

District I
1625 N. French Dr. Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

WELL API NO.	30-039-26996
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	RINCON UNIT
8. Well No.	164R
9. Pool name or Wildcat	Basin DK/Blanco MV
10. Elevation (Show wheather DF,RKB,RT,GR,etc.)	6551' GR

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator PURE RESOURCES L.P.	
3. Address of Operator P.O. BOX 850, BLOOMFIELD, NM 87413	
4. Well Location Unit Letter <u>K</u> : <u>1939'</u> feet from the <u>SOUTH</u> line and <u>2310'</u> feet from the <u>WEST</u> line Section <u>2</u> Township <u>26N</u> Range <u>07W</u> NMPM <u>RIO ARRIBA</u> County	
10. Elevation (Show wheather DF,RKB,RT,GR,etc.)	6551' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

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 checked="" type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: <input type="checkbox"/>		

12. 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 recompliation

SEE ATTACHED

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Phillips TITLE San Juan Basin Drilling/ Production Foreman DATE 08/23/02

Type or print name Mike Phillips TELEPHONE NO. (505) 632-1811

APPROVED BY Original Signed by DEVEN A. HAYDEN TITLE DEPUTY OIL & GAS INSPECTOR DATE AUG 29 2002

Conditions of approval, if any:

In accordance with Division Order - NO.R-11383.19.5.5.303 (C)-c, Pure Resources request permission to down hole commingle Blanco Mesa Verde formation and Basin Dakota in the following well.

Rincon Unit No. 164R
1939' F S L & 2310' F W L
" K " Sec 2 , T 26N - R 07W
Rio Arriba County, New Mexico

Perforated intervals

(Basin Dakota)

Graneros
Dakota

(Blanco Mesa Verde)

Cliff house
Menefee
Pt Lookout

Allocation of production will be at a later date using established production of the Dakota minus the total Production of the commingled well.

The Blanco Mesa Verde formation is uneconomic to drill as a stand-alone well. To develop these reserves, a dual or commingled completion is required. We estimate an ultimately recovery of approximately 750 MMCFD from the Mesa Verde Horizon, which would remain otherwise undeveloped.

Both zones are common ownership and produce essentially dry gas. Therefore the formation fluids are compatible. Also no cross flows will occur between the commingled zones.

Also a copy of the respective 3160 will be sent to the BLM for notification.