

PNR M0427254563

C-103 Received 9-20-2004
DHC No. Assigned 9-28-2004

| | Order Number | API Number | Operator | County | Order Date | Well Name | Number | Location |
|---|--------------|--------------|----------------------|--------|------------|--------------|--------|--|
| | HOB-0096 | 30-025-33826 | Pure Resources, L.P. | Lea | | Brunson Argo | 023 | E 10 22S 37E UL Sec T (+Dir) R (+Dir) |
| Pool 1 | 19190 | Drinkard | 62% | 74% | | | | |
| Pool 2 | 62700 | Wantz Abo | 38% | 26% | | | | |
| Pool 3 | | | | | | | | |
| Pool 4 | | | | | | | | |
| Comments: Work completely effective Work cancelled effective Supplement | | | | | | | | |

9-28-2004

Posted to

RYBDM &

B

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-33826

HOB-0096

OPERATOR: Pure Resources, L.P.

PROPERTY NAME: Brunson Argo

WNULSTR: 23-E, 10-22-37

19190

SECTION I:
POOL NO. 1 Drinkard

ALLOWABLE AMOUNT
142 852 MCF6000

62700

POOL NO. 2 Wantz Abo

187 1122 MCF6000

POOL NO. 3 _____

_____ MCF

POOL NO. 4 _____

_____ MCF

POOL TOTALS 329 1974

SECTION II:
POOL NO. 1 Drinkard

Oil
62% $\times 329 = 203.98$

Gas
74%

POOL NO. 2 Wantz; Abo

38%

26%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:
 $142 \div 62\% = 229.04 (230)$

SECTION IV:
 $230 \times 62\% = 142.60 (143)$
 $230 \times 38\% = 87.40 (87)$

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
301 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. 30-025-33826 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Brunson Argo (26773) |
| 8. Well Number 23 |
| 9. OGRID Number 150628 |
| 10. Pool name or Wildcat Wantz; Abo (62700) & Drinkard (19190) |

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 checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | 7. Lease Name or Unit Agreement Name Brunson Argo (26773) |
| 2. Name of Operator Pure Resources, L. P. | 8. Well Number 23 |
| 3. Address of Operator 500 W. Illinois Midland, Texas 79701 | 9. OGRID Number 150628 |
| 4. Well Location Unit Letter <u>E</u> : 1800 feet from the <u>North</u> line and <u>560</u> feet from the <u>West</u> line Section <u>10</u> Township <u>22S</u> Range <u>37E</u> NMPM County <u>Lea</u> | 10. Pool name or Wildcat Wantz; Abo (62700) & Drinkard (19190) |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,407'; GR | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

| | |
|--|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPLETION <input checked="" type="checkbox"/> |
| OTHER: <input type="checkbox"/> | |

SUBSEQUENT REPORT OF:

| | |
|---|---|
| REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| CASING TEST AND CEMENT JOB <input 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. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

Pure Resources, L. P. respectfully requests administrative approval to Downhole Commingle production from the
Wantz; Abo (62700) Pool and the Drinkard (19190) Pool as per OCD Order No. R-11363.

(SEE ATTACHED)

DHC Order No. HOB-0096

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

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE 09/15/04

Type or print name Alan W. Bohling E-mail address: abohling@pureresources.com Telephone No. (432) 498-8662
(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE SEP 28 2004
Conditions of approval, if any:

**ATTACHMENT FOR C-103 NOTICE OF INTENT TO: MULTIPLE
COMPLETION**

In accordance with OCD Order No. R-11363, Amending Rule 303.C, (Case No. 12346 with Exhibit "A") approved on April 26, 2000, Pure Resources, L. P. respectfully requests permission to Down Hole Commingle (DHC) the **Wantz; Abo (62700)** and the **Drinkard (19190)** oil pools in the following well:


**Brunson Argo Well No. 23
1800' FNL & 560' FWL
UL E, Sec. 10, T-22-S, R-37-E
Lea County, New Mexico**

| | | |
|-----------------------|------------|-----------------|
| Perforated Intervals: | Wantz; Abo | 6,620' – 7,195' |
| | Drinkard | 6,224' – 6,538' |

Allocation Method: The Allocation of Production will be determined later by utilizing either the total commingled production rate minus the established production rate from the Wantz; Abo zone or from testing of each individual zone.

