STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87501
(505) 827-5800

July 27, 1987

Administrative Order DHC-659

Caulkins Oil Company
P.O. Box 780
Farmington, New Mexico 87401

Attention: Charles E. Verquer

RE: Downhole Commingling
18 Wells, Blanco Mesaverde, Basin Dakota Pools
Rio Arriba County, New Mexico.

Gentlemen:

Reference is made to your recent request for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject 18 wells as described on Exhibit "A" of this order to commingle the production from both pools in the wellbores.

It appearing that the subject wells qualify for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby place in abeyance.

In accordance with the provisions of Rule 303.C.4, total commingled oil production from the subject wells shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from each of the subject wells shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Pursuant to Rule 303-C.5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

WILLIAM J. LEMAY
Director

WJL/DRC/ag

cc: OCD District Office - Aztec

EXHIBIT "A"

WELL NAME & LOCATION		ALLOCATION OIL%	GAS%
Reuter Well No. 321-E Unit P, Section 15, T-26 North, Range 6 West	Mesaverde Dakota	60 40	26 74
Breech Well No. 854 Unit H, Section 24, T-26 North, Range 7 West	Mesaverde Dakota	15 85	1 99
Breech "B" Well No. 220-M Unit E, Section 14, T-26 North, Range 7 West	Mesaverde Dakota	46 54	48 52
Breech "A" Well No. 132-E Unit D, Section 9, T-26 North, Range 6 West	Allocation to be determined after completion		
Breech "F" Well No. 45-M Unit D, Section 35, T-27 North, Range 6 West	Allocation to be determined after completion		
State "A" Well No. 62-M Unit D, Section 2, T-26 North, Range 6 West	Mesaverde Dakota	24 76	12 88
Breech "D" Well No. 346-M Unit I, Section 22, T-26 North, Range 6 West	Allocation to be determined after completion		
Breech "D" Well No. 140-M Unit D, Section 11, T-26 North, Range 6 West	Mesaverde Dakota	22 78	11 89
Breech "D" Well No. 140 Unit A, Section 11, T-26 North, Range 6 West	Mesaverde Dakota	6 94	8 92
Breech "E" Well No. 58-M Unit P, Section 3, T-26 North, Range 6 West	Mesaverde Dakota	39 61	22 78
Breech "F" Well No. 11-M Unit P, Section 35, T-27 North, Range 6 West	Mesaverde Dakota	13 87	7 93
Breech "F" Well No. 4-M Unit I, Section 33, T-27 North, Range 6 West	Mesaverde Dakota	50 50	20 80

WELL NAME & LOCATION		ALLOCATION OIL%	GAS%
Breech "B" Well No. 123-E Unit D, Section 7, T-26 North, Range 6 West	Mesaverde Dakota	18 82	7 93
Breech "D" Well No. 240-E Unit F, Section 15, T-26 North, Range 6 West	Mesaverde Dakota	30 70	16 84
Breech "C" Well No. 244-E Unit E, Section 14, T-26 North, Range 6 West	Mesaverde Dakota	20 80	14 86
Breech "C" Well No. 323-E Unit P, Section 14, T-26 North, Range 6 West	Mesaverde Dakota	23 77	12 88
Breech "E" Well No. 64-M Unit J, Section 1, T-26 North, Range 6 West	Mesaverde Dakota	78 22	49 51
Breech "C" Well No. 389-E Unit P, Section 13, T-26 North, Range 6 West	Mesaverde Dakota	13 87	8 92