

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		2003 SEP - 5 PM 12: 59		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> Farmington, NM <input checked="" type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				
2. NAME OF OPERATOR Pure Resources				
3. ADDRESS AND TELEPHONE NO. 463 Turner Drive Ste. 101, Durango Colorado 81303				
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement) At surface 705' FNL & 335' FWL At proposed prod. zone Same as Surface				
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 40 miles Southeast from Bloomfield NM.				
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE (Also to nearest drig. Unit line, if any) 705'		16. NO. OF ACRES IN LEASE 2645.09		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1625		19. PROPOSED DEPTH 7700'		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6502' GR		20. ROTARY OR CABLE TOOLS Rotary		
		22. APPROX. DATE WORK WILL START ASAP		
23. PROPOSED CASING AND CEMENTING PROGRAM				
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'	285 SACKS "B" TOC @ SURFACE
8-3/4"	K-55 7"	20#	2596'	300 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7700'	600 SACKS 65/35 POZ TYPE III TOC TIED INTO 7" CASING OR CIRC

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 159P, and complete in the Mesa Verde and the Basin Dakota and downhole commingle the two formations. This well will be an infill 80 acre.

BOP- One double gate BOP with 3-1/2" pipe and blind rams, one choke manifold with adjustable and positive chokes, an accumulator will hydraulically operate BOP with 1 1/2 times the necessary capacity to close the rams and retain a minimum of 200 psi above recharge.

Rotating head will be utilized during the drilling of the 6-1/4" hole.

(Schematics are attached)

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".

IN ABOVE SPACE DESCRIBED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Mike C. Phillips TITLE San Juan Basin Area Drilling Production Foreman DATE 8/04/03  
MIKE C. PHILLIPS  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

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:

APPROVED BY /s/ Charlie Beecham TITLE \_\_\_\_\_ DATE NOV - 3 2003

\*See Instructions On Reverse Side

Title 18 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 or fraudulent statements or representations as to any matter within its jurisdiction.

NMOC

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

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

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

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT SF-079404-A

*API Number	*Pool Code 72319	*Pool Name Blanco Mesa Verde
*Property Code 26629	*Property Name RINCON UNIT	*Well Number 159P
*OGRI No.	*Operator Name PURE RESOURCES	*Elevation 6502'

<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
D	18	27-N	6-W		705	NORTH	335	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
*Dedicated Acres 318.68			*Joint or Infill		*Consolidation Code		*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

<p>FD 3 1/4" BC. S 88°00'01" E 1955 B.L.M. 2608.29'(M)</p> <p>LOT 1</p> <p>335'</p> <p>958'</p> <p>597'</p> <p>542'</p> <p>S 01°18'57" W 2604.32'(M)</p> <p>LOT 2</p> <p>*RINCON UT. 159M</p> <p>LAT. = 36-34-46 N. LONG. = 107-30-56 W.</p>	<p>FD 3 1/4" BC. 1955 B.L.M.</p> <p>LOT 3</p>	<p>LOT 4</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Michael C. Phillips</u> Signature <u>Michael C. Phillips</u> Printed Name <u>Completion Foreman</u> Title <u>8/4/03</u> Date</p>
			<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>DAVID A. JOHNSON</u> Signature <u>2002</u> Date of Survey <u>2002</u> Professional Surveyor</p> <p>RECEIVED 2003 SEP - 5 PM 12:59 070 Farmington, NM</p>

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

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Revised August 15, 2000

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT SF-079404-A

*API Number		*Pool Code <u>71599</u>	*Pool Name <u>Basin Dakota</u>
*Property Code	*Property Name RINCON UNIT		*Well Number 159P
*OGRID No.	*Operator Name PURE RESOURCES		*Elevation 6502'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot km	Feet from the	North/South line	Feet from the	East/West line	County
D	18	27-N	6-W		705	NORTH	335	WEST	RIO ARriba

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

UL or lot no.	Section	Township	Range	Lot km	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres			*Joint or Infill		*Consolidation Code		*Order No.		