The Drinkard interval is uneconomical to drill or complete as a stand-alone well. To develop these reserves, a dual or commingled completion is required. A dual completion is very costly and inefficient. Therefore, approval of DHC of production is necessary to prevent waste and enable recovery of Drinkard reserves, which would otherwise remain undeveloped.

The lease is a Fee Lease with both intervals having common ownership and each interval is an oil zones producing both oil and gas. We do not anticipate any cross flow problems between these zones due to their depleted nature. The low producing volumes from each zone necessitates placing the well on pump and maintaining a pumped-off condition as much as possible. We are not aware of any incompatibility between the fluids produced from these intervals or expect any reduction in value or loss of reserves by downhole commingling.

 AWB 09/15/2004

DISTRICT I

P.O. Box 1960, Hobbs, NM 86341-1960

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 86211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|-----------------------|
| API Number 30-025-33826 | Pool Code 19190 | Pool Name Drinkard |
| Property Code 26773 | Property Name BRUNSON ARGO | Well Number 23 |
| OGRID No. 150628 | Operator Name Pure Resources, L. P. | Elevation 3407 |

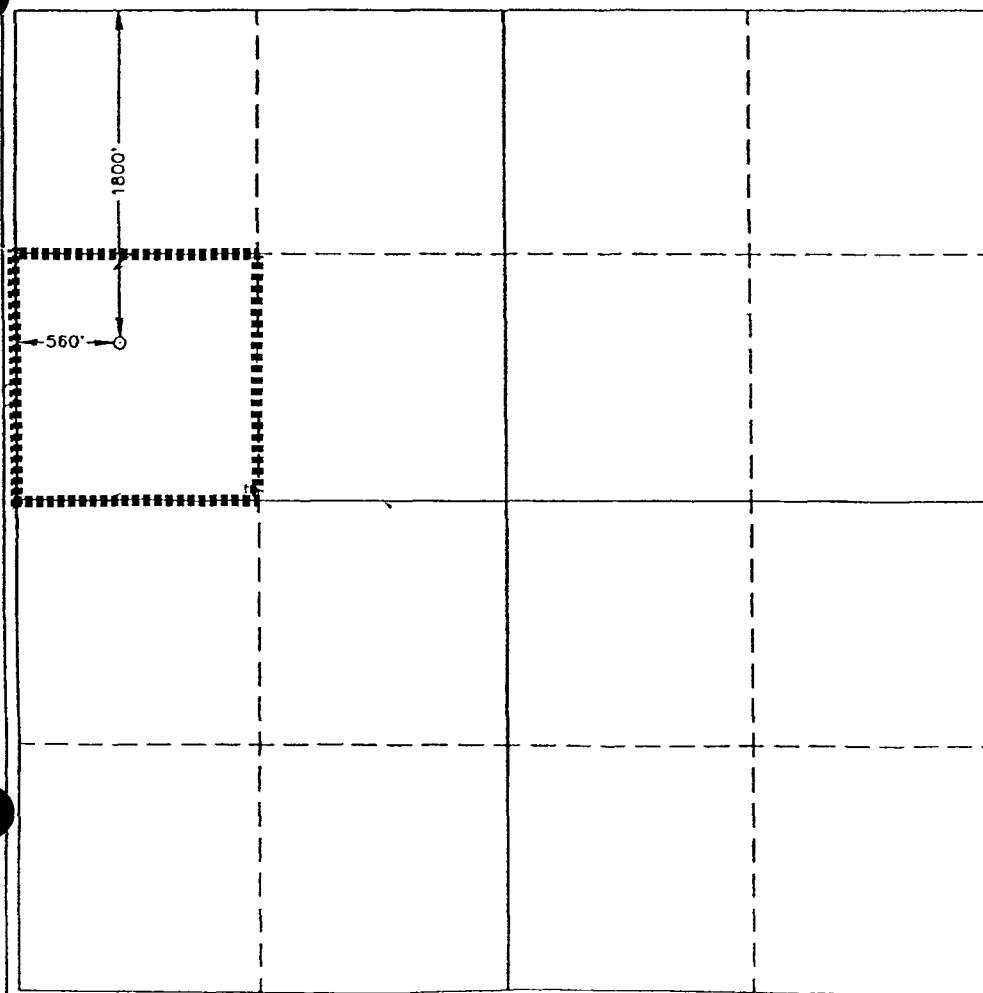
Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. E | Section 10 | Township 22 S | Range 37 E | Lot Idn | Feet from the 1800 | North/South line NORTH | Feet from the 560 | East/West line WEST | County LEA |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|

