5. Lease UNITED STATES NMNM-03553 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name SUNDRY NOTICES AND REPORTS ON WELLS 7. Unit Agreement Name (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals) 8. Well Name and No. 1. Oil Well [] Gas Well [] Other [] **GAS WELL REUTER 344-E** 2. Name of Operator: 9. API Well No. 30-039-27235 10. Field and Pool, Exploratory Area Caulkins Oil Company 3. Address of Operator: (505) 632-1544 P.O. Box 340, Bloomfield, NM 87413 DAKOTA, MESA VERDE 4. Location of Well (Footage, Sec., Twp., Rge.) 11. Country or Parish, State 1650' F/S 1650' F/W SEC. 22-26N-6W Rio Arriba Co., New Mexico 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION [X] Notice of Intent [] Abandonment [] Change of Plans []Recompletion [] New Construction [] Subsequent Report [] Plugging Back Non-Routine Fracturing [] Casing Repair [] Water Shut-Off [] Final Abandonment Notice [] Altering Casing [] Conversion to Injection [X] Other Downhole Commingle] Dispose Water 17. Describe Proposed or Completed Operations: 2-2-00 Approval to downhole commingle this well has been submitted to the NMOCD. Commingling documents attached. Pending approval, commingling will be done by the following procedure. Move in workover rig. Drill out stage tools. Run correlation collar log. Perforate and frac Dakota. Set retrievable bridge plug between Dakota and Mesa Verde zones. Perforate and frac Mesa Verde zone. Clean out and test Mesa Verde zone. Pull retrievable bridge plug. Clean out and test Dakota - Mesa Verde combined. Subtract Mesa Verde test from combined test for percentage allocations. Land tubing. Move rig. Submit test results to NMOCD for final percentage allocation approvals. NOTE: The format is issued in lieu of U.S. BLM Form 3160-5 18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT SIGNED: Kolest I Ver __TITLE: __Superintendent __DATE: February 2, 2000 /s/ Joe Hewitt ______DATE: <u>APR 2.5</u> APPROVED BY: CONDITIONS OF APPROVAL, IF ANY

CAULKINS OIL COMPANY

P. O. BOX 340

PHONE: 505-632-1544 FAX 505-632-1471

February 3, 2000

State of New Mexico
Oil Conservation Division
ATTN: Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87504

Re:

Administrative Approval to Downhole Commingle Reuter 344-E, Sec. 22-T26N-R6W, Unit Letter K Basin Dakota and Blanco Mesa Verde Formations Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

This well is waiting on APD approval. Caulkins Oil Company requests approval to commingle well by following procedure:

Move in workover rig.

Drill out stage tools.

Run correlation collar log.

Perforate and frac Dakota.

Set retrievable bridge plug between Dakota and Mesa Verde zones.

Perforate and frac Mesa Verde zone.

Clean out and test Mesa Verde zone.

Pull retrievable bridge plug.

Clean out and test Dakota - Mesa Verde combined.

Subtract Mesa Verde test from combined test for percentage allocations.

Land tubing.

Move rig.

Submit test results to NMOCD for final percentage allocation approvals.

All Caulkins Oil Company's and offset operators' wells immediately surrounding this well are currently commingled in these formations. The most recent commingles being Caulkins Oil Company Breech 228-M, Conoco Reams Com #3Y and Reams Com #2-M. Please reference DHC #2494, DHC #1646 and #1647.

Please find the enclosed:

Form C-107-A

Form C-102 for each zone

Vicinity map

Notification list of offset operators

Sundry notice notifying BLM of intentions to commingle

If you have any questions, please contact me at 505-632-1544. Thank you.

