

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
Revised March 25, 1999

WELL API NO. 30039067080000
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. <b>Federal</b>

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.)		7. Lease Name or Unit Agreement Name <b>Hoyt</b>
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	8. Well No. 3	
2. Name of Operator <b>Cordillera Energy Inc.</b>	8. Pool name or Wildcat <b>Blanco Mesa Verde and Tapacito Pictured Cliffs</b>	
3. Address of Operator <b>8450 E. Crescent Parkway, Suite 400 Greenwood Village, Colorado 80111</b>		
4. Well Location  Unit Letter <u>E</u> : <u>1850</u> feet from the <u>North</u> line and <u>1130</u> feet from the <u>West</u> line  Section <u>5</u> Township <u>26N</u> Range <u>4W</u> NMPM Rio Arriba County		
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 7299' GL		

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Down hole Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. 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 recompilation.

Down hole commingle the Blanco Mesa Verde (72319) and Tapacito Pictured Cliffs (85920) pools in this well bore. These are pre-approved pools as per NMOCD Order # 11563.

Attached are the following documents:

1. A well bore diagram showing the perforated intervals and well bore configuration.
2. The allocation method proposed and supporting data.
3. Statement of commingling showing no reduced value of the total remaining production.
4. Statement attesting that notice was sent to all interest owners and no objections were received.
5. Statement attesting a copy of this form was sent to the BLM

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

SIGNATURE J.C. Ridens TITLE Vice President of Operations DATE February 18, 2003

Type or print name J.C. Ridens

Telephone No. 303-290-0990

(This space for State use)

DEPUTY OIL & GAS INSPECTOR, DIST. 47

APPROVED BY [Signature] TITLE DATE FEB 19 2003

Conditions of approval, if any:

## **Statement of Commingling**

The commingling of the Blanco Mesa Verde (72319) and Tapacito Pictured Cliffs (85920) Pools in this well bore will not reduce the value of the remaining production. Commingling these two pools should actually increase the value of the remaining reserves due to using the remaining reservoir energy in both zones to effectively plunger lift this well. The installation of one string of 2-3/8" tubing, instead of two strings of 1-1/2" and 1" tubing, should result in a much more efficient plunger lift operation. Commingling operations conducted on other wells similar to this have resulted in increased production rates and greater reserve recovery than producing each zone separately to depletion.


Commingling will especially help the Mesa Verde zone in this well, as it has not produced well due to suspected scale and fill. Removing the packer and small tubing strings will allow the fill on top of the Mesa Verde to be cleaned out and acidized if necessary. This should result in the Mesa Verde being returned to production at expected levels.

Previous commingling operations we have conducted in the San Juan Basin have shown improvement in most cases and in a minority of cases no improvement. We have not conducted a commingle that has resulted in reduced production rates or reserve recovery.

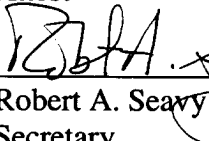
### Statement of Notification

The interests in these two pools are identical. A list of all parties affected by this commingling is attached. They were all notified by certified mail of our intention to commingle these two zones. No objections were received to this operation.

Further, a copy of the Division Form 103C has been filed with the Bureau of Land Management using Sundry Notice Form 3160-5.

  
\_\_\_\_\_  
J.C. Ridens  
Vice President of Operations

Attest

  
\_\_\_\_\_  
Robert A. Seavy  
Secretary

February 18, 2003

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Based on total production

Fixed Percentage Allocation Formula

	<table><tr><th>Oil Barrels</th><th>%</th></tr></table>	Oil Barrels	%	<table><tr><th>Gas MCF</th><th>%</th></tr></table>	Gas MCF	%
Oil Barrels	%					
Gas MCF	%					
Mesa Verde	1,489 100.0	536,568 39.0				
Pictured Cliffs	0 0.0	840,293 61.0				
TOTAL	1,489 100.0	1,376,861 100.0				