

30-045-31206

CORDILLERA ENERGY, INC.
OPERATIONS PLAN
Lea #1C

I. Location: 1035' FSL & 660' FWL
Sec 30 T31N R12W
San Juan County, NM

Date: September 16, 2002

Field: Blanco MV & Basin DK
Surface: BLM
Minerals: SF 078244

Elev: GL 5906'

II. Geology: Surface formation _ Nacimiento

A. Formation Tops	Depths
Ojo Alamo	415'
Fruitland	1760'
Pictured Cliffs	2150'
Cliff House	3865'
Menefee	4165'
Point Lookout	4650'
Dakota	6775'
Total Depth	7050'

Estimated depths of anticipated water, oil, gas, and other mineral bearing formations which are expected to be encountered:

Water and gas - 3865'; gas - 2150', 4165', 4650', 6775'.

B. Logging Program: Induction/GR and density logs at TD.

C. No over pressured zones are expected in this well. No H₂S zones will be penetrated in this well. Max. BHP = 2500 psig.

III. Drilling

A. Contractor: Key Energy

B. Mud Program:

The surface hole will be drilled with a fresh water mud.

The intermediate hole will be drilled with a fresh water polymer mud. The weighting material will be drill solids or if conditions dictate, barite. The maximum mud weight expected is 8.5 ppg.

The production hole will be drilled with air or air/mist.