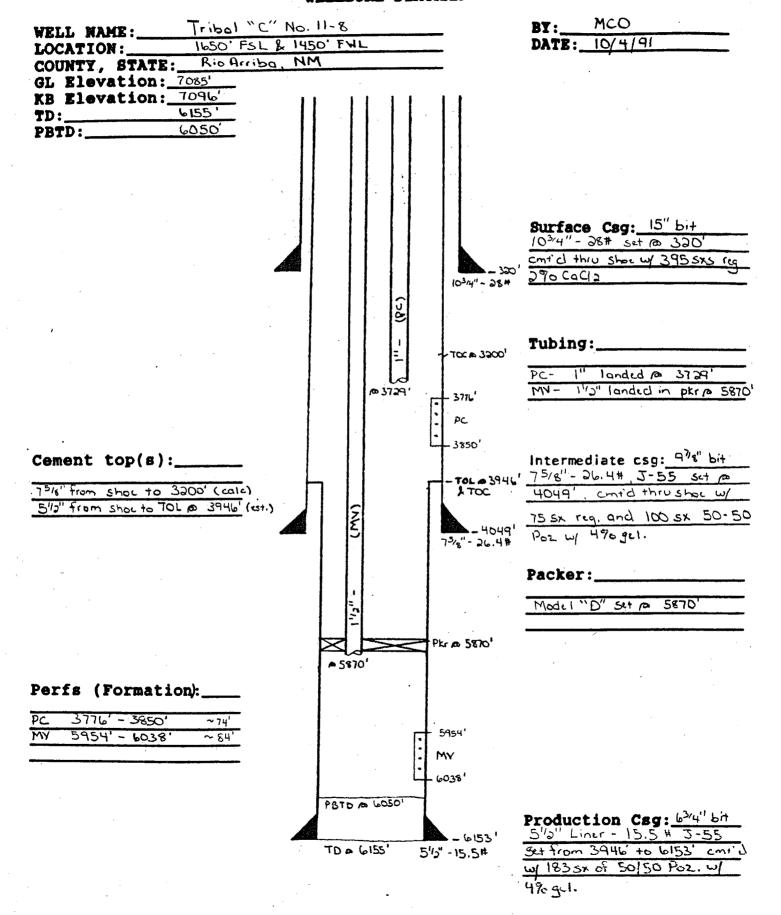
Submit 3 Copies To Appropriate District Office	State of New Mexico		Form C-103
District I	Energy, Minerals and Natural Resources		Revised March 25, 1999
1625 N. French Dr., Hobbs, NM 88240 District II			WELL API NO. / 30039065410000
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION DIVISION		5. Indicate Type of Lease
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Francis Dr.		STATE   FEE
District IV	Santa Fe, NM 8'	7505	6. State Øil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505	1220 S. St. Francis Dr., Santa Fe, NM 87505		
	CES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOS DIFFERENT RESERVOIR. USE "APPLIC			
PROPOSALS.)	ATION TOKTERMIT (TOKM C-101) N	ok soch	Tribal C
1. Type of Well:			
Oil Well Gas Well 2. Name of Operator	Other		0 77 117 11
Cordillera Energy Inc.			8. Well No. 11
3. Address of Operator			8. Pool name or Wildcat
8450 E. Crescent Parkway, Sui	ite 400 Greenwood Village, C	olorado 80111	Blanco Mesa Verde and Tapacito Pictured Cliffs
4. Well Location	9 /		W
			_
Unit LetterK:16	50feet from theSouth	line and1450	0feet from theWestline
Section 8	Township 26N	Range 3W	NMPM Rio Arriba County
	10. Elevation (Show whether D.		
	7096' RKB	T-4	
	ppropriate Box to Indicate N		
NOTICE OF IN		l e	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WOR	K ☐ ALTERING CASING ☐
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	LLING OPNS.□ PLUG AND □
PULL OR ALTER CASING	MILL TIDLE	CACINO TECT AN	ABANDONMENT
PULL OR ALTER CASING	MULTIPLE   COMPLETION	CASING TEST AN CEMENT JOB	ND 🗆
OTUED. Down hale Com			
OTHER: Down hole Com		OTHER:	
starting any proposed work). SE	E RULE 1103. For Multiple Com	inent details, and giv	ve pertinent dates, including estimated date of illbore diagram of proposed completion or
recompilation.		protions. Thuch we	moore diagram or proposed completion of
<b>5</b>			
Down hole commingle the Blanco	Mesa Verde (72319) and Tapa	cito Pictured Cliff	s (85920) pools in this well bore. These
are pre-approved pools as per NM	OCD Order # 11363.		
Attached are the following docum	ents:		
The same was a second with a second	cites.		
1. A well bore diagram s	showing the perforated intervals	s and well bore con	nfiguration.
<ol><li>The allocation method</li></ol>	d proposed and supporting data	•	
3. Statement of comming	gling showing no reduced value	e of the total remai	ning production.
4. Statement attesting th	at notice was sent to all interest	owners and no ob	jections were received.
5. Statement attesting a c	copy of this form was sent to th	e BLM	2003
Δ .			HELENS DN. S
1)640	- 1240 AZ		S OIL CONS. DN. S
I hereby certify that the information a	bove is true and complete to the b	est of my knowledge	and belief.
SIGNATURE CONTRACTOR	TITLE_V	ice President of Ope	rations DATE Just 10c2003
Type or print name J.C. Ridens			Telephone No. 303-290-0990
(This space for State use)	7		
		uny oil a gas insp	FOTOR, DADIS OUN 16 2003
APPPROVED BY	THILE_	<b></b>	DATE
Conditions of approval, if any:	· / /		

