reverse side)

/ (ITED STATES				
ιλ		NT OF THE INTERIO	OR		5. LEASE DESIGNATION A	ND SERIAL NO.
		OF LAND MANAGEMENT	D DEEDEL			03 11 85
TYPE OF WORK	APPLICATION FOR I	PERMIT TO DRILL O	R DEEPEN		6. IF INDIAN, ALLOTTEE O	R TRIBE NAME
	DRILL X	DEEPEN			7. UNIT AGREEMENT NAM	E
	GAS OTHER	SINGLE ZONE		TIPLE X	Rincon 8. FARM OR LEASE NAME	
NAME OF OPERATOR		25/12		NE 117	Rincon Un	it 229M
	Pur	e Resources			9. API WELL NO. 30 -035	- 2668
ACDRESS AND TELEPHONE NO.	P.O. Box 850,	Bloomfield New Mexico			n/a 10. FIELD AND POOL OR WI	
LOCATION OF WELL (Report location At surface					Basin Dakota/ Bl	Mesa Verde
At proposed prod zone		1209' FNL and 1597' FEL			11. SEC., T.R.,M., OR BLK. AND SURVEY OR AREA	
		Same as Surface			B Sec. 34, T-27	-N. R-7-W
DISTANCE IN MILES AND DIRECTIO					12. COUNTY OR PARISH	13. STATE
DISTANCE FROM PROPOSED ¹	40 miles South	neast from Bloomfield NM. 16. NO. OF ACRES IN LE.	ASE	17 NO. OF ACRES	Rio Arriba	NM
LOCATION TO NEAREST PROPERTY OR LEASE LINE FT (Also to	4071'		2645.09	THIS WELL		L I
nearest drig. Unit line, if any) DISTANCE FROM PROPOSED LOCATION NEAREST WELL, DRILLING, COMPLETED		19. PROPOSED DEPTH	2043.03	20. ROTARY OR	PASLE TOOLS	-Kd
OR APPLIED FOR, ON THIS LEASE, F			7650' —		Rotary	
ELEVATIONS (Show whether DF, RT,	GR,	6709' GR			22. APPROX DATE WORK W	LL START*
/ 			· · · · · · · · · · · · · · · · · · ·		April 1, 20	01
SIZE OF HOLE	GRADE, SIZE OF CASING	ROPOSED CASING AND CE WEIGHT PER FOOT	SETTING PROGRAM SETTING DEPTH	Γ"		
12.1/4"	H-40 9-5/8*	32.3#	350°	285	QUANTITY OF CEMENT SACKS "B" TOC @ SURI	ACE
8-3/4"	K-55 7*	20#	2450'		ACKS TYPE III TOC @ SU	
6-1/4"	N-80 4-1/2"			1		
procedural rev and appeal pu	and to 40 OFFI STOL			新数で記しませ 数に 100 20 年 461 01 583	35 POZ TYPE III TOC TIED	CIE ALE
procedural revenue and appeal pure plans to drill the Rincor BCP- One double gate BOP will hydraulically operate BO Rotating head will be utilized	n Unit 229M, and complete with 3-1/2" pipe and blind op P with 1 1/2 times the nece	in the Mesa Verde and the learns, one choke manifold wessary capacity to close the	Basin Dakota and dowr	The state of the s	35 POZ TYPE III TOC TIED TOC TIED	CO ALE
procedural rev	n Unit 229M, and complete with 3-1/2" pipe and blind op P with 1 1/2 times the nece	in the Mesa Verde and the learns, one choke manifold wessary capacity to close the	Basin Dakota and dowr with adjustable and position and po	The state of the s	35 POZ TYPE III TOC TIED TOC TIED	CO ALE
procedural revented appear pure plans to drill the Rincor BCP- One double gate BOP will hydraulically operate BOR otating head will be utilized (Schematics are attached)	n Unit 229M, and complete P with 3-1/2" pipe and blind in DP with 1 1/2 times the nece d during the drilling of the 6-	in the Mesa Verde and the larams, one choke manifold wessary capacity to close the 1/4" hole.	Basin Dakota and down with adjustable and positrame and retain a mining APR 2001 Fig. 2001 Fig. 2001 Fig. 2002 Dist. 3	nhole commingitive chokes, annum of 200 psi	be the two formations. accumulator above recharge.	CO ALE
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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.