Sincerely,

Robert L. Verquer

Superintendent

State of New Mexico

Form C-107-A

P.O. Box 1980, hobbs, NM 88240 Energy, Minerals and Natural Resources Department New 3-12-96

DISTRICT II

811 South First St., Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco

APPROVAL PROCESS:

DISTRICT III

OIL CONSERVATION DIVISION Santa Fe, New Mexico 87505-6429

Administrative _____ Hearing **EXISTING WELLBORE**

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY P.O. BOX 340, BLOOMFIELD, NM 87413 REUTER 344-E K - SEC. 22-26N-6W **RIO ARRIBA** UNIT LTR. - SEC. - TWP. - RGE WELL NO. LEASE Spacing Unit Lease types: (check 1 or more) Property Code 2462 Federal X _, (and/or) Fee API NO. 30-039-27235 _, State_ OGRID NO. <u>003824</u> Intermediate Upper The following facts are submitted in support of downhole commingling: Zone Zone Zone Basin Dakota 1. Pool Name and Pool Code Mesa Verde 2. Top and Bottom of Pay Section Approx. 4681' - 5499' Approx. 7239' - 7476 (Perforations) 3. Type of production Gas and Condensate Gas and Condensate (Oil or Gas) 4. Method of Production Flowing Flowing (Flowing or Artificial Lift) (Current) 5. Bottomhole Pressure APR 2001 Zones - Artificial Lift: Not completed Not completed **Estimated Current** Gas & Oil - Flowing: (Original) OF CON DW Measured Current b b. b. All Gas Zones: DATE: 3 1731 Estimated 1215 Estimated Estimated or Measured Original Oil Gravity (° API) or Gas BTU 1189 BTU Estimated 1240 BTU Estimated Content Not completed 7. Producing or Shut-In Not completed Anticipated to be Production Marginal? (yes or no) Anticipated to be Date: If Shut-In, give date and Date: Date: oil/gas/water rates of last production Rates: Rates: shall be required to attach production estimates and Date: To be determined from ning data Date: To be determined from Date: If Producing, give date and oil/gas/water rates of recent test Rates: tests upon completion Rates: Rates: tests upon completion (within 60 days) 8. Fixed Percentage Allocation Formula - % for each zone Oil Oil Gas Oil Gas Gas % % % % % % If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rte projections or other required data. 10. Are all working, overriding, and royalty interests identical in all commingled zones? X Yes ___ No If not, have all working, overriding, and royalty interests been notified by certified mail? ____ Yes ____ No Have all offset operators been given written notice of the proposed downhole commingling? <u>X</u> Yes __ If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed _No production be recovered, and will the allocation formula be reliable. X Yes _____ No (If No, attach explanation) 12. Are all produced fluids from all commingled zones compatible with each other? _X_ Yes __ 13. Will the value of production be decreased by commingling? _ Yes __X_ No (If Yes, attach explanation) If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land X Yes No Management has been notified in writing of this application. ORDER NO(S). <u>DHC-2494; DHC-1646; DHC-1647</u> 15. NMOCD Reference Cases of Rule 303© Exceptions:

16. ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of by knowledge and belief.										
SIGNATURE Robert Z	Vergue TITLE	SUPERINTENDENT	DATE February 2, 2000							
•	ROBERT L. VERQUER		TELEPHONE NO. (505) 632-1544							

EXHIBIT "H"

District I PO Box 1980, Hobbs, NM 88241-1980 811 South First, Artesia, NM 88210

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco

District III 1000 Rio Brazos Rd., Aztec, NM 87410

District IV					Santa re,		ree Lease - 3 Copies				
2040 South Pach	eco, Santa F	e, NM 87505							AMENDED REPOR		
		W	ELL L	OCATIO	ON AND AC	REAGE DED	ICATION P	LAT			
	API Numb	er		² Pool C		J Pool Name					
30-039	-27235			7231	319 MESA VERDE						
⁴ Property	Code			¹ Property Name					6 Well Number		
2463	2				Reu		344-E				
'OGRID	No.				¹ Operato		, Elevation				
00382	24				Caulkins Oi		6694 GL				
					10 Surface	Location		·			
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West li	ine County		
K	22	26N	6W	<u></u>	1650'	South	1650	West Rio Arr			
			11 B	ottom H	lole Location	If Different Fr	om Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West li	ne County		
12 Dedicated Acre	es 13 Joint	or Infili 14 (Consolidatio	n Code 15	Order No.	<u> </u>					
320											

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	NON GIAME	DARD UNIT HAS BEEN	AFFROVED BI II	TE DIVISION
16			67 8 7	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
			A	Signature Robert I Verque
		APR	(2001)	Printed Name Robert L. Verquer
		C REC	XII. XX	Title Superintendent
		AT RECORD ON DE		Date December 7, 1999
1650), ⊚ 1650'			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date of Survey
				Signature and Seal of Professional Surveyor: Certificate Number

