

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. 30039221000000
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.)

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 M : 1120 feet from the South line and 980 feet from the West line  
Section 2 Township 26N Range 4W NMPM Rio Arriba County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
7149' GL

7. Lease Name or Unit Agreement Name  
**Huron**

8. Well No. **2E**

8. Pool name or Wildcat  
**BS Mesa Gallup and Basin Dakota**

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> 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 BS Mesa Gallup (72920) and Basin Dakota (71599) 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

ONC 1228AZ  
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 May 29, 2003

Type or print name J.C. Ridens Telephone No. 303-290-0990

(This space for State use)  
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE JUN - 6 2003  
Conditions of approval, if any:

Pre

# WELLBORE DIAGRAM

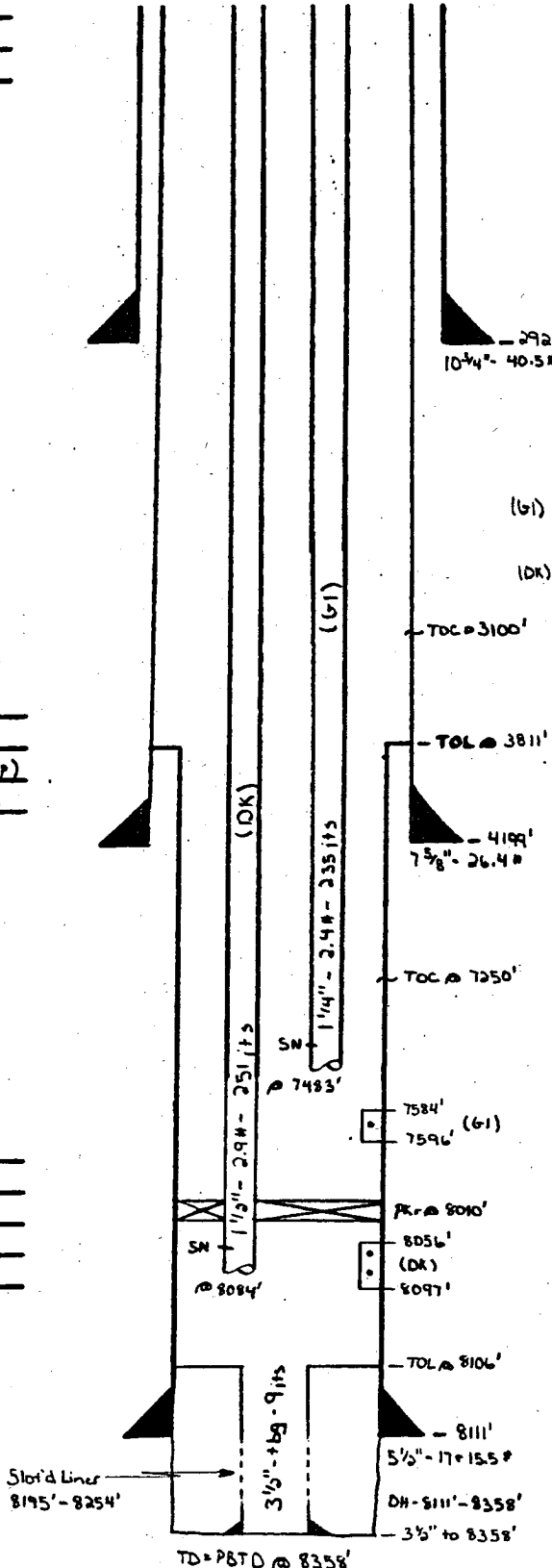
WELL NAME: Huron No. 2E  
 LOCATION: 1120' FSL & 980' FWL  
 COUNTY, STATE: Rio Arriba, NM  
 GL Elevation: 7149'  
 KB Elevation: 7162'  
 TD: 8358'  
 PBTD: 8358'

BY: MCO  
 DATE: 8-12-91

Cement top(s):  
10 3/4" from shoe to surface  
7 5/8" from shoe to 3100' (temp)  
5 1/2" from shoe to 7250' (CBL)

Perfs (Formation):

GI	7584' - 7596'	~ 12'
DK	8056' - 8097'	~ 41'