### WELLBORE DIAGRAM



M Cordillera			Lease:	Trib	al C		
	PRODUCTION DEPARTS	1ENT	Well No:				
•		. , .	State:	NM			
			County:	Rivi	Arriba	•	
			Sec:	8	Twn:	76 1	Rng: 3 W
•					- '****.		
WELL PROFILE	TD . 6)	55	·	Elevation	0	709	15'6L
	PBTO OH O	50°	moday .		Onlyn Pake Sim	709	6'KB.
					-		
	Casinai Designa Size	GRADE	THREAD CPLING	MAKE	NO. JTS.	FOOTAGE .	SACXS
	101/4 28				<u> </u>	320	
	75/8 26.4	255				4049	
	5/2 15,5	2-55			3946'-		<u></u>
	23/8 4.7	NSO				60361	
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	Periorated Intervallura	(ASSESSED AND ASSESSED	criations and property		Remarks		WEIGH
	3776-3856	Pie	tured Chiffs				
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	5954-6038	Mesa	Verde			·	
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	GOMMENTS						
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# Tribal C11

### **Based on Total Production**

# Fixed Percentage Allocation Formula

	Oil Barrels	%	Gas MCF	%
Mesa Verde	1,738	100.0	555,047	24.7
Pictured Cliffs	0	0.0	1,694,615	75.3
TOTAL	1,738	100.0	2,249,662	100.0

# **Based on January 2003 Production**

# Fixed Percentage Allocation Formula

	Oil Barrels	%		Gas MCF	%
Mesa Verde	(	0	0.0	338	3 13.8
Pictured Cliffs	(	0	0.0	2,107	7 86.2
TOTAL		0	0.0	2,445	5 100.0

### **Suggested Future Monthly Production**

# Fixed Percentage Allocation Formula

	Oil Barrels		Gas MCF	%
Mesa Verde	1	100.0	400	15.4
Pictured Cliffs	0	0.0	2,200	84.6
TOTAL	1	100.0	2,600	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, 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.

Y.C. Ridens

Vice President of Operations

June 10, 2003

Allesi

Robert A. Seavy

Secretary