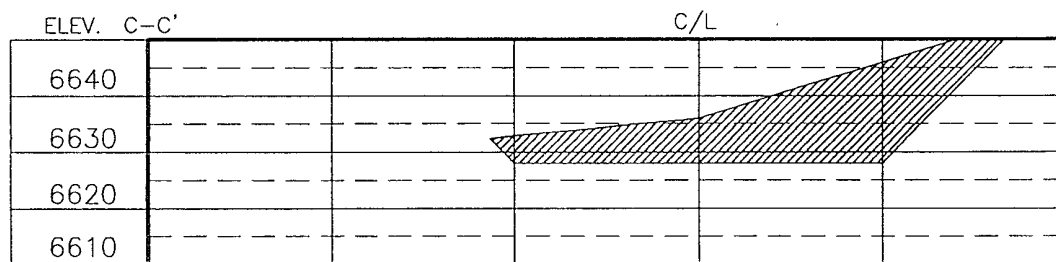
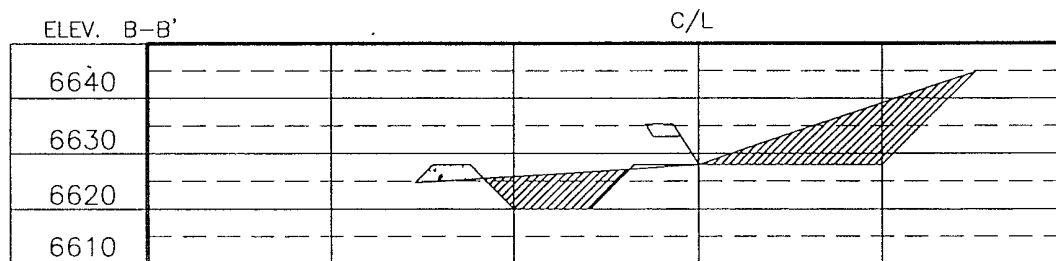
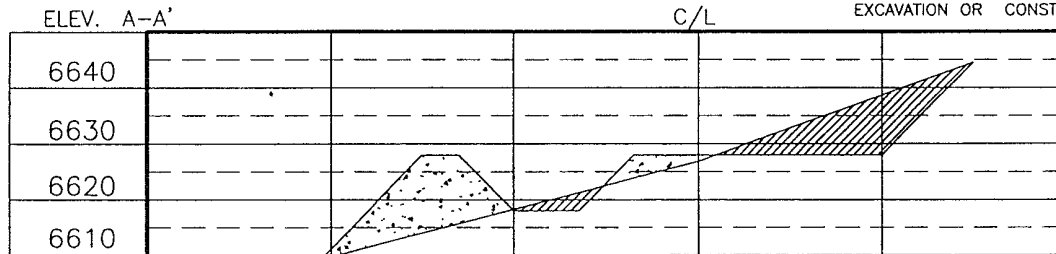
APPROVED BY [Signature] TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 25 2008  
Conditions of approval, if any:

CHEVRON MIDCONTINENT L.P.  
 RINCON UNIT No. 409, 330' FNL 1440' FWL  
 SECTION 30, T27N, R6W, N.M.P.M., RIO ARRIBA COUNTY, N. M.  
 GROUND ELEVATION: 6628', DATE: APRIL 27, 2004



NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

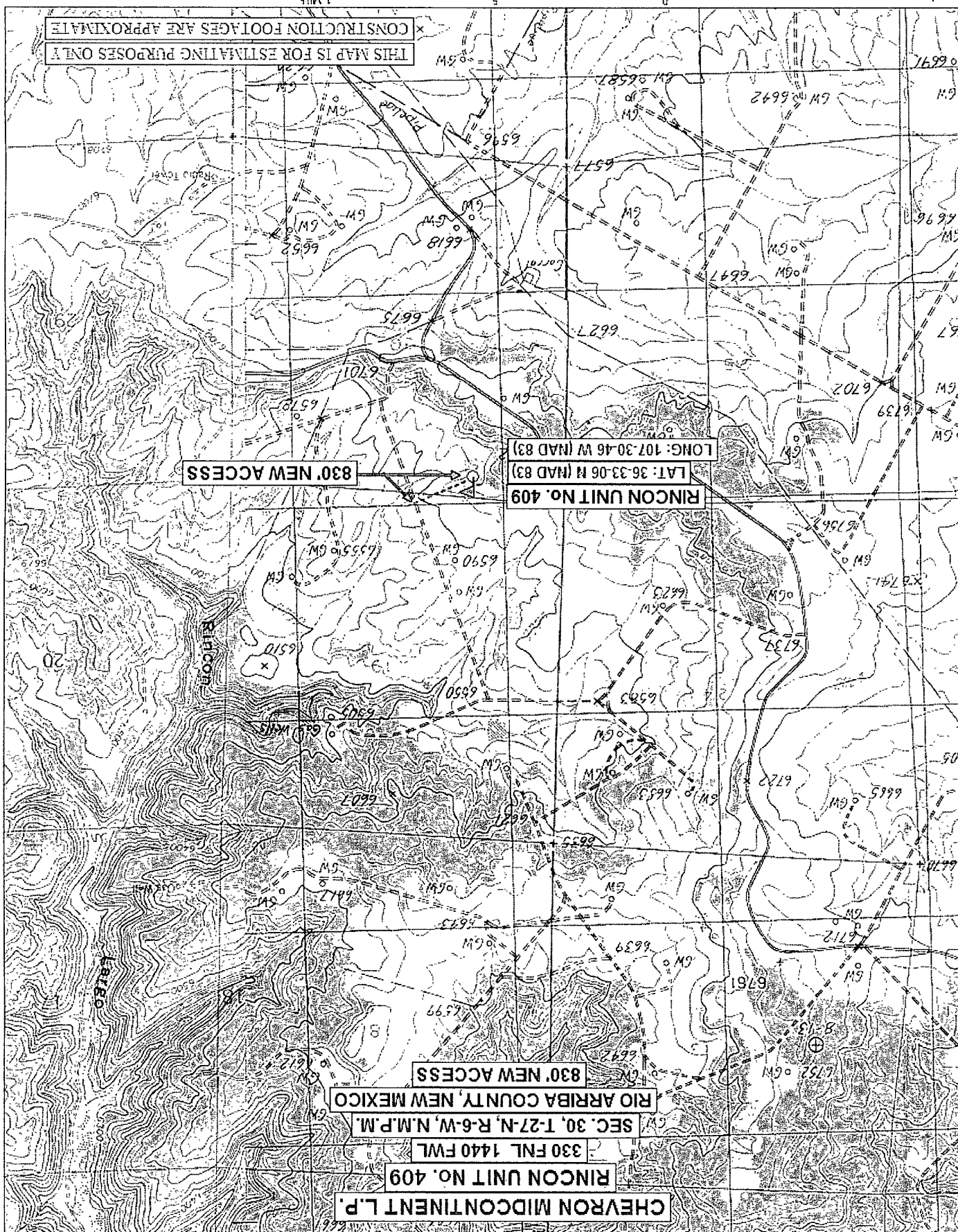


NOTE: CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED BURIED PIPELINES OR CABLES ON WELL PAD AND OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

REVISION:	DATE:	REVISION BY:	DATE:
OPERATOR NAME CHANGE	02/01/04	AS	

**Daggett Enterprises, Inc.**  
 Surveying and Oil Field Services  
 P. O. Box 510 • Farmington, NM 87499  
 Phone (505) 326-1772 • Fax (505) 326-6019  
 NEW MEXICO P.L.S. No. 8894  
 COFILE PRO91CF8  
 DATE: 5/28/04

DRAWN BY: AG  
 ROW: PRO91



**PURE RESOURCES LP**  
**RINCON UNIT #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
Rio Arriba County, NM

**Drilling Program**

1. **ESTIMATED FORMATION TOPS: (KB)**

<u>Formation Name</u>	<u>Depth</u>
Nacimient	1187'
Ojo Alamo	2281'
Kirtland	2555'
Fruitland	2827'
Pictured Cliffs	3107'
Cliffhouse	4794'
Menefee	4872'
Point Lookout	5357'
Greenhorn	7267'
Graneros	7350'
Dakota	7511'
Intermediate TD (7")	2900'
TD (4-1/2")	7700'

2. **NOTABLE ZONES**

<u>Gas or Oil Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland		Fruitland
Pictured Cliffs	Ojo Alamo	
	Kirtland	
Cliffhouse		
Menefee		
Point Lookout		
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water found while drilling will be recorded. Oil or gas shows will be tested for commercial potential based on the engineer's recommendations.