EXHIBIT "H"

District [PO Box 1980, Hobbs, NM 88241-1980 District II 811 South First, Artesia, NM 88210

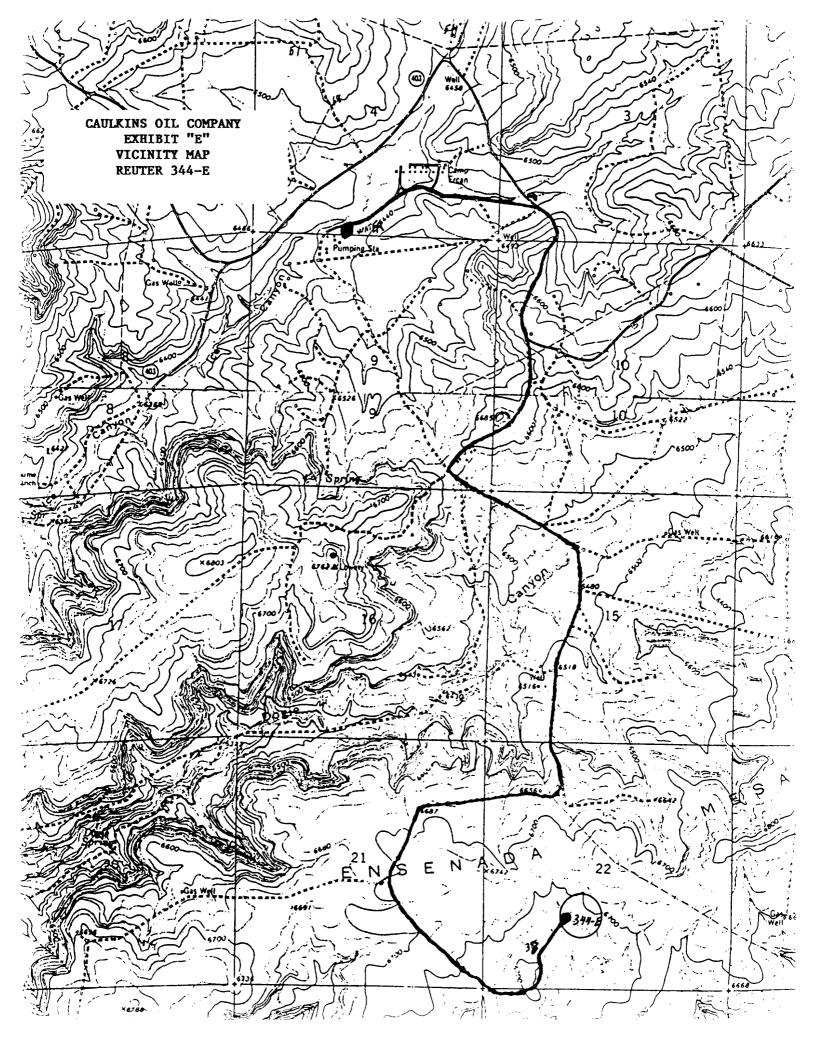
State of New Mexico Energy, Minerals & Natural Resources Department