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 40 | 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



OPERATOR CERTIFICATION

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

Alan W. Bohling
Signature

Alan W. Bohling
Printed Name

Regulatory Agent
Title

June 4, 2004
Date

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.

FEBRUARY 7, 1997

Date Surveyed

JLP

Signature of Registered Professional Surveyor

Ronald G. Eidson
NEW MEXICO
210-97
W.O. Num. 97-110259

Certificate No. JOHN W. EIDSON, 676
RONALD G. EIDSON, 3239
GARY EIDSON, 12641

DISTRICT I

P.O. Box 1900, Hobbs, NM 86241-1900

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer 80, Artesia, NM 86211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--|-------------------------|
| API Number 30-025-33826 | Pool Code 62700 | Pool Name Wantz; Abo |
| Property Code 26773 | Property Name BRUNSON ARGO | Well Number 23 |
| OGRID No. 150628 | Operator Name Pure Resources, L. P. | Elevation 3407 |

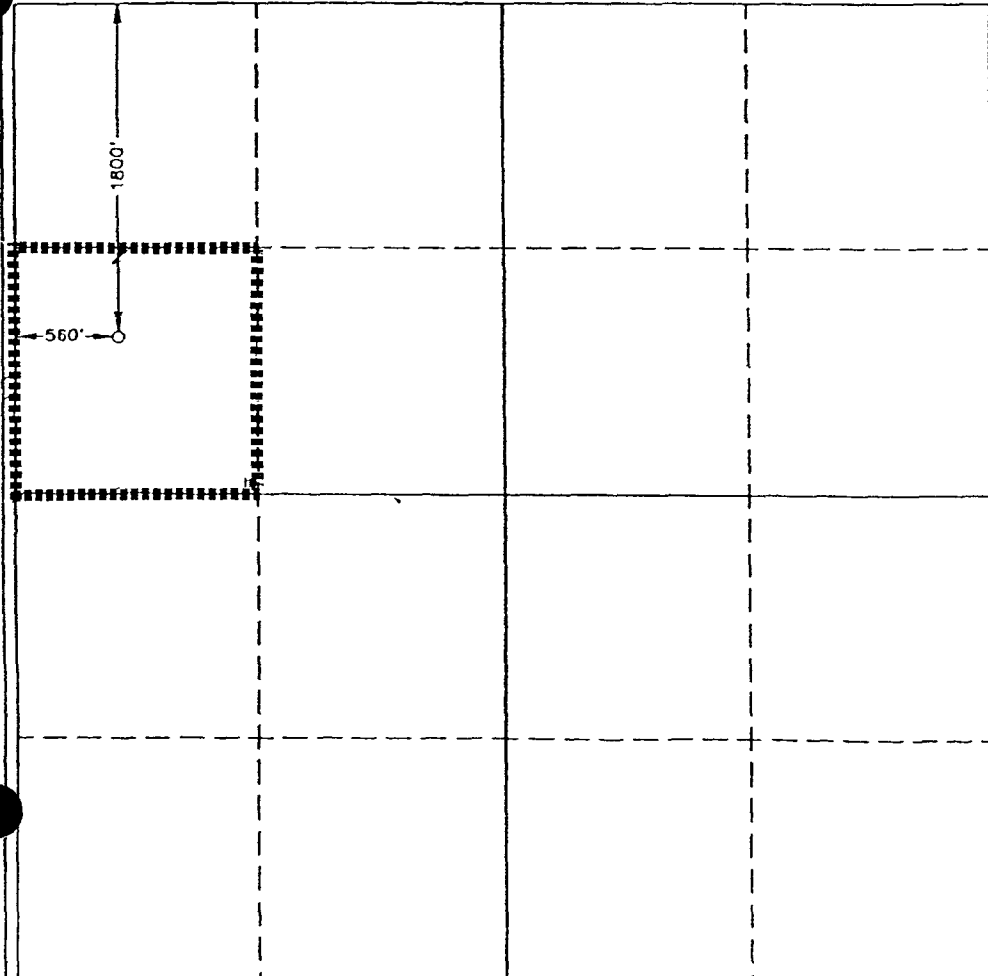
Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot No. E | Section 10 | Township 22 S | Range 37 E | Lot Idn | Feet from the 1800 | North/South line NORTH | Feet from the 560 | East/West line WEST | County LEA |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|---------------|