**PURE RESOURCES LP**  
**RINCON UNIT #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
Rio Arriba County, NM

3. **PRESSURE CONTROL:** (See Page 5 & 6)

Maximum expected pressure is ~2700 psi. The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 11" 3,000 psi model is on page #5.

BOP equipment and all accessories will meet or exceed BLM requirements in 43 CFR Part 3160 for a 3000 psi system. A 3000 psi double ram hydraulic BOP will be used. Accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill, kill, and choke manifold lines will be 2". Accessories will include upper and lower Kelly cocks with handles, stabbing valve to fit drill pipe on floor at all times, string float at bit, 3000 psi choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge. BOPs will be tested every 24 hours. Tests will be recorded on IADC log.

4. **CASING & CEMENT**

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>Connection</u>	<u>GL Setting Depth</u>
12-1/4"	9-5/8"	32.3#	H-40	New	ST&C	350'
8-3/4"	7"	20#	K-55	New	ST&C	2900'
6-1/4"	4-1/2"	11.6#	I-80	New	ST&C	7700'

**Surface casing** will be cemented to the surface with ~220 cu. ft. (~158 sx) Type III cmt or equivalent (1.39 ft<sup>3</sup>/sx yield, 14.6 ppg, & 6.7 gps) with 2% CaCl<sub>2</sub> and 1/4#/sx celloflake. Volume based on 100% excess. We plan to run a minimum of at least 3 centralizers. A wooden wiper plug will be displaced to within 20' of the shoe. WOC = 12 hours. Surface casing will be tested to 500 psi for 15 minutes.

**Intermediate casing** will be cemented to surface with a single stage. Total cement = 632 cu. ft.. Volumes are calculated at 45% excess. If cement does not circulate to surface, then a temperature survey will be run to determine the actual cement top as needed. WOC = 12 hours. Test to 1000 psi for 15 minutes.

Lead cement will be ~521 cu. ft. (~247 sx) Premium Lite w/2% CaCl<sub>2</sub>, 1/4#/sx cello flake, 6-1/4#/sx gilsonite, 8% gel mixed at 11.0 gps, 12.1 ppg for a yield of 2.11 cu. ft. per sx.

Tail cement will be ~111 cu. ft. (~80 sx) Type III w/2% CaCl<sub>2</sub>, 1/4#/sx Cello flake mixed at 6.7 gps, 14.6 ppg for a yield of 1.39 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom. We plan on running at least 10 centralizers.

**Production casing** will be cemented to surface ensuring cement coverage inside the intermediate casing with a single stage. Total cement = 1206 cu. ft.. Volumes are

**PURE RESOURCES LP**  
**RINCON UNIT #409 MV/DK**  
60' FNL, 1470' FWL  
Unit C Sec. 30 T27N R06W  
Rio Arriba County, NM

calculated at 45% excess. If necessary, a CBL will be run during completion operations to insure cement coverage inside the 7" intermediate casing. Casing will be pressure tested to 6000 psi during completion operations.

Lead cement will be ~201 cu. ft. (~85 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 12.7 gps, 11.9 ppg for a yield of 2.37 cu. ft. per sx.

Tail cement will be ~1005 cu. ft. (~497 sx) Premium Lite High Strength FM w/0.3% R-3, 2% KCl, 1/4#/sx Cello flake, 0.3% CD-32, 5#/sx Pheno Seal, 1% FL-52, mixed at 10.1 gps, 12.5 ppg for a yield of 2.02 cu. ft. per sx.

Cementing equipment will include a guide shoe, and autofill float collar will be run 20' off bottom with a centralized shoe joint and next five joints. Centralizers will be run across the producing zones.

**5. MUD PROGRAM**

<u>Depth</u>	<u>Type</u>	<u>Wt./ppg.</u>	<u>Vis.</u>	<u>Fluid Loss</u>	<u>PH</u>
0'-350'	FW gel/lime spud mud	8.4-8.7	30-50	NC	10
350'-2900'	FW gel/Polymer	8.3-8.6	30-35	<20cc's	9.5
2950'-7700'	Air &/or Air/mist	N/A	N/A	N/A	N/A

Lost circulation and absorption material will be on location.

**6. CORING, TESTING, & LOGGING**

No cores, drill stem tests, or open hole logs are planned. A cased hole TDT log will be run from TD through the top of the Mesaverde during completion operations.