Surface Csg: 10 3/4" bit  
 10 3/4" - 40.5# K-55 ST&C cmt'd  
 @ 292' w/ 200 sx CI "B" neat  
 w/ 270 CaCl2 & 1/4 lb Celloflake/SK  
 cmt'd annulus w/ 100 sx CI "B" w/ 270  
 CaCl2 & 1/4 lb Celloflake/SK

Tubing:  
 (GI) 1 1/4" EVE 10rd 2.4# 235 jts landed @  
 7483' w/ 1.062" ID SN lit off btm  
 (DK) 1 1/2" EVE 10rd V-55 2.9# - 251 jts landed @  
 8084' w/ 1.375" ID SN lit off btm

Intermediate csg: 7 5/8" bit  
 7 5/8" - 26.4# K-55 (13 jts LT) ST&C  
 set @ 4199' cmt'd w/ 150 sx 6.5-35 Poz  
 w/ 1270 gcl, tailed 100 sx CI "B" w/ 270  
 CaCl2 & 1/4 lb Celloflake/SK

Packer:  
 Otis Perma pkr set @ 8010'

Production liners:  
 4 jts 3 1/2" +bg, 2 jts slotted 3 1/2" +bg  
 3 jts 3 1/2" +bg set from 8106' to 8358'  
 slots from 8195' to 8254'

Production Csg: 5 1/2" bit  
 5 1/2" - K-55 LT&C (29 jts 17# - 1219' on btm)  
 (102 jts 15.5# 3062') cmt'd from  
 3811' to 8111' w/ 350 sx 50-50 Poz w/ 470  
 gcl + 10# SK fine Gilsomite + .470 HR-4  
 (FLA)

## Huron 2E

### Based on total production

#### Fixed Percentage Allocation Formula

	<table><tr><td>Oil</td><td></td></tr><tr><td>Barrels</td><td>%</td></tr></table>	Oil		Barrels	%	<table><tr><td>Gas</td><td></td></tr><tr><td>MCF</td><td>%</td></tr></table>	Gas		MCF	%
Oil										
Barrels	%									
Gas										
MCF	%									
Dakota	18,910 95.4	1,005,568 76.1								
Gallup	910 4.6	315,241 23.9								
TOTAL	19,820 100.0	1,320,809 100.0								

### January 2003 Production

#### Fixed Percentage Allocation Formula

	Oil		Gas	
	Barrels	%	MCF	%
Dakota	12	92.3	1,635	87.5
Gallup	1	7.7	233	12.5
TOTAL	13	100.0	1,868	100.0

### Suggested Future Monthly Production

#### Fixed Percentage Allocation Formula

	<table><tr><td>Oil</td><td></td></tr><tr><td>Barrels</td><td>%</td></tr></table>	Oil		Barrels	%	<table><tr><td>Gas</td><td></td></tr><tr><td>MCF</td><td>%</td></tr></table>	Gas		MCF	%
Oil										
Barrels	%									
Gas										
MCF	%									
Dakota	15 93.8	2,000 85.1								
Gallup	1 6.3	350 14.9								
TOTAL	16 100.0	2,350 100.0								

## **Statement of Commingling**

The commingling of the Basin Dakota (71599) and BS Mesa Gallup (72920) 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 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 help each zone in this well as production is suspected to be artificially low from fluid loading and scale. Removing the packer and small tubing strings will allow swabbing on the zone and possible acid stimulation. This should result in the well being returned to production at expected levels.

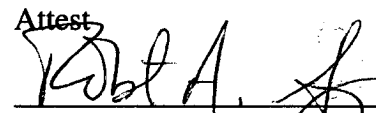
Previous commingling operations we have conducted in the San Juan Basin have shown improvement in most cases and in a minority of cases no improvement. We have not conducted a commingle that has resulted in reduced production rates or reserve recovery.

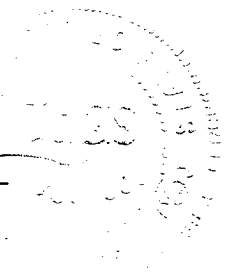
### Statement of Notification

The interests in these two pools are different. 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



May 29, 2003