

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1.a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF -079366	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Rincon Unit	
2. NAME OF OPERATOR Pure Resources		7. UNIT AGREEMENT NAME Rincon Unit 174R	
3. ADDRESS AND TELEPHONE NO. P.O. Box 850, Bloomfield New Mexico		8. FARM OR LEASE NAME, WELL NO. Rincon Unit 174R	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement) At surface 1041' FNL and 785' FWL At proposed prod. zone Same as Surface		9. API WELL NO. 30 0392 7008	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 40 miles Southeast from Bloomfield NM.		10. FIELD AND POOL OR WILDCAT Basin Dakota/ Mesa Verde	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE FT (Also to nearest drg. Unit line, if any) 785'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA D Sec. 19, T-27-N, R-6-W	
16. NO. OF ACRES IN LEASE 2645.09		12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 318.72 W/2		13. STATE NM	
18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 1050'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR,) 6586' GR		22. APPROX. DATE WORK WILL START* June 2002	

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#	2637'	300 SACKS TYPE III TOC @ SURFACE
6-1/4"	N-80 4-1/2"	11.6#	7628'	600 SACKS 85/35 POZ TYPE III TOC TIED INTO 7" CASING OR CIRC

"Expedited APD/ROW"

Pure plans to drill the Rincon Unit 174R, 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 43 CFR 3165.4

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

2002 MAY -3 PM 1:23
C/O BUREAU OF LAND MANAGEMENT
JUN 11 2002

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 true vertical depths. Give blowout preventer program, if any.

24. SIGNED Mike C. Phillips TITLE Juan Basin Area Drilling Production Foreman DATE 5/06/02
(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/ David J. Mankiewicz TITLE _____ DATE JUN 18 2002

*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.

NM0002

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

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

DISTRICT III
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

*API Number 30-039 27008		*Pool Code 71599	*Pool Name Basin Dakota
*Property Code 26629	*Property Name RINCON UNIT		*Well Number 174R
*GRID No. 189071	*Operator Name PURE RESOURCES		*Elevation 6586'

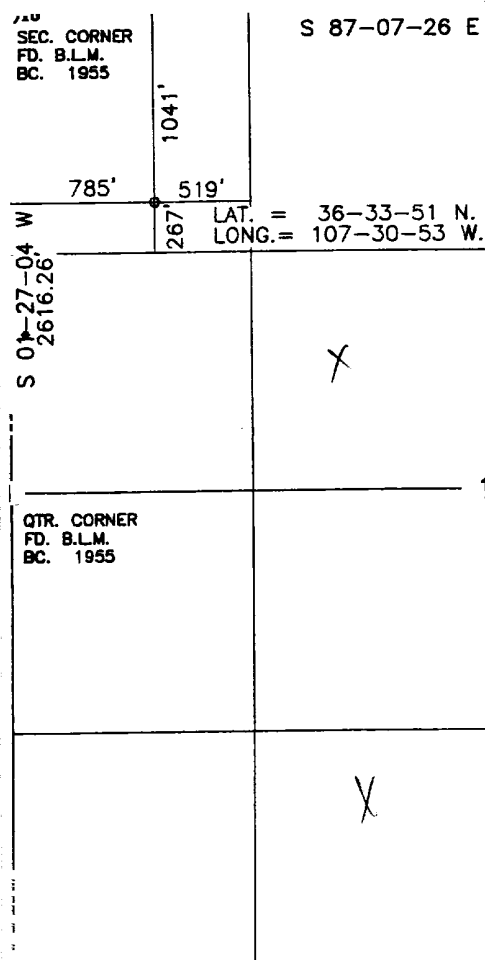
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	19	27-N	6-W		1041	NORTH	785	WEST	RIO ARRIBA

¹¹ 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 350 318.72					*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



SEC. CORNER
FD. B.L.M.
BC. 1955

17 OPERATOR CERTIFICATION

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

Mike Phillips
Signature

Mike Phillips

Printed Name
San Juan Basin Drilling/
Production Foreman

Title

5/6/02
Date

18 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.

3-1
Date of Survey

Roy A. Rush
Signature and Seal of Professional Surveyor:
8894

Certificate Number

DISTRICT 1
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

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Submit to Appropriate District Office
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039- 27008		² Pool Code 72319	³ Pool Name Bloanco Mesa Verde
⁴ Property Code 26629	⁵ Property Name RINCON UNIT		⁶ Well Number 174R
⁷ OGRID No. 189071	⁸ Operator Name PURE RESOURCES		⁹ Elevation 6586'

¹⁰ 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	19	27-N	6-W		1041	NORTH	785	WEST	RIO ARriba

¹¹ 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
12 Dedicated Acres 300 318.72			13 Joint or Infill		14 Consolidation Code		15 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

SEC. CORNER
FD. B.L.M.
BC. 1955

1041'

785'

519'

267'

LAT. = 36-33-51 N.
LONG. = 107-30-53 W.

2616.26'

S 01-27-04 W

QTR. CORNER
FD. B.L.M.
BC. 1955

19

20

21

18

5262.85'

36-33-51 N.
107-30-53 W.

