

CASE 6794: CAULKINS OIL COMPANY FOR
DOWNGHOLE CONTINGLING, RIO ARriba COUNTY,
NEW MEXICO

CONTINUE TO
JANUARY 30

CASE NO.

6794

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2006
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

February 20, 1980

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6794
ORDER NO. R-6268

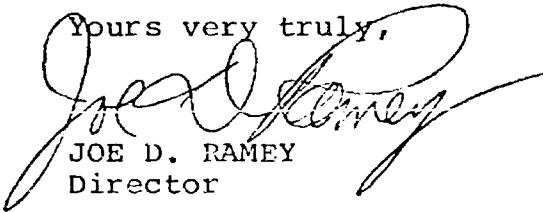
Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6794
Order No. R-6268

APPLICATION OF CAULKINS OIL COMPANY
FOR DOWNHOLE COMMINGLING, RIO ARriba
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Caulkins Oil Company, is the owner and operator of the Breech "D" Well No. 140, located in Unit A of Section 11, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle South Blanco-Tocito and Basin-Dakota production within the wellbore of the above-described well.
- (4) That from the Tocito zone, the subject well is capable of low marginal production only.
- (5) That from the Dakota zone, the subject well is capable of low marginal production only.
- (6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools,

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Case No. 6794

Order No. R-6268

thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that a packer and check valve are installed above the Dakota zone to prevent Tocito formation liquids from coming in contact with the Dakota pay interval.

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle South Blanco-Tocito and Basin-Dakota production within the wellbore of the Breech "D" Well No. 140, located in Unit A of Section 11, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

PROVIDED HOWEVER, that the applicant shall install a packer and check valve above the Dakota zone to prevent Tocito formation liquids from coming in contact therewith.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

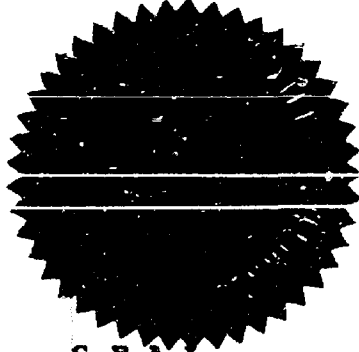
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-3-

Case No. 6794

Order No. R-6268

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

CAULKINS OIL COMPANY

Case No. 6794

Proposal and Present Conditions

To downhole Commingle South Blanco Tocito and Basin Dakota Production of our Breech D 140 well located in Unit A of Section 11, 26N 6W, Rio Arriba County, New Mexico..

South Blanco Tocito Classed Oil Well. North half of Northeast Quarter dedicated to Tocito Zone.

Basin Dakota Zone Classed Gas Well. North half of Section dedicated to Dakota Zone

Tocito Zone shut in 7th Month 1977. Well would not flow under its own power.

Basin Dakota Zone produces average 7450 MCF plus 13 Bbls. oil per month.
Dakota Zone Classed Marginal.

Ownership and all working interests are common for both zones.

Exhibit #1

Section map showing this well and all Caulkins Oil Company and offset wells.
Acreage dedication for each zone shown on map.

Exhibit #2

Pressure and Production tabulations for both zones.

Exhibit #3

Pressure and Production curves form tabulation exhibit #3.

Exhibit #4

Mechanic's and Proposed Production Split.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company) CASE
for downhole commingling, Rio Arriba) 6794
County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
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I N D E X

CHARLES VERQUER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 8

E X H I B I T S

Applicant Exhibit One, Map 3

Applicant Exhibit Two, Tabulation 4

Applicant Exhibit Three, Graph 6

Applicant Exhibit Four, Document 6

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1 MR. STAMETS: We'll call next Case 6794.

2 MR. PADILLA: Application of Caulkins
3 Oil Company for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. KELLAHIN: If the Examiner please,
6 I'd like the record to reflect the same appearances; that
7 Mr. Verquer is placed under oath, and he's qualified as an
8 expert witness to testify in this case.

9 MR. STAMETS: The record will so show.

10
11 CHARLES VERQUER
12 being called as a witness and having been previously sworn
13 upon his oath, testified as follows, to-wit:

14
15 DIRECT EXAMINATION

16 BY MR. KELLAHIN:

17 Q All right, Mr. Verquer, would you please
18 refer to what we've marked as Exhibit Number One, identify
19 that, and explain what you're seeking to accomplish by this
20 application?

21 A It's a map of the Caulkins Oil property,
22 Caulkins Oil Company property in northwest New Mexico, and
23 all the shaded area is what the Caulkins' properties con-
24 sist of.