DESTRICT I 1835 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

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

DISTRICT III 1000 Rio Brazon Rd., Astec, N.M. 87410

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

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

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 67506 ☐ AMENDED REPORT

Pool Code Pool Name ¹ API Number 30.039-2 71599 Basin Dakota Well Number Property Code *Property Name

WELL LOCATION AND ACREAGE DEDICATION PLAT

26629 RINCON UNIT 229M "OGRID No. *Operator Name Elevation 6709' ---**PURE RESOURCES** 189071

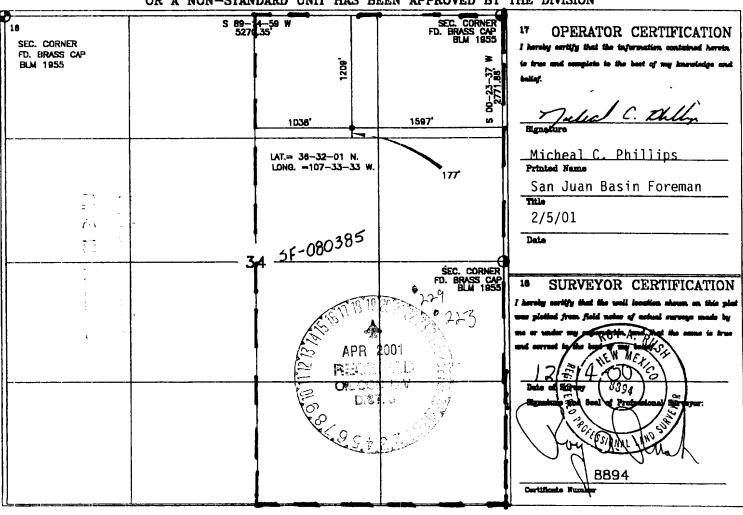
10 Surface Location

UL or lot no.	Section.	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Vest line	County	
В	34	27-N	7-₩		1209	NORTH	1597'	EAST	RIO ARRIBA	
L		L	11							

11 Dattom Hale Ingetion If Different From Surface

UL or lot no. Section Township	Range Lot Idn	Feet from the Morth/South line	
Dedicated Acres 320	is Joint or Infill	⁴⁴ Consolidation Code	¹⁰ 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



DESTRICT I 1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

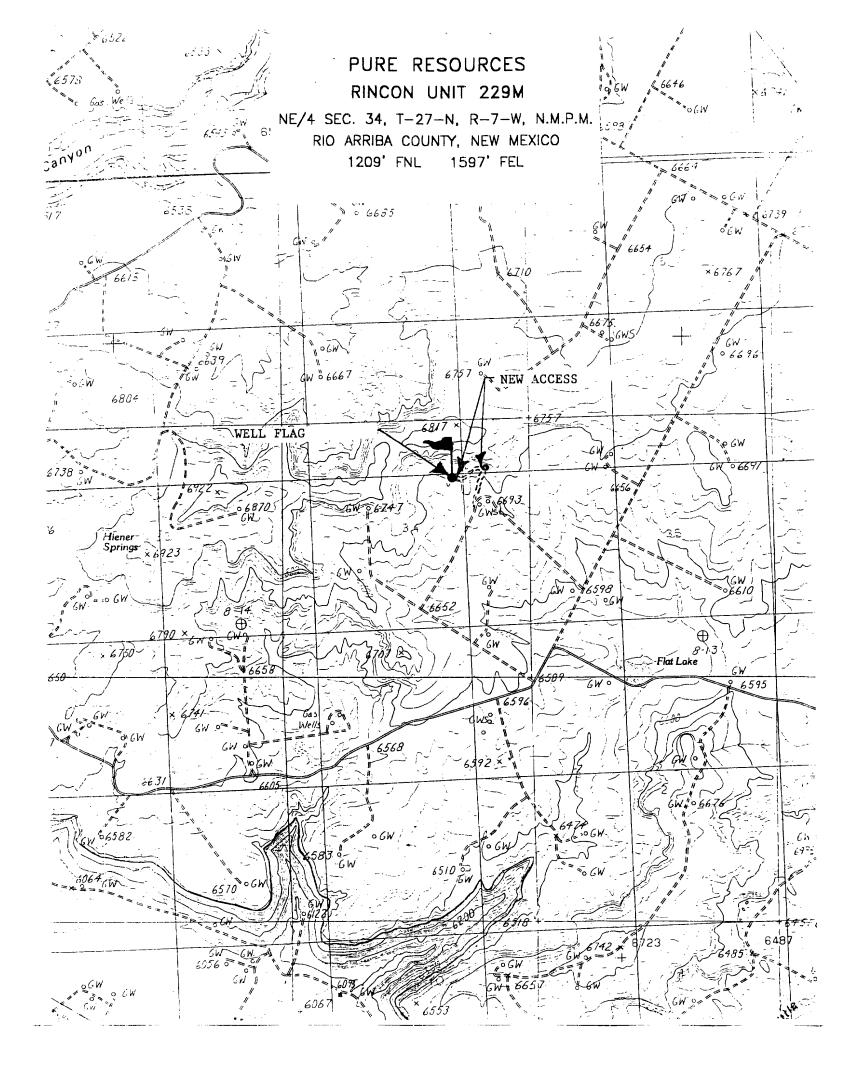
DISTRICT II 811 South First, Artesia, N.M. 86210