**7. DOWN HOLE CONDITIONS**

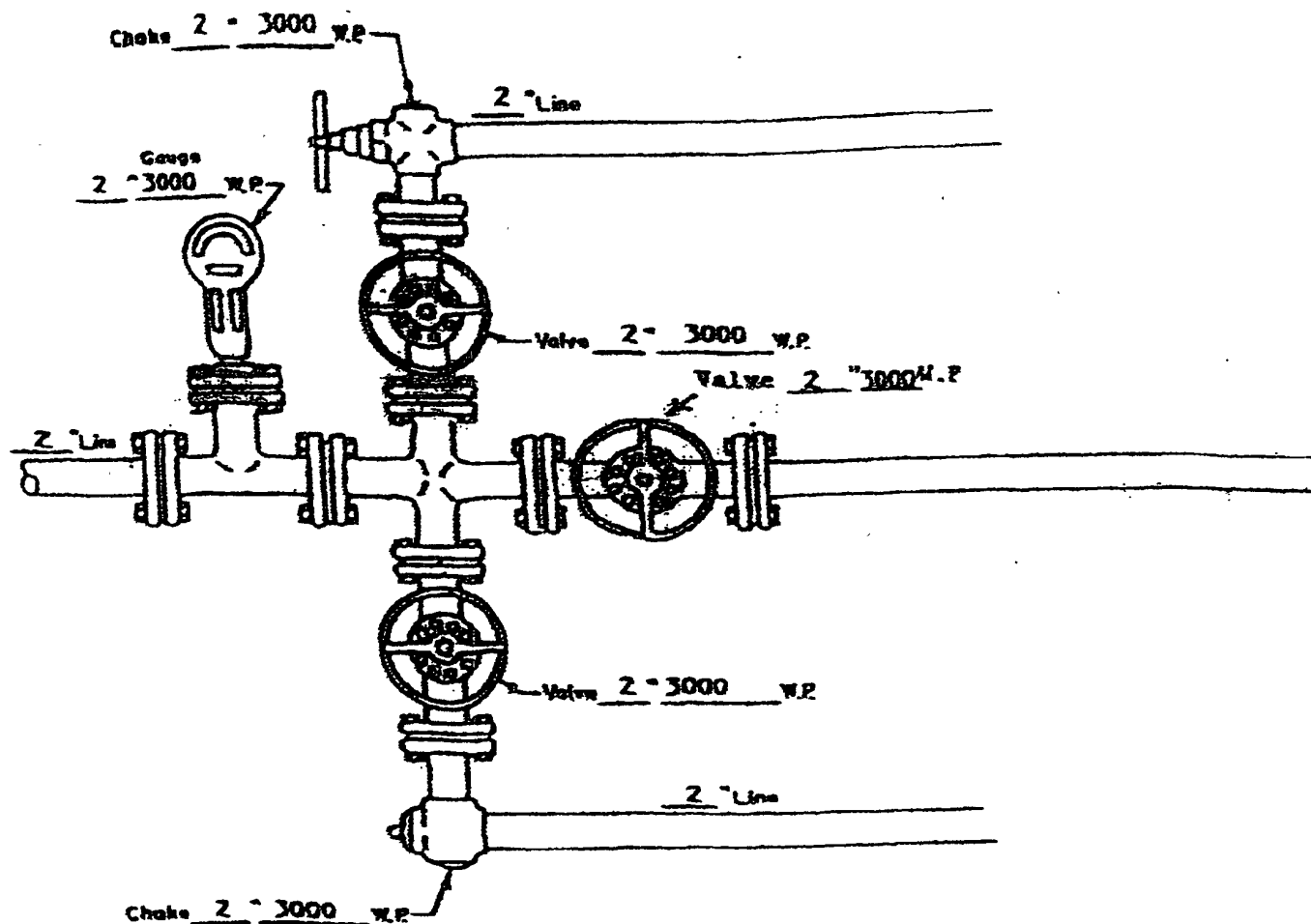
No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ~2700 psi.

**8. OTHER INFORMATION**

The anticipated spud date is January 5, 2005. It is expected it will take ~7 days to drill and ~12 days to complete the well. Completion will start about one month after the spud and will include hydraulic fracturing.