25 Section 11, 26, 6, in the northeast

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1 quarter we have our well that is presently a Tocito-Dakota
2 dual. The Dakota is flowing; the Tocito doesn't have enough
3 pressure and gas production to continually unload the well
4 under its own power, and we seek to commingle the Tocito
5 with the Dakota so that we may utilize the wellbore energy
6 to flow whatever fluids that the Tocito would produce and
7 maybe pick up a little bit of gas from it, also. We anti-
8 cipate maybe, oh, 80 to 100,000 Mcf a day from the Tocito
9 if it were kept clean, and possibly as high as 5 or 6 bar-
10 rels of oil.

11 Q What's this well's name?

12 A 140, it's the Breech "D" 140, in Unit A
13 of Section 11, 26 North, 6 West.

14 Q The red coloring in the north portion
15 of Section 11 is the proration unit?

16 A That is the dedicated acreage for the
17 Tocito zone. The 80 acres across the north half of the sec-
18 tion is the 320 dedicated to the Dakota.

19 Q Is the ownership common in the entire
20 north half of Section 11?

21 A It is.

22 Q Would you please refer to Exhibit Num-
23 ber Two and identify that?

24 A Exhibit Number Two is a tabulation of
25 the production and pressures from initial pressure through

1 1979 for both the Tocito and Dakota zones.

2 On the Dakota zone we used accumulated
3 gas through 1973 and then tabulated the production for '74
4 through '79.

5 Q Your Tocito zone has been shut in since
6 July of '77?

7 A That is correct.

8 Q I note the pressure in that zone has
9 increased somewhat in the last couple of years.

10 A Yes, sir, it's my belief that if the
11 Tocito zone were shut in long enough that the pressure would
12 increase to the initial virgin pressure. That seems to be --
13 I say that from other wells that we have that have been
14 temporarily abandoned for some fifteen years, and they are
15 up to virgin pressure again.

16 Q This Tocito zone is a very tight forma-
17 tion?

18 A In some cases they are in this -- to the
19 north and west, or actually straight west, those wells in
20 the Tocito zone were very productive. This well here was
21 always tight. It started that way and it still is that way.

22 Q Are you aware of any other Tocito-Dakota
23 downhole commingled wells in this area?

24 A There are none of the Tocito-Dakota.
25 Some six miles east in the Tapicita-Gallup, which is related,

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1 there is one that was commingled in 1979, in November of '79.
2 The first production was in December of '79.

3 Q Based upon your experience, Mr. Verquer,
4 do you foresee any difficulty with the proposed downhole
5 commingling of these two zones?

6 A We don't. We plan to watch it very
7 closely because back in the past the South Blanco-Tocito
8 was waterflooded to the west of that, and if there's any
9 indication of water, why, remedial work will be done imme-
10 diately and plug that Tocito off.

11 Q Unless this application is approved,
12 what would you have to do to the Tocito zone?

13 A Under present rules we should plug and
14 abandon it.

15 Q Would you summarize the information
16 contained on Exhibit Number Three?

17 A Exhibit Number Three is a graph showing
18 the pressure, production declines from the tabulation in
19 Exhibit Number Two for the Tocito pressure and production,
20 both gas and oil, and the Dakota pressure and production,
21 gas and oil.

22 Q Would you refer to Exhibit Number Four
23 and explain to the Examiner the mechanics of how you propose
24 to recomplete this well as a commingled well?

25 A We just propose to pull the 1-1/4 tubing

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1 that is now being used for Dakota production and the 2-3/8ths
2 tubing that has a crossover in it onto the Dakota, and pull
3 it out and remove the seals. Then run 2-3/8ths tubing into
4 the Dakota perforations and to produce the commingled pro-
5 duction.

6 Q Do you have a recommendation to the
7 Examiner as to how you would propose to allocate the pro-
8 duction between the two zones?

9 A Yes, sir. From the tabulations, records
10 1974 through '79, or excuse me, the last three zones that
11 both zones produced, using that as a basis of the amount of
12 production that the well was able to produce, we came up
13 with 8 percent of all the gas and 84 percent of all the oil
14 would be allotted to the Tocito zone and 92 percent of the
15 gas and 16 percent of the oil to the Dakota zone.

16 Q Those figures are the ones set up -- set
17 forth on Exhibit Number Two?

18 A Yes, they were from the tabulation.

19 Q Okay. Were Exhibits One through Four
20 prepared by you?

21 A They were.

22 Q And in your opinion, Mr. Verquer, will
23 approval of this application be in the best interests of
24 conservation, the prevention of waste, and the protection
25 of correlative rights?

