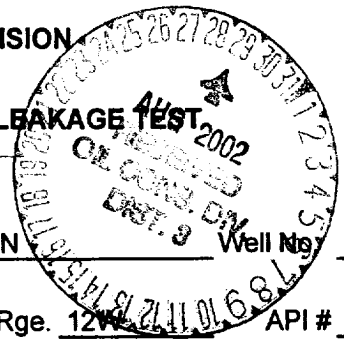
STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

2002

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST



Operator CORDILLERA ENERGY, INC. Lease ARNSTEIN Well No. 1B

Location of Well Unit D Sec. 18 Twp. 31N Rge. 12W API # 30-045-31029

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (Oil or Gas)	METHOD OF PROD. (Flow or Art. Lift)	PROD. MEDIUM (Tbg. or Csg.)
Upper Completion	BLANCO MESAVERDE	GAS	FLOW	CSG
Lower Completion	BASIN DAKOTA	GAS	FLOW	TBG

PRE-FLOW SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Upper Completion	11:30 a.m. 7/29/2002	7 days	720#	yes
Lower Completion	11:30 a.m. 7/29/2002	7 days	1050#	yes

FLOW TEST NO. 1

Commenced at (hour, date) * Zone producing (Upper or Lower):

TIME (hour, date)	LAPSED TIME Since *	PRESSURE Upper Completion		PRESSURE Lower Completion	PROD. ZONE TEMP.	REMARKS
		csg	tbg	tbg		
11:30 am 08/05/02		720	n/a	1050		Both Zones Shut In
08/06/02	24 hours	720	n/a	32		Vented 24 hr test thru ½" Choke Nipple

Production rate during test

Oil: -0- BOPD based on -0- Bbls. in 24 Hours Grav. GOR

Gas: 245 mcfd avg flow rate MCFPD: Tested thru (Orifice or Meter): Orifice

MID-TEST SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
Upper Completion	11:30 a.m. 7/29/2002		720	yes
Lower Completion	12:30 p.m. 8/6/2002	9 days	5 minutes - 385#	no

(Continue on reverse side)

NORTHWEST NEW MEXICO PACKER-LEAKAGE

FLOW TEST NO. 2

Commenced at (hour, date) **		2:00 p.m. 08/15/02		Zone Producing (Upper or Lower): Upper	
Time (hour, date)	LAPSED TIME SINCE **	PRESSURE Upper Completion	PRESSURE Lower Completion	PROD. ZONE TEMP.	REMARKS
2:00	SI	720	545		SI Pr to start test
6:00 p.m	4 hr	219	545		1.250 Orifice tester on test Separator 8/16/02
12:00 p.m.	6 hr	179	545		
6:00 a.m.	6 hr	158	545		
12:00	6 hr	140	545		
2:00 p.m.	2 hr	140	545		

Production rate during test

Oil: -0- BOPD based on -0- Bbls. in 24 Hrs. _____ Grav _____ GOR _____

Gas: 2,684 MCFPD: Tested thru (Orifice or Meter): Orifice 1.250 on Test Separator

Remarks: _____

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

Approved AUG 29 2002 ,2002 Operator CORDILLERA ENERGY, INCORPORATED

New Mexico Oil Conservation Division

By [illegible] By Kay Ebsteir

By _____ Title PRODUCTION TECHNICIAN

Title [illegible] Date 08/29/02

NORTHWEST NEW MEXICO PACKER LEAKAGE TEST INSTRUCTIONS

1. A packer leakage test shall be commenced on each multiply completed well within seven days after actual completion of the well, and annually thereafter as prescribed by the order authorizing the multiple completion. Such tests shall also be commenced on all multiple completions within seven days following recompletion and/or chemical or fracture treatment, and whenever remedial work has been done on a well during which the packer or the tubing have been distrubed. Tests shall also be taken at any time that communication is suspected or when requested by the Division.

2. At least 72 hours prior to the commencement of any packer leakage test, the operator shall notify the Division in writing of the exact time the test is to be commenced. Offset operators shall also be notified.

3. The packer leakage test shall commence when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the well-head pressure in each has stabilized, provided however, that they need not remain shut-in more than seven days.

4. For Flow Test No. 1, one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. Such test shall be continued for seven days in the case of a gas well and for 24 hours in the case of an oil well. Note: if, on an initial packer leakage test, a gas well is being flowed to the atmosphere due to the lack of a pipeline connection the flow period shall be three hours.

5. Following completion of Flow Test No. 1, the well shall again be shut-in in accordance with Paragraph 3 above.

6. Flow Test No. 2 shall be conducted even though no leak 'was indicated during Flow Test No. 1. Procedure for Flow Test No. 2 is to be the same as for Flow Test No. 1 except that the previously produced zone shall remain shut-in while the zone which was previously shut-in is produced.

7. Pressures for gas-zone tests must be measured on each zone with a dead-weight pressure gauge at time intervals as follows: 3 hours tests: immediately prior to the beginning of each flow-period, at fifteen-minute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measurement immediately prior to the conclusion of each flow period. 7-day tests: immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges the accuracy of which must be checked at least twice, once at the beginning and once at the end of of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Aztec District Office of the New Mexico Oil Conservation Division on Northwest New Mexico Packer Leakage Test Form Revised 10-01-98 with all deadweight pressures indicated thereon as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only)