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 40 | 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

| | |
|---|---|
|  | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Alan W. Bohling</i> Signature Alan W. Bohling Printed Name Regulatory Agent Title June 4, 2004 Date |
| | 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. FEBRUARY 7, 1997 Date Surveyed JLP Signature & Seal of Professional Surveyor RONALD G. EIDSON NEW MEXICO 210-97 O. Num. 97-110259 Certificate No. JOHN W. WEST, 676 RONALD G. EIDSON, 3239 GARY EIDSON, 12641 |
| | |
| | |

Submit 3 Copies To Appropriate District Office
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1625 N. French Dr., Hobbs, NM 88240
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301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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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.
30-025-33826

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

Pure Resources, L. P.

3. Address of Operator

500 W. Illinois Midland, Texas 79701

4. Well Location

Unit Letter E: 1800 feet from the North line and 560 feet from the West line
Section 10 Township 23S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3,407'; GR

7. Lease Name or Unit Agreement Name
Brunson Argo (26773)

8. Well Number

23

9. OGRID Number

150628

10. Pool name or Wildcat

Wantz; Abo (62700) & Drinkard (19190)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☒

OTHER: Proposed Allocation of DHC Production ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

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. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

Pure Resources is now planning to enter back into this wellbore to remove a RBP set @ 6,612' separating the current production testing Drinkard Pool to DHC with the Wantz; Abo Pool. We now believe that we have tested the Drinkard zone and established a stabilized rate of 5 BOPD, 363 MCFPD and 10 BWPD. The Wantz; Abo zone previously averaged over the last year at a stable rate of 3 BOPD, 125 MCFPD and 3 BWPD. Once Downhole Commingled we anticipate this well to produce at a combined rate of 8 BOPD, 488 MCFPD and 13 BWPD. Therefore, we would like to propose using the following Allocation of Production Scenario for the commingled production:

| | <u>OIL</u> | <u>GAS</u> | <u>WATER</u> |
|------------|------------|------------|--------------|
| Wantz; Abo | 38% | 26% | 23% |
| Drinkard | 62% | 74% | 77% |

HOB-0096

(PLEASE SEE ATTACHED PRODUCTION SUMMARIES/CHARTS)

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

SIGNATURE Alan W. Bohling TITLE Regulatory Agent DATE 09/15/04

Type or print name Alan W. Bohling E-mail address: abohling@pureresources.com Telephone No. (432) 498-8662
(This space for State use)

APPROVED BY _____ TITLE ORIGINAL SIGNED BY DATE SEP 28 2004
Conditions of approval, if any: PAUL F. KAUTZ
PETROLEUM ENGINEER