1 A It will.

2 MR. KELLAHIN: We move the introduction
3 of Exhibits One through Four.

4 MR. STAMETS: These exhibits will be
5 admitted.

6
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Verquer, when the Tocito zone was
10 shut in, what was the daily rate of liquid production?

11 A It fell off real fast, but the most that
12 it produced in the last year was 5 barrels a day.

13 And it was erratic due to the -- there
14 is a little paraffin in that oil and since we don't have
15 enough gas to cut it, well it, you know, paraffined the
16 tubing up and it posed immense problems, and it finally
17 just got to where we just couldn't get it to produce.

18 Q And what was the gas production?

19 A Less than 100,000 a day.

20 Q Okay, what about the figures for the
21 Dakota, now?

22 A The Dakota production is averaging
23 145,000 a day. The highest month we've had is 7-million
24 here in the recent past.

25 Q How about liquids production?

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Phone (505) 455-7439

1 A 3 to 5 barrels a month.

2 Q Now there's some concern, Mr. Verquer,
3 about putting fluids against dry gas reservoirs. There's
4 a possibility of formation damage to gas reservoirs and the
5 loss of oil through wetting dry sands.

6 Is there anything that can be done in
7 this particular hole to prevent that?

8 A There's new equipment that could be run
9 so that the -- I think Baker Oil Tools has a tool that's
10 a check valve arrangement that could be run in this string
11 of tubing and leave the packer in there and do that, yes.

12 Q What are you looking at for cost there?

13 A That would be a small cost, because
14 you're going to be pulling the tubing anyway to change it
15 out, so it wouldn't be expensive. It would just be the
16 cost of the equipment itself, which is -- I hate to even say
17 what things cost these days because there's no way of telling,
18 but I would say less than \$2000, should take care of equip-
19 ment.

20 Q And that would pretty well solve the
21 other water problem --

22 A Yes.

23 Q -- that you're concerned about, too.

24 A Yes, it would.

25 Q Not solve it, but at least there would

1 be no damage before you could get it fixed.

2 A There would be no damage before you
3 could get to it, yes, sir.

4 Q Okay.

5 MR. STAMETS: Any other questions of
6 the witness? He may be excused.

7 Anything further in this case?

8 The case will be taken under advisement.

9
10 (Hearing concluded.)
11

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6794, heard by me on 1-30 1980.
Richard F. Hamt, Examiner
 Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
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SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

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I N D E X

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Cross Examination by Mr. Stamets	8

E X H I B I T S

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Section 11, 26, 6, in the northeast

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3 Q Based upon your experience, Mr. Verquer,
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19 Q Okay. Were Exhibits One through Four
20 prepared by you?

21 A They were.

22 Q And in your opinion, Mr Verquer, will
23 approval of this application be in the best interests of
24 conservation, the prevention of waste, and the protection
25 of correlative rights?

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A. Yes.

MR. WILLIAMS: We move the introduction of Exhibits One through Four.

MR. STAMETS: These exhibits will be admitted.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Verquer, when the Tociito zone was shut in, what was the daily rate of liquid production?

A It fell off real fast, but the most that it produced in the last year was 5 barrels a day.

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Q And what was the gas production?

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Q Okay, what about the figures for the Dakota, now?

A The Dakota production is averaging 145,000 a day. The highest month we've had is 7-million here in the recent past.

Q How about liquids production?

1 A. 1 to 5 barrels a month.

2 Q Now there's some concern, Mr. Verquer,
3 about getting fluids against dry gas reservoirs. There's
4 a possibility of formation damage to gas reservoirs and the
5 loss of oil through wetting dry sands.

6 Is there anything that can be done in
7 this particular hole to prevent that?

8 A There's new equipment that could be run
9 so that the -- I think Baker Oil Tools has a tool that's
10 a check valve arrangement that could be run in this string
11 of tubing and leave the packer in there and do that, yes.

12 Q What are you looking at for cost there?

13 A That would be a small cost, because
14 you're going to be pulling the tubing anyway to change it
15 out, so it wouldn't be expensive. It would just be the
16 cost of the equipment itself, which is -- I hate to even say
17 what things cost these days because there's no way of telling,
18 but I would say less than \$2000, should take care of equip-
19 ment.

20 Q And that would pretty well solve the
21 other water problem --

22 A Yes.

23 Q -- that you're concerned about, too.

24 A Yes, it would.

25 Q Not solve it, but at least there would

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

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be no damage before you could get it fixed.

A. There would be no damage before you could get to it, yes, sir.

Q Okay.