RECEIVED
MAY 1 1958

17 OPERATOR CERTIFICATION

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

John Phillips
Signature

Mike Phillips
Printed Name
San Juan Basin Drilling/
Production Foreman
Title

5/6/02
Date

18 SURVEYOR CERTIFICATION

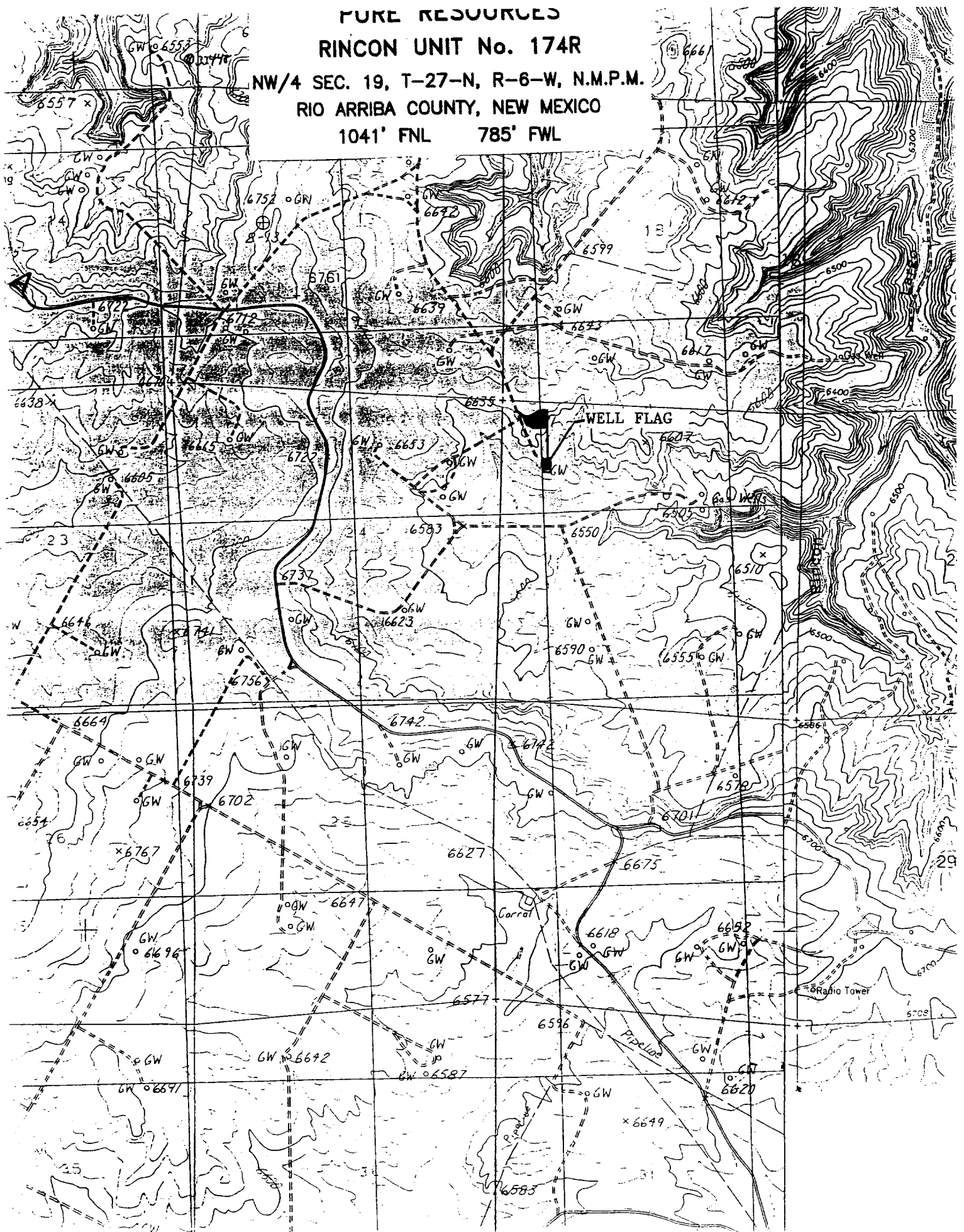
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

3-1-1961
Date of Survey
Signature and Seal of Professional Surveyor:

8894

PURE RESOURCES
RINCON UNIT No. 174R

NW/4 SEC. 19, T-27-N, R-6-W, N.M.P.M.
RIO ARriba COUNTY, NEW MEXICO
1041' FNL 785' FWL



PURE RESOURCES
RINCON UNIT WELL NO. 174R
1041' FNL, 785' FWL, SEC. 19, T-27-N, R-6-W

8 POINT DRILLING PLAN

1. **ESTIMATED FORMATION TOPS**

<u>FORMATION NAME</u>	<u>DEPTH FROM GL</u>
San Jose	Surface
Ojo Alamo	2,517'
Kirtland Shale	2,617'
Pictured Cliffs	3,101'
Cliff House	4,778'
Point Lookout	5,298'
Mancos	5,738'
Tocito Sand	6,503'
Dakota	7,483'
ETD	7,618'
Permit TD	7,628'

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

<u>EXPECTED GAS ZONES</u>	<u>DEPTH FROM GL</u>
Fruitland Coal	3000'-3101'
Pictured Cliffs	3101-3142'
Mesa Verde	4778-5738'
Dakota	7483-7628'

<u>EXPECTED WATER ZONES</u>	<u>DEPTH FROM GL</u>
Ojo Alamo	2517'

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. 174R
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.

Bloolie Line:

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

4. **CASING AND CEMENTINNG PROGRAM**

<u>SURFACE CASING (Spud Mud)</u>						
<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
<u>INTERMEDIATE CASING (FW Mud)</u>						
<u>Age</u>	<u>Depth</u>	<u>Hole Size</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
New	0-2637'	8-3/4"	7"	20#	K-55	ST&C
<u>PRODUCTION CASING (Air Dusting)</u>						
<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. 174R
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 ¼# 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 + ¼ #/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 + ¼ #/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.
350-2637'	Fresh Water Gel	8.3-8.6	30-35	N.C
2637'-TD	Air	N.C.	N.C.	N.C.