

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.
30-045-31211

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
Federal #SF078707

7. Lease Name or Unit Agreement Name

Duke

8. Well No. 1C

8. Pool name or Wildcat
Basin Dakota and Blanco Mesa Verde

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 B : 660 feet from the North line and 1960 feet from the East line

Section 13 Township 31N Range 13W NMPM San Juan County

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
5797' GR

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 April of 2003. 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

DWC 1267AZ

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 July 8, 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. DATE JUL 10 2003

Conditions of approval, if any:



PRODUCTION DEPARTMENT

Lease: Duke 1C

Well No:

State: NM

County: San Juan

Sec: 13 Twn: 31N Rng: 13W

WELL PROFILE

TD

Q-101 P-101
6855

1

Elevation On the Point (090-NE-35)

PBTD

Q11 Page 6835

③ 2010年6月1日

October 7 and 8 low tide

[illegible]

Pedagogy Interval	Information	Remarks
7476-4896'	MV	
6652-6756'	DK	

[illegible]

SUBMITTED BY:

DATE -

APPROVED BY

Duke 1C

Based on May 2003 Production

Fixed Percentage Allocation Formula

	<table><tr><td>Oil Barrels</td><td>%</td></tr></table>		Oil Barrels	%	<table><tr><td>Gas MCF</td><td>%</td></tr></table>		Gas MCF	%
Oil Barrels	%							
Gas MCF	%							
Dakota	0	0.0	0	0.0				
Mesa Verde	20	100.0	13,730	100.0				
TOTAL	20	100.0	13,730	100.0				

Suggested Future Allocation Based on Offset Production

Fixed Percentage Allocation Formula

	<table><tr><td>Oil Barrels</td><td>%</td></tr></table>		Oil Barrels	%	<table><tr><td>Gas MCF</td><td>%</td></tr></table>		Gas MCF	%
Oil Barrels	%							
Gas MCF	%							
Dakota	5	25.0	3,000	28.6				
Mesa Verde	15	75.0	7,500	71.4				
TOTAL	20	100.0	10,500	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 produce 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 benefit both zones in this well. The Dakota is currently shut in through the tubing under a packer, while the Mesa Verde zone is producing up the casing-tubing annulus. Each zone is very susceptible to fluid loading at low bottom hole pressures. Combining the energy flow from both zones with one tubing string should greatly increase lift efficiency, thereby reducing down time due to fluid loading.

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

July 8, 2003

Attest



Robert A. Seavy
Secretary