MR. SEAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

EXAMINER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
Phone (505) 455-7400

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
16 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company) CASE
for downhole commingling, Rio) 6794
Arriba County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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MR. NUTTER: We'll call next Case Number 6794.

MR. PADILLA: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico.

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin. We'd like to consolidate that case with other cases to be heard on January 30.

MR. NUTTER: So you wish to continue this case until then?

MR. KELLAHIN: Yes, sir.

MR. NUTTER: Case number 6794 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 30, 1980.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6794
heard by me on 1/16 1980.
[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
Phone (505) 455-7409

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
16 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company) CASE
for downhole commingling, Rio) 6794
Arriba County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
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MR. NUTTER: We'll call next Case Number 6794.

MR. PADILLA: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico.

MR. KELLAHAN: If the Examiner please, I'm Tom Kellahan. We'd like to consolidate that case with other cases to be heard on January 30.

MR. NUTTER: So you wish to continue this case until then?

MR. KELLAHAN: Yes, sir.

MR. NUTTER: Case Number 6794 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. January 30, 1980.

(Hearing concluded.)

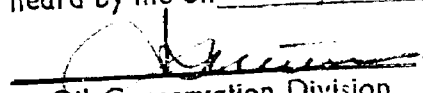
SALLY W. BOYD, C.S.R.
Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6794
heard by me on 1/6 1980.

 Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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Phone (505) 435-7409

CAULKINS OIL COMPANY

Case No. 6794

Proposal and Present Conditions

To downhole Commingle South Blanco Tocito and Basin Dakota Production of our Breech D 140 well located in Unit A of Section 11, 26N 6W, Rio Arriba County, New Mexico..

South Blanco Tocito Classed Oil Well. North half of Northeast Quarter dedicated to Tocito Zone.

Basin Dakota Zone Classed Gas Well. North half of Section dedicated to Dakota Zone

Tocito Zone shut in 7th Month 1977. Well would not flow under its own power.

Basin Dakota Zone produces average 7450 MCF plus 13 Bbls. oil per month.

Dakota Zone Classed Marginal.

Ownership and all working interests are common for both zones.

Exhibit #1

Section map showing this well and all Caulkins Oil Company and offset wells.

Acreage dedication for each zone shown on map.

Exhibit #2

Pressure and Production tabulations for both zones.

Exhibit #3

Pressure and Production curves form tabulation exhibit #3.

Exhibit #4

Mechanic's and Proposed Production Split.

Breech D 140

Unit A Section 11 25N 6W

Pressure and Production Tabulations

Exhibit # 2

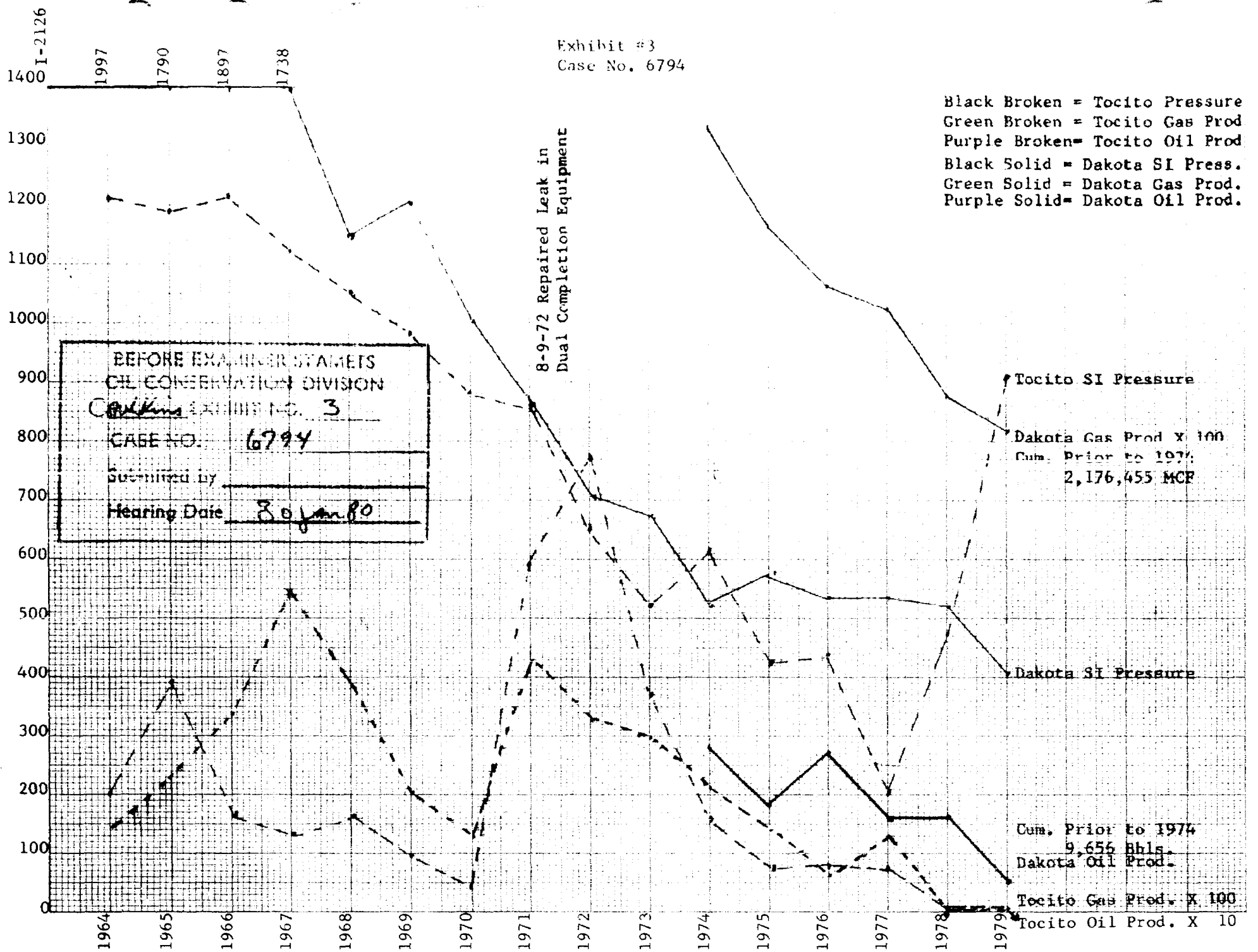
BEFORE E.A. TUCKER STAMETS	
CIVIL DIVISION	
CAV/Kin	2
Case No.	6794
Sgt.	
Hearing Date	30 Jan 80
Case No. 6794	