RINCON UNIT WELLS  
RINCON FIELD  
RIO ARriba COUNTY, NEW MEXICO

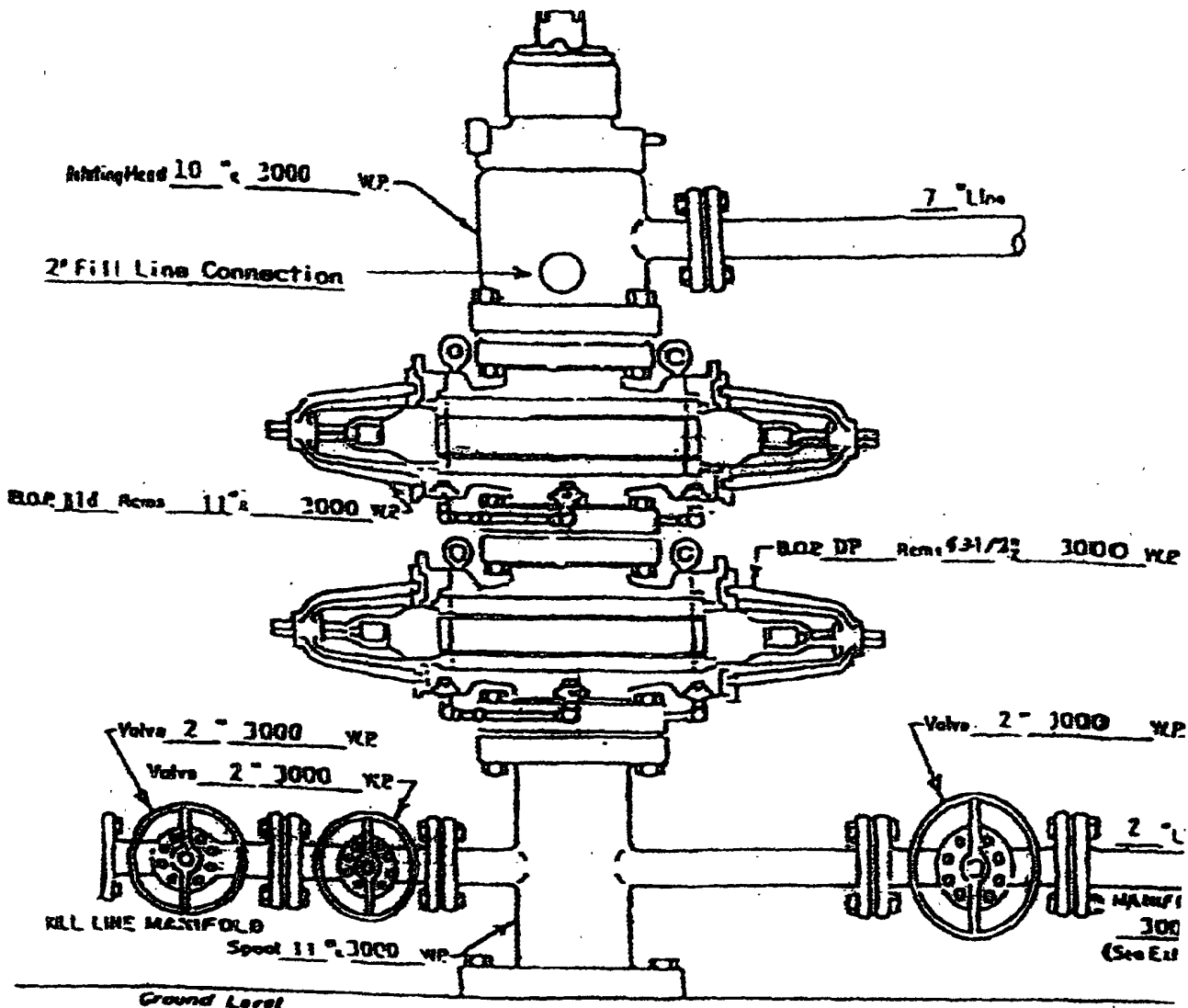


MANIFOLD  
3000 #W.P.

☒ Manual  
☐ Hydraulic

PAGE #6  
ATTACHMENT NO. 2

RINCON UNIT WELLS  
RINCON FIELD  
RIO ARriba COUNTY, NEW MEXICO



WELL HEAD B.O.P.  
3000 #W.P.

☐ Manual  
☒ Hydraulic

NOTE: Although 3000 psi BOP equipment will be used, equipment determination and line sizing are based on the requirements for 2000 psi BOP equipment due to the known drilling and reservoir conditions.

PAGE #5

ATTACHMENT NO. 1