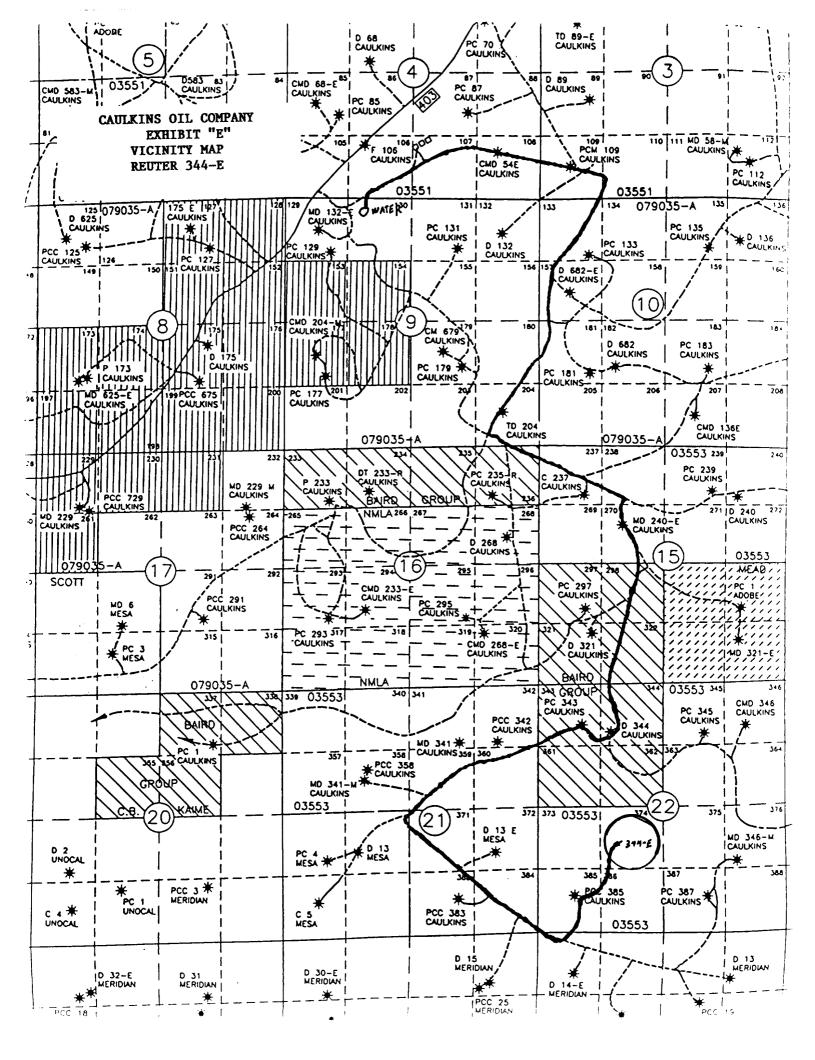
OIL CONSERVATION DIVISION

Form C-102 Revised October 18, 1994 Instructions on back
Submit to Appropriate District Office

Certificate Number

District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV								Pacheco IM 87505	011	out to ?	Sta	te Lease - 4 Copie ce Lease - 3 Copie
2040 South Pach	eco, Santa F	e, NM 8750)5								AM	ENDED REPORT
			WE	LLLC	CAT	TION A	ND ACE	REAGE DED	ICATION	PLAT		
30-03	API Numb 9-2723	er 5				l Code 599				Pool Name BASIN DAKOTA		
⁴ Property	⁴ Property Code						⁵ Property	Name	DASIN	DAKUTA	Ι	' Well Number
2462 Reuter								344-E				
'OGRID No. 003824						Operator Name Caulkins Oil Company					'F	
00302		L									<u> </u>	6694 GL
UL or lot no.	Section	Townshi	p i	Range	Lot Idi		SUTTACE from the	Location North/South line	Feet from the	East/West	P1	Ta
K	22	26N	- 1	6W		- 1	1650'	South	1650'	West		
				11 Bo	ttom	Hole L	ocation I	f Different Fr	om Surface			1.00 / 1.1104
UL or lot no.	Section	Township	7	Range	Lot Ide		from the	North/South line	Feet from the	East/West	line	County
12 Dedicated Acre	Joint o	or Infill	14 Cor	nsolidation	Code	15 Order No		<u> </u>				
320		ıfill	00.		Code	Order 14	•					
16			-						I hereby ce complete to	rify that the infon the best of my kn	mation coi	ingre
									Title		erinten	
										_		
-					1			······································	Date 18CIII		CEDT	TIFICATION
									R			own on this plat was
		16501							plotted from	field notes of act	ual survey	s made by me or under
		1650'	·Θ							ion, and that the s ledge and belief.	ame is tru	ie and correct to the bes
	İ			1650'	l				Date of Sur			
			+-		1			-	Signature a	nd Seal of Professi	onal Surv	eyor:





CAULKINS OIL COMPANY

P. O. BOX 340 BLOOMFIELD, NEW MEXICO 87413 PHONE: 505-632-1544 FAX 505-632-1471

February 3, 2000

The following list is all the offset operators to Caulkins Oil Company well Reuter 344-E, section 22, township 26N, range 6W

Conoco, Inc. 3315 Bloomfield Highway Farmington, NM 87401

Burlington Resources P.O. Box 4289 Farmington, NM 87499