Tocito Zone					Dakota Zone				
Date	Pressure	Days SI	Gas Prod.	Oil Prod.	Pressure	Days SI	Gas Prod.	Oil Prod.	
Initial 1960					2126	7			
1964	1213	7	20,819	1652	1997	7			
1965	1192	8	39,537	2428	1790	49			
1966	1216	7	17,208	3358	1897	42			
1967	1127	8	13,484	5489	1738	8			
1968	1056	8	16,463	3873	1146	8			
1969	986	3	9,538	2016	1205	3			
1970	883	3	4,341	1236	1008	3			
1971	857	3	59,614	4272	867	3			
1972	657	3	67,162	3247	708	3			
1973	522	3	37,022	2927	673	3			
1974	620	3	16,278	2082	515	3			
1975	425	3	8,244	1360	575	3			
1976	435	3	7,932	600	535	3			
1977	200	3	7,427	777	535	3			
1978	475	3 Mo.	Last Prod.	7-77	520	3			
1979	910	1 Yr.			409	3			
					Cum. Thru 1973				
					(2,176,455) (9656)				
					133,184 279				
					115,897 181				
					105,683 267				
					101,967 161				
					87,173 162				
					81,829 45 11 Mo.				

Cum. Productions	325,069	35,317	2,802,188	10,751
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Tocito Production 1974 thru 1977	39,881 MCF plus 4819 Bbls. Oil	Gas Production 8% Tocito and 92% Dakota
Dakota Production 1974 thru 1977	456,731 MCF plus 888 Bbls. Oil	Oil Production 84% Tocito and 16% Dakota

Exhibit #3
Case No. 6794



CAULKINS OIL COMPANY

Breach D 140

Exhibit #4

Pull 2 3/8" OD EUE tubing now set at 7265' and remove cross over and Model "D" Packer Seals.

Pull and salvage 1 1/4" tubing now set at 6817'.

Run 2 3/8" OD EUE tubing with tail pipe run below packer set at 7265'.
to extend to Dakota Perforation.

We propose future commingled production be split as follows:

8% of all gas and 84% of all oil to Tocito Zone.

92% of all gas and 16% of all oil to Dakota Zone.