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>FD 3 1/4" BC. S 88°00'01" E 1955 B.L.M. 2608.29'(M)</p> <p>LOT 1</p> <p>335'</p> <p>705'</p> <p>956'</p> <p>597'</p> <p>542'</p> <p>S 01°18'57" W 2604.32'(M)</p>		<p>FD 3 1/4" BC. 1955 B.L.M.</p> <p>LOT 2</p> <p>*RINCON UT. 159M</p> <p>LAT. = 36-34-46 N. LONG. = 107-30-56 W.</p>		<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Michael C. Phillips</u> Signature</p> <p><u>Michael C. Phillips</u> Printed Name</p> <p><u>Completion Foreman</u> Title</p> <p><u>8/04/03</u> Date</p>	
<p>FD 3 1/4" BC. 1955 B.L.M.</p> <p>LOT 3</p>		<p>LOT 4</p> <p>070 Farmington, NM</p> <p>2002 SEP -5 PM 12:59</p> <p>RECEIVED</p>		<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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.</p> <p><u>JOANNE M. HARRISON</u> Date of Survey</p> <p><u>2002</u> Signature and Date of Professional Surveyor</p> <p><u>14827</u> Certificate Number</p>	

``PURE RESOURCES  
RINCON UNIT WELL NO. 159P  
705' FNL, 335' FWL, SEC. 18, T-27-N, R-6-W

**8 POINT DRILLING PLAN**

1. **ESTIMATED FORMATION TOPS**

<b><u>FORMATION NAME</u></b>	<b><u>DEPTH FROM GL</u></b>
San Jose	Surface
Ojo Alamo	2,491'
Kirtland Shale	2,591'
Pictured Cliffs	3,093'
Cliff House	4,743'
Point Lookout	5,273'
Mancos	5,733'
Tocito Sand	6,873'
Dakota	7,238'
ETD	7,573'
Permit TD	7,700'

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

<b><u>EXPECTED GAS ZONES</u></b>	<b><u>DEPTH FROM GL</u></b>
Fruitland Coal	2991'-3093'
Pictured Cliffs	3093-3152'
Mesa Verde	4743-5733
Dakota	7238-7700'

<b><u>EXPECTED WATER ZONES</u></b>	<b><u>DEPTH FROM GL</u></b>
Ojo Alamo	2491'

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. 159P**  
**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*)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-350'	12-1/4"	9-5/8"	32.3#	H-40	ST&C

**INTERMEDIATE CASING (*FW Mud*)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-2596'	8-3/4"	7"	20#	K-55	ST&C

**PRODUCTION CASING (*Air Dusting*)**

<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
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. 159P**  
**DRILLING PROGRAM – PAGE 3**

**Cementing Program**

1. The 9-5/8" surface casing will be cemented to the surface with 285 sacks of class "B" cement + 2 Cacl2 and 1/4# per cello flake. 14.5ppg
2. The 7" intermediate casing will be cemented to surface with; 300 sacks of type III (35:65) Poz cement + 8% gel + 2% CACL2, + 6.25#/sack Gilsonite, .25 lbs/sk Cello Flake @ 12.1 ppg , Followed by 50 sacks class "B" cement + 2% CACL2 + 1/4 #/sack cello-flake. @ 14.5 ppg.
3. The 4-1/2" production casing will be cemented and tied into the intermediate casing with 600 sacks 65/35 Poz Type III cement + 1/4 #/sack CF, 6% gel, 10#/sack CSE + 3% KCL, FL-62 + .2% CD-32, @ 12.5 ppg.

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

**Auxiliary Equipment**

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>	<u>Type</u>	<u>Weight</u>	<u>Vis</u>	<u>W.L.</u>
0-350'	Spud Mud			N.C.
350-2596'	Fresh Water Gel	8.3-8.6	30-35	N.C
2596'-TD	Air	N.C.	N.C.	N.C.