

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

Form C-103
Revised March 25, 1999

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

WELL API NO.
30-045-311290000
5. Indicate Type of Lease
STATE ☐ FEE ☐
6. State Oil & Gas Lease No.
Federal #SF-078244

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
Cordillera Energy Inc.

3. Address of Operator
8450 E. Crescent Parkway, Suite 400 Greenwood Village, Colorado 80111

4. Well Location
Unit Letter K: 1975 feet from the South line and 2315 feet from the West line
Section 19 Township 31N Range 12W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
5910' GL

7. Lease Name or Unit Agreement Name
Southern Union

8. Well No. **1B**
Pool name or Wildcat
Basin Dakota and Blanco Mesa Verde

11. 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: Down hole Commingle ☒
SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

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 Basin Dakota (71599) and Blanco Mesa Verde (72319) pools in this well bore. These are pre-approved pools as per NMOCD Order # 11563. These zones have been segregated down hole since completion in August of 2002. This work would be done immediately upon NMOCD approval.

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

ONC 1136A2

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

SIGNATURE JCR TITLE Vice President of Operations DATE March 3, 2003

Type or print name J.C. Ridens

Telephone No. 303-290-0990

(This space for State use)

DEPUTY OIL & GAS INSPECTOR, DIST. #3

APPROVED BY J.C. Ridens TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAR - 4 2003

Conditions of approval, if any:

Southern Union 1B

Historical Data to January 2003

Fixed Percentage Allocation Formula

	Oil Barrels	%	Gas MCF	%
Dakota	0	0.0	0	0.0
Mesa Verde	17	100.0	39,765	100.0
TOTAL	17	100.0	39,765	100.0

Jan-03

Fixed Percentage Allocation Formula

	Oil Barrels	%	Gas MCF	%
Dakota	0	#####	0	0.0
Mesa Verde	0	#####	16,453	100.0
TOTAL	0	#####	16,453	100.0

Suggested Future Allocation

Fixed Percentage Allocation Formula

	Oil Barrels	%	Gas MCF	%
Dakota	0	#####	6,400	40.0
Mesa Verde	0	#####	9,600	60.0
TOTAL	0	#####	16,000	100.0

Statement of Commingling

The commingling of the Basin Dakota (71599) and Blanco Mesa Verde (72319) 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 utilization of one string of 2 3/8" tubing with plunger lift, instead of plunger lifting the Dakota beneath a packer and flowing the Mesa Verde up the casing will result in a much more efficient production system for this well. 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 Dakota zone in this well, as it has not produced since completion due to low bottom hole pressure. The Dakota was placed under a retrievable bridge plug in this well to allow the Mesa Verde to be produced while a base line decline was established. Removing the bridge plug will allow the Dakota to be placed online and we expect to allocate 40% of the gas production for the well to this zone.

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.

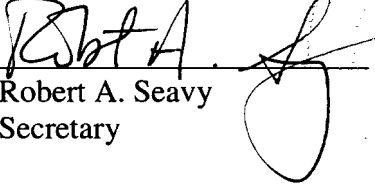
Further, a copy of the Division Form 103C has been filed with the Bureau of Land Management using Sundry Notice Form 3160-5.



J.C. Ridens
Vice President of Operations

March 3, 2003

Attest



Robert A. Seavy
Secretary