*based on last
3 yrs of production*

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION <i>Caulkins</i> EXHIBIT NO. <u>4</u> CASE NO. <u>1794</u> Submitted by _____ Hearing Date <u>30 Jan 80</u>

Breech D 140

Unit A Section 11 26N 6W

Pressure and Production Tabulations

Exhibit # 2

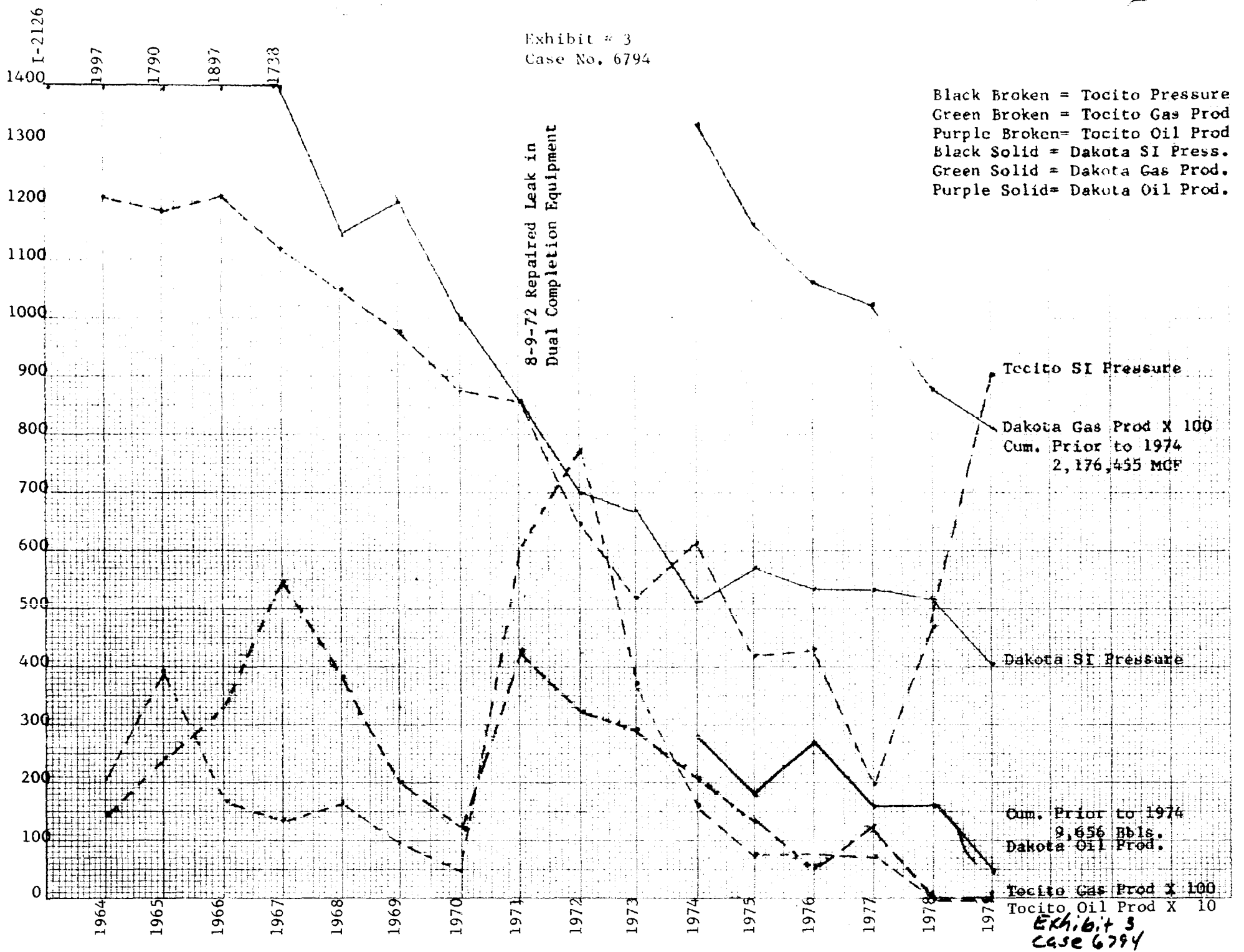
Case No. 6794

Tocito Zone					Dakota Zone			
Date	Pressure	Days SI	Gas Prod.	Oil Prod.	Pressure	Days SI	Gas Prod.	Oil Prod..
Initial 1960					2126	7		
1964	1213	7	20,819	1652	1997	7		
1965	1192	8	39,537	2428	1790	49		
1966	1216	7	17,208	3358	1897	42		
1967	1127	8	13,484	5489	1738	8		
1968	1056	8	16,463	3873	1146	8		
1969	986	3	9,538	2016	1205	3		
1970	883	3	4,341	1236	1008	3		
1971	857	3	59,614	4272	867	3		
1972	657	3	67,162	3247	708	3		
1973	522	3	37,022	2927	673	3	Cum. Thru 1973	
1974	620	3	16,278	2082	515	3	(2,176,455)	(9656)
1975	425	3	8,244	1360	575	3	133,184	279
1976	435	3	7,932	600	535	3	115,897	181
1977	200	3	7,427	777	535	3	105,683	267
1978	475	3 Mo.	Last Prod.	7-77	520	3	101,967	161
1979	910	1 Yr.			409	3	87,173	162
							81,829	45 11 Mo.
Cum. Productions			325,069	35,317	2,802,188 10,751			

