



## News Release

### Cordillera Energy Partners Announces Granite Wash and Tonkawa Completions Adding 96.2 Mmcfe/d of Gross Production

Denver, April 14, 2011–

Cordillera Energy Partners III, LLC today announced the results from eight company operated wells in the Texas Panhandle and Western Oklahoma.

#### Granite Wash High Rate Horizontal Completions in Three Separate Benches

The **Pyle 40-2HB** was drilled from a surface location in the SE SW of Section 40, Block A-4, H&GN Survey northward to a TD of 16,026' in the NE NW of the same section in Central Wheeler County, TX. The 4,171' lateral was drilled in the **Granite Wash "B"** bench at an average TVD of 10,810'. This bench, with an average thickness of 290', is bounded above and below by thick, plastic shales. The well was completed in twelve consecutive high-rate and large-volume fracture stimulation stages. After frac clean-up, the Pyle 40-2HB produced 10,920 mcf and 1,460 bo in a recent 24 hour sales period. The natural gas production has a heating value of 1,360 btu/cf, yielding an additional 1,694 bbls/d of liquids after processing. Including oil and NGL recovery at a 6:1 conversion ratio, and accounting for residue gas shrinkage, the Pyle 40-2HB initial production rate is **26,588 mcf/d**. In thirteen days on-line in April 2011, the well produced 132 Mmcf and 16,400 bo.

Ten miles away in Eastern Wheeler County, Cordillera recently drilled the **Dobson 5HB** from a surface location in the SE SW of Section 1, Block 2, B&B Survey northward to a bottom-hole location in the NE NW of the same section. The reservoir interval is at a TVD of 12,600' in the **Granite Wash "Britt"** bench, which is 125' thick and also bounded by shales. The 16,849' TD well with a 4,033' lateral was completed with twelve consecutive fracture stimulation stages. In a recent 24 hour sales period, it produced 16,730 mcf of 1,215 btu/cf rich gas and 540 bo. After plant processing, the Dobson 5HB will recover an additional 1,527 bbls/d of natural gas liquids. Accounting for residue gas shrinkage and including oil and NGL recovery at a 6:1 conversion ratio, the Dobson 5HB initial production rate is **26,433 mcf/d**. The well produced 155 Mmcf and 4,100 bo after only ten days on line this month.

One mile south of the Dobson 5HB, at a surface location in the SE SW of Section 42, Block A-3, H&GN Survey, the **Byrd 2042HB** was drilled northward to a TD of 17,364' in the NE NW of the same section. The 4,223' lateral is in the **Granite Wash "C"** bench with a thickness of 268' at a TVD of 13,120'. After a ten stage high-rate and large-volume completion, the well produced 10,430 mcf and 395 bo in a 24 hour sales period. The natural gas production from this bench has a heating value of 1,207 btu/cf, yielding an additional 792 bbls/d of liquids after processing. Including oil and NGL recovery at a 6:1 conversion ratio, and accounting for residue gas shrinkage, the Byrd 2042HB initial production rate is **16,023 mcf/d**. In its first 30 days on-line the well produced 257 Mmcf and 7,730 bo.

Developing Cordillera's Granite Wash resource play from Texas three miles northeast into Roger Mills County Oklahoma, the company drilled and completed the **Sayre Ranch 5-6HC** at a surface location in the SW SE of Section 5, T12N, R26W. This well has a TD of 16,845' in the NW NE of the same section. The 3,781' lateral was drilled in the **Granite Wash "B"** bench at an average TVD of 12,800'. This bench, with an average thickness of 231', is bounded above and below by thick, plastic shales. The Sayre Ranch 5-6HC was completed in 12 consecutive high-rate and large-volume fracture stimulation stages and, after frac clean-up, produced 5,270 mcf and 170 bo in a 24 hour sales period. The natural gas production has a heating value of 1,215 btu/cf, yielding an additional 481 bbls/d of liquids after processing. Including oil and NGL recovery at a 6:1 conversion ratio, and accounting for residue gas shrinkage, the Sayre Ranch 5-6HC initial production rate is **8,328 mcf/d**. In its first 30 days on-line the well produced 112 Mmcf and 2,790 bo.

