

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.

30039068110000

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

Federal

7. Lease Name or Unit Agreement Name

Champlin

8. Well No. 2

8. Pool name or Wildcat

Blanco Mesa Verde and Tapacito Pictured Cliffs

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 J : 1800 feet from the South line and 1680 feet from the East line

Section 35

Township 27N

Range 4W

NMPM Rio Arriba

County

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

7058' GL

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 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 17, 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. #3

Conditions of approval, if any:

DATE FEB 19 2003

Champlin 2

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	1,048 99.9	587,673 34.9				
Pictured Cliffs	1 0.1	1,097,419 65.1				
TOTAL	1,049 100.0	1,685,092 100.0				

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 its production is suspected to be artificially low from fluid loading. Removing the packer and small tubing strings will allow swabbing on the zone. 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

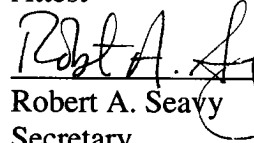
The interests in these two pools are identical. A list of all parties affected by this commingling is attached. They were all notified by certified mail of our intention to commingle these two zones. No objections were received to this operation.

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