5 Bbls. oil
Tocito.

Tocito Production 1974 thru 1977 39,881 MCF plus 4819 Bbls. Oil Gas Production 8% Tocito and 92% Dakota
Dakota Production 1974 thru 1977 456,731 MCF plus 888 Bbls. Oil Oil Production 84% Tocito and 16% Dakota

Exhibit 2
Case 6794



CAULKINS OIL COMPANY

Breech D 140

Exhibit #4

Pull 2 3/8" OD EUE tubing now set at 7265' and remove cross over and Model "D" Packer Seals.

Pull and salvage 1 1/4" tubing now set at 6817'.

Run 2 3/8" OD EUE tubing with tail pipe run below packer set at 7265' to extend to Dakota Perforation.

We propose future commingled production be split as follows:

8% of all gas and 84% of all oil to Tocito Zone.

92% of all gas and 16% of all oil to Dakota Zone.

*Exhibit 4
Case 6294*

Breech D 140

Unit A Section 11 26N 6W

Pressure and Production Tabulations

Exhibit # 2

Case No. 6794

Tocito Zone					Dakota Zone			
Date	Pressure	Days SI	Gas Prod.	Oil Prod.	Pressure	Days SI	Gas Prod.	Oil Prod..
Initial 1960					2126	7		
1964	1213	7	20,819	1652	1997	7		
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1970	883	3	4,341	1236	1008	3		
1971	857	3	59,614	4272	867	3		
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1973	522	3	37,022	2927	673	3	Cum. Thru 1973	
1974	620	3	16,278	2082	515	3	(2,176,455)	(9656)
1975	425	3	8,244	1360	575	3	133,184	279
1976	435	3	7,932	600	535	3	115,897	181
1977	200	3	7,427	777	535	3	105,683	267
1978	475	3 Mo.	Last Prod.	7-77	520	3	101,967	161
1979	910	1 Yr.			409	3	87,173	162
							81,829	45 11 Mo.

