

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)  
**RECEIVED**

FORM APPROVED  
OMB 1004-0136  
Expires: May 31, 2000

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

2002 SEP 20 AM 10:50

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. TYPE OF WORK **DRILL**  **DEEPEN**

1b. TYPE OF WELL  
OIL WELL   OTHER SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR **Cordillera Energy, Inc.** **173252**

3. ADDRESS OF OPERATOR **c/o Walsh Engineering, 7415 E. Main St. Farmington, NM 87402 (505) 327-4892**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)  
At Surface **660' FNL and 1960' FEL**  
At proposed Prod. Zone **Same**

5. LEASE DESIGNATION AND SERIAL NO. **SF 078707**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME **24030**

8. FARM OR LEASE NAME, WELL NO. **Duke #1C**

9. API WELL NO. **3004531211**

10. FIELD AND POOL OR WILDCAT **Blanco Mesa Verde/ Basin Dakota**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA **B Sec. 13, T31N, R13W**

12. COUNTY OR PARISH **San Juan** 13. STATE **NM**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* **6 miles northwest of Aztec, NM**

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) **660'**

16. NO. OF ACRES IN LEASE **320+**

17. NO. OF ACRES ASSIGNED TO THIS WELL **E/2 320 acres**

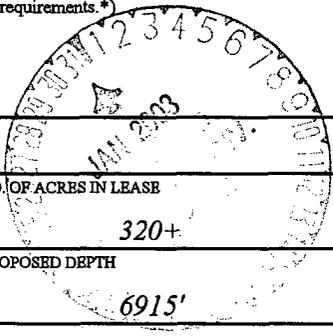
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. **1200'**

19. PROPOSED DEPTH **6915'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (Show whether DF, RT, GR, etc.) **5797' GR**

22. APPROX. DATE WORK WILL START\* **November 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"	9-5/8"	36# J-55	250' +/-	165 cu. ft. Cl "B" w/ 2% CaCl <sub>2</sub>
8-3/4"	7"	20# J-55	4025' +/-	1076 cu. ft. lead & 139 cu. ft. tail
6-1/4"	4-1/2"	11.6#, N-80	6915' +/-	327 cu. ft. lead & 196 cu. ft. tail

*Cordillera Energy, Inc. proposes to drill a vertical well to develop the Blanco Mesa Verde and Basin Dakota formations at the above described location in accordance with the attached drilling and surface use plans.*

*This location has been archaeologically surveyed by La Plata Archeological Service. Copies of their report have been submitted directly to your office. Nelson Consulting performed a T&E survey 7/19/02. Copies of their report have been submitted directly to your office.*

*The wellpad, access road, and pipeline will be located on BLM surface land. An on-site inspection was held with the BLM on 9/10/02.*

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 DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, 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 Paul C. Thompson TITLE Paul Thompson, Agent DATE 9/18/02

(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 applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Is/ David J. Mariniwicz TITLE \_\_\_\_\_ DATE 2002 8 28

**\*See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes 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.

NA/CCD

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-045-31211</b>		*Pool Code 72319 \ 71599	*Pool Name BLANCO MESAVERDE \ BASIN DAKOTA
*Property Code <b>24030</b>	*Property Name DUKE		*Well Number 1C
*OGRID No. <b>173252</b>	*Operator Name CORDILLERA ENERGY, INC.		*Elevation 5797'

<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
B	13	31N	13W		660	NORTH	1960	EAST	SAN JUAN

<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
					<sup>12</sup> Dedicated Acres 320.0 Acres - (E/2)	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><sup>16</sup></p> <p>2660.46'</p> <p>5243.70'</p> <p>13</p> <p>5258.88'</p> <p>2653.86'</p> <p>RECEIVED 2002 SEP 20 AM 10:50 WINN-DIXIE STORE</p>	<p>2626.14'</p> <p>660'</p> <p>1960'</p> <p>Jan 2003</p> <p>SF-078707</p> <p>2595.12'</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><i>Paul C. Thoms</i></p> <p>Signature</p> <p>Printed Name</p> <p>Title</p> <p>Date</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>Date of Survey: MAY 24, 2002</p> <p>Signature and Seal of Professional Surveyor</p> <p><b>JASON C. EDWARDS</b> NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 15269</p> <p><i>JASON C. EDWARDS</i> Certificate Number 15269</p>	

C. Minimum Blowout Control Specifications:

Double ram type 2000 psi working pressure BOP with a rotating head. See the attached Exhibit #1 for details on the BOP equipment. All ram type preventers and related equipment will be hydraulically tested at nipple-up and after any use under pressure to 1000 psi.

The blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. The BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2000 psi.

IV. Materials

A. Casing Program:

Hole Size	Depth	Casing Size	Wt. & Grade
12-1/4"	250'	9-5/8"	36# J-55
8-3/4"	4025'	7"	20# J-55
6-1/4"	6915'	4-1/2"	11.6# N-80

B. Float Equipment:

a) Surface Casing: Notched collar on bottom and 3 centralizers on the bottom 3 joints.

b) Intermediate Casing: 7" cement guide shoe and self fill insert float collar. Place float one joint above shoe. Ten centralizers spaced every other joint above shoe and ten turbolizers every other joint from 1500'.

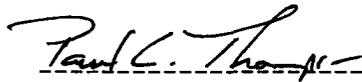
c) Production Casing: 4-1/2" whirler type cement nosed guide shoe and a float collar on top of the bottom joint.

V. Cementing:

**Surface casing: 9-5/8"** - Use 140 sx (165 cu. ft.) of C1 "B" with 2% CaCl<sub>2</sub> (Yield = 1.18 cu. ft./sk; slurry weight = 15.6 PPG). 100% excess to circulate cement to surface. WOC 12 hours. Pressure test surface casing to 1000 psi for 30 min.

**Intermediate Casing: 7"** - Before cementing circulate hole with at least 1-1/2 hole volumes of mud. Precede cement with 30 bbls of fresh water. **Lead** with 515 x (1076 cu.ft) of Type III 65/35 poz with 8% gel, 1% CaCl<sub>2</sub>, ¼#/sk. Celloflake. (Yield = 2.09 cu.ft./sk; slurry weight = 12.1 PPG). **Tail** with 100 sx (139 cu.ft.) of Type III with 1% CaCl<sub>2</sub>, ¼#/sk. Celloflake. (Yield = 1.39 cu. ft./sk; slurry weight = 14.5 PPG). Total cement volume is 1215 cu.ft. (100% excess to circulate cement to surface). WOC for 12 hrs. Pressure test the BOP and casing to 1500 psi.

**Production Casing: 4-1/2"** - Blow hole clean. Precede cement with 20 bbls of gel water and 10 bbls of water. **Lead** with 165 sx(327 cu.ft.) of Premium Lite HS with 0.65% FL-52, 0.32% CD-32, ¼ #/sk celloflake, and 4% phenoseal. (Yield = 1.98 cu.ft./sk; slurry weight = 12.5 PPG). **Tail** with 100 sx (196 cu.ft.) of Premium Lite HS with 0.65% FL-52, and 0.32% CD-32. (Yield = 1.96 cu.ft./sk; slurry weight = 12.5 PPG). Total cement volume is 523 cu.ft. (70% excess to circulate 100' above the intermediate casing shoe).

  
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Paul C. Thompson, P.E.