Sugmit 3 Copies To Appropriate District	State of Ne	w Mexico	/ Form C-103
Office District I	Energy, Minerals and	Natural Resources	Revised March 25, 1999
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.
District II	OIL CONSERVA	FION DIVISION	30-045-311290000
1301 W. Grand Ave., Artesia, NM 88210 District III			5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St		STATE FEE
District IV	Santa Fe, N	IM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM			Federal #SF-078244
87505 SLINDRY NOTIC	CES AND REPORTS ON W	TELL S	7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOS			7. Lease Name of Offic Agreement Name
DIFFERENT RESERVOIR. USE "APPLIC			Southern Union
PROPOSALS.)			Southern Onion
1. Type of Well:		567	·
Oil Well Gas Well	Other	3 3 3 3 3 3	
2. Name of Operator			8. Well No. 1B
Cordillera Energy Inc.		2003	
3. Address of Operator	i i i i i i i i i i i i i i i i i i i	S Winning	Pool name or Wildcat
8450 E. Crescent Parkway, Su	ite 400 Greenwood Villa	ge, Colorado 80111 ·	Basin Dakota and Blanco Mesa Verde
4. Well Location	i.	6 0 10 1.3 E	4
	·	$I_{\mu} \rightarrow I_{\mu}$ (28)	<i></i> ⊋∕
Unit LetterK::	1975feet from the	South line and 2	\$15feet from theWestline
		1.45 S. 12 S. 15 S. 17 S	
Section 19	Township 31N		
	10. Elevation (Show when	her DR, RKB, RT, GR, etc	
1000年1月1日(12)- 12(12) 1 000年1月1日	5910' GL		
11. Check A	ppropriate Box to Indic	ate Nature of Notice,	Report or Other Data
NOTICE OF IN	TENTION TO:	SUB	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON		
·			-
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	LLING OPNS. PLUG AND
BUILT OF ALTER CACING	AAU TIDI E	7 040140 7507 44	ABANDONMENT
PULL OR ALTER CASING	MULTIPLE [COMPLETION	CASING TEST AN CEMENT JOB	AD []
	COMPLETION	CEINICIAI 200	
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12. Describe proposed or completed starting any proposed work). SE	l operations. (Clearly state a	Il pertinent details, and give	ve pertinent dates, including estimated date of ellbore diagram of proposed completion or
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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	C	#####	0	0.0
Mesa Verde	C	#####	16,453	100.0
TOTAL	O	#####	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