DESTRICT III 1000 Rio Bresses Rd., Astec, N.M. 87410

OIL CONSERVATION DIVISION 2040 South Pacheco

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

STRICT IV			_		Santa Fe, Na	(87505		☐ AMEN	DED REPOR
40 South Pache	co, Santa			CATION	I AND ACE	REAGE DEDI	CATION PL	ΑT	
	Number		. T	*Pool Code			Pool Nems		
50.039		268C	7:	2319		Blanco Mes	sa Verde		
Property Co					*Property			1	ii Number 29M
26629	9				RINCON				
"OGRID No.					*Operator			1	Revetion
1890	71				PURE RESC	OURCES			8709 ' —
					10 Surface	Location			
L or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
В	34	27-N	7-W		12091	NORTH	1597"	EAST	RIO ARRIBA
•			11 Bott	om Hole	Location I	f Different Fro	m Surface		
UL or lot no.	Section	Township	Range	Lot Ide	Feet from the	North/South line	Feet from the	Rest/West line	County
Dedicated Acre	<u> </u>	<u> </u>	18 Joint or	Infill	" Consolidation	Code	¹⁶ Order No.		<u> </u>
2000									
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PURE RESOURCES WELL NO. 229M 1,209' FNL, 1,597' FEL, SEC. 34, T-27-N, R-7-W RIO ARRIBA CO. NEW MEXICO

8 POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS

FORMATION NAME	DEPTH FROM GL
San Jose	Surface
Ojo Alamo	2,010'
Kirtland Shale	2,410'
Pictured Cliffs	3,007'
Lewis Shale	3,207
Cliff House	4,697'
Point Lookout	5,277'
Mancos	5,647'
Tocito Sand	6,817'
Dakota	7,424'
Total Depth	7,580°
Permit TD	7,650'

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

EXPECTED GAS ZONES	<u>DEPTH FROM GL</u>		
Fruitland Coal	2950'-3007'		
Pictured Cliffs	3007-3207'		
Mesa Verde	4697-5647'		
Dakota	7424-7580'		

EXPECTED WATER ZONES	<u>DEPTH FROM GL</u>
Ojo Alamo	2010'

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. 229M 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	<u>Grade</u>	Thread		
New	0-350'	12-1/4"	9-5/8"	32.3#	H-40	ST&C		
INTERMEDIATE CASING (FW Mud)								
Age	Depth	Hole Size	<u>Size</u>	Weight	<u>Grade</u>	Thread		
New	0-2450	8-3/4"	7"	20#	K-55	ST&C		
PRODUCTION CASING (Air Dusting)								
Age	<u>Depth</u>	Hole Size	<u>Size</u>	Weight	<u>Grade</u>	Thread		
New	0-TD	6-1/4"	4-1/2"	11.6#	I-80	LT&C		

MINIMUM SAFETY FACTORS

Collapse: 1.125 Tension: 1.8 Burst: 1.0

RINCON UNIT WELL NO. 229M DRILLING PROGRAM – PAGE 3

Cementing Program

- 1. The 9-5/8" surface casing will be cemented to the surface with 200 sacks of class Type III "B" cement + 2 Cacl2 and 1/4# per cello flake. (1.39 cu/ft) 14.5ppg
- 2. The 7" intermediate casing will be cemented to surface with; 325 sacks of type III (35:65) Poz cement + 8% gel + 2% CACL2, + 6.25#/sack Gilsonite, .25 lbs/sk Cello Flake @ (2.11 CU/FT) 12.1 ppg, Followed by 80 sacks class "B" cement + 2% CACL2 + ½ #/sack cello-flake. @ (1.39 CU/FT) 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 + 2% KCL, FL-62 + .2% CD-32, @ (2.06 CU/FT) 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>	Type	Weight	<u>Vis</u>	<u>W.L.</u>
0-350'	Spud Mud			N.C.
350-2450'	Fresh Water Gel	8.3-8.6	30-35	N.C
2450'-TD	Air	N.C.	N.C.	N.C.