Extending the resource the other direction, about 20 miles to the northwest, in Hemphill County, TX, Cordillera recently completed the **Hostutler 54-5HC** in the **Granite Wash "C"** bench. This well has a TD of 15,125' and a lateral extending 4,117' from the surface location in SW SE of Section 5, T12N, R26W to the bottom-hole location in NW NE of the same section. The 230' thick Granite Wash "C" was completed in 12 stages and

produced 5,515 mcf with a heating value of 1,214 btu/cf and 225 bo in a 24 hour sales period. Following the methodology above, the initial production from the Hostutler 54-5HC is **8,702 mcfe/d**. In its first 30 days on-line the well produced 138 Mmcf and 2,600 bo.

Each of the above Granite Wash wells is the first producing horizontal in their respective sections. Overall, for this tri-county area, operators are actively drilling horizontal wells in 11 different productive benches stacked within the 2,000' - 3,400' thick Granite Wash formation. Each of these 11 benches has proven productive through the drilling of over 16,000 vertical and 480 horizontal wells extending along the 160 mile long axis of the play.

### **High Rate Vertical Granite Wash Test**

Cordillera recently completed the **Curtis 1-34** in Section 34, Bolck A-1, H&GN Survey in Hemphill County, Texas. The well penetrated over 2,100' of the **Granite Wash** formation and was completed with a five stage fracture stimulation treatment. Initial production over a 24 hour sales period was 4,290 mcf and 45 bo. At this rate, the 1,112 btu/cf gas yields 189 bbls/d of plant liquids for a equivalent IP of **5,220 mcfe/d**. A production log has confirmed significant inflow from eleven individual Granite Wash benches. The Curtis 1-34 illustrates Cordillera's methodology of drilling economic vertical wells to identify targets for high impact horizontal wells.

### **Horizontal Tonkawa Oil Resource Play Completions**

The **Barber 1-20HC** was drilled from a surface location in the SW SE of Section 20, T16N, R24W northward to a TD of 12,751' in the NW NE of the same section in Roger Mills County, OK. The 4,013' lateral was drilled in the **Tonkawa** sandstone, which is 62' thick at an average TVD of 8,400'. The well was completed in ten fracture stimulation stages and produced 340 bo and 940 mcf in a recent 24 hour sales period. The natural gas production has a heating value of 1,239 btu/cf, yielding an additional 112 bbls/d of liquids after processing. Including oil and NGL recovery at a 6:1 conversion ratio, and accounting for residue gas shrinkage, the Barber 1-20HC initial production rate is **568 boe/d**. In its first 30 days on-line, the well produced 6,640 bo.

One section to the west, Cordillera drilled the **Keahey 1-19H** from a surface location in the SE SE of Section 19, T16N, R24W northward to a bottom-hole location in the NE NE of the same section. The top of the **Tonkawa** sandstone is at 8,421' TVD and is 40' thick at this location. The 12,786' TD well with a 4,064' lateral was completed in ten consecutive fracture stimulation stages. In a recent 24 hour sales period, it produced 240 bo and 460 mcf. Plant processing will recover 56 bbls/d of natural gas liquids from the 1,240 btu/cf rich gas production. After accounting for residue gas shrinkage and including oil and NGL recovery at a 6:1 conversion ratio, the Keahey 1-30H initial production rate is **353 boe/d**. The well produced 2,645 bo after its first two weeks on line.

Cordillera and other operators continue to actively develop and expand the horizontal Tonkawa play in Western Oklahoma. The company currently plans to drill 33 operated horizontal Tonkawa wells and participate in an additional 41 non-operated horizontal Tonkawa wells in 2011.

### **Operational Update**

Cordillera will continue its eight horizontal rig program, drilling 65 operated and participating in 55 non-operated horizontal wells in the Granite Wash, Tonkawa, Marmaton, and Cleveland formations in 2011. The Company currently has three horizontal Granite Wash rigs in the Texas Panhandle, five horizontal Tonkawa rigs in Roger Mills and Ellis Counties, Oklahoma, and one horizontal Marmaton/Cleveland rig in Roger Mills and Ellis Counties, Oklahoma. Cordillera's portfolio of horizontal development is concentrated in the Texas Panhandle and Western Oklahoma, where it is developing a variety of oil and liquids-rich geologic horizons that are highly economic at current product prices. Cordillera holds over 200,000 net acres containing over 6,500 engineered drilling locations in the Texas Panhandle and Western Oklahoma. With current net production of 70 Mmcf/d and 19 new wells waiting on completion, the Company expects to reach 100 Mmcf/d in net production by the end of the second quarter.

Cordillera Energy Partners III is a privately held acquisition, exploration, and production Company headquartered in Denver, Colorado, whose principal shareholder is EnCap Investments together with other institutional investors.