Cum. Productions 325,069 35,317

2,802,188 10,751

Tocito Production 1974 thru 1977 39,881 MCF plus 4819 Bbls. Oil

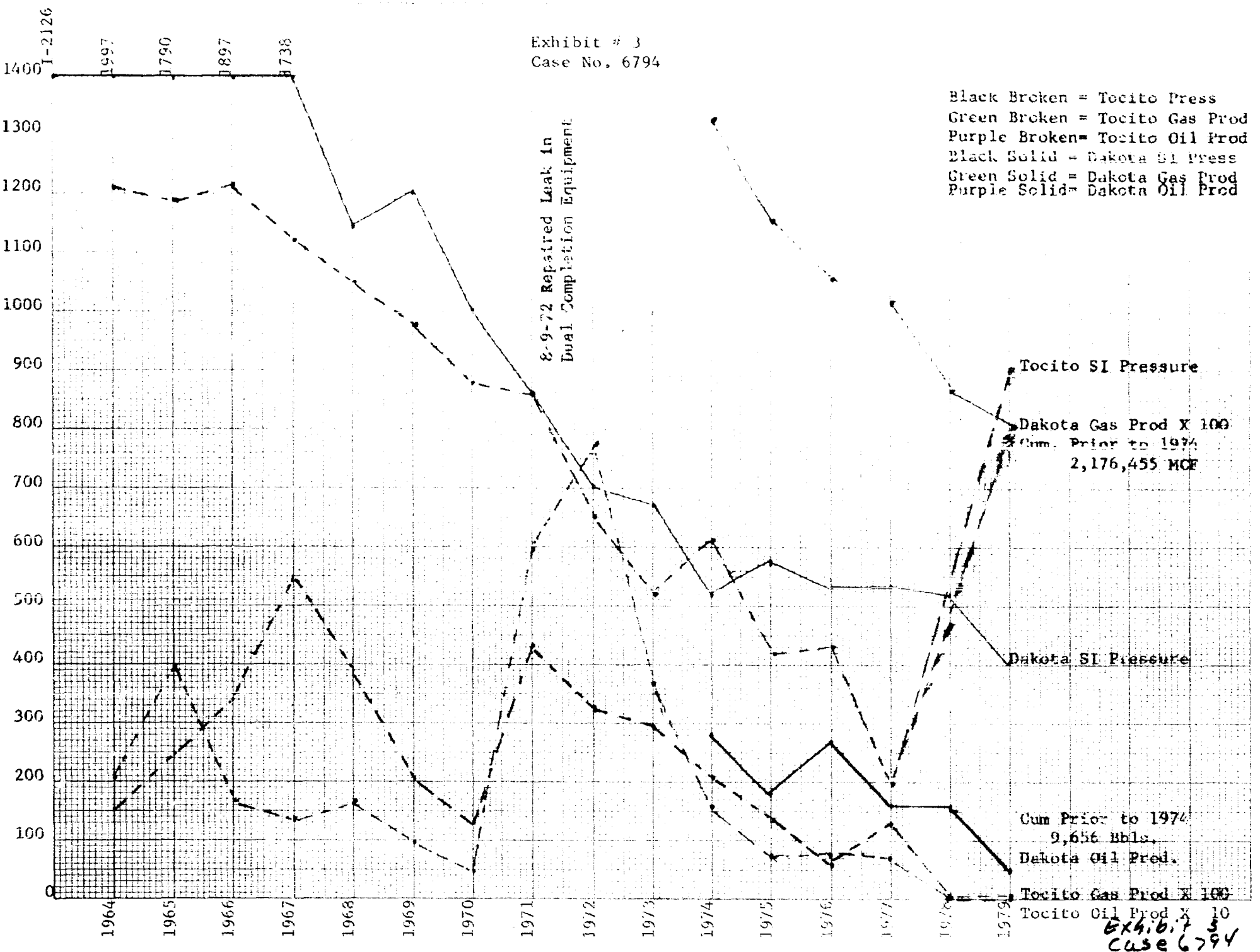
Gas Production 8% Tocito and 92% Dakota

Dakota Production 1974 thru 1977 456,731 MCF plus 888 Bbls. Oil

Oil Production 84% Tocito and 16% Dakota

Exhibit 2
Case 6794

Exhibit # 3
Case No. 6794



CAULKINS OIL COMPANY

Breech D 140

Exhibit #4

Pull 2 3/8" OD EUE tubing now set at 7265' and remove cross over and Model "D" Packer Seals.

Pull and salvage 1 1/4" tubing now set at 6817'.

Run 2 3/8" OD EUE tubing with tail pipe run below packer set at 7265'.
to extend to Dakota Perforation.

We propose future commingled production be split as follows:

8% of all gas and 84% of all oil to Tocito Zone.

92% of all gas and 16% of all oil to Dakota Zone.

Exhibit 4
Case 6794

Dockets Nos. 4-80 and 5-80 are tentatively set for February 13 and 27, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6796: Application of Union Oil Company of California for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 1, Township 8 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6797: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 28, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6798: Application of Estoril Producing Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry Federal Well No. 1, to be drilled 1980 feet from the South line and 660 feet from the East line of Section 22, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 22 to be dedicated to the well.

CASE 6799: Application of Caulkins Oil Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6794: (Continued from January 16, 1980, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tooto Gallup and Dakota production in the wellbore of its Breech "D" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

CASE 6800: Application of Caulkins Oil Company for dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "E" Wells Nos. 83-E located in Unit L of Section 5 and 54-E and 68-E located in Units P and L of Section 4; Breech "A" No. 268-E located in Unit P of Section 16; and Breech "D" No. 346 located in Unit D of Section 22, all in Township 26 North, Range 6 West, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6801: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "C" Well No. 248-E located in Unit D of Section 13, Township 26 North, Range 6 West, in such a manner as to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6790: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

Dockets Nos. 3-80 and 4-80 are tentatively set for January 30 and February 13, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for February, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6787: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6788: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Mattix Unit Well No. 35 located in Unit F of Section 15, Township 24 South, Range 37 East, to produce gas from the Fowler-Upper Paddock Pool and oil from the Fowler-Drinkard Pool thru parallel strings of tubing.

CASE 6789: Application of Knox Industries, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements of the Scharb-Bone Springs Pool as promulgated by Order No. R-2589 to permit its New Mexico State Well No. 2 to be drilled in Unit H of Section 1, Township 19 South, Range 34 East, the E/2 NE/4 of said Section 1 to be dedicated to the well.

CASE 6790: Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

CASE 6784: (Continued from January 3, 1980, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

In the alternative, applicant seeks an order force pooling all of said Section 19 to form a standard 640-acre unit.

CASE 6791: Application of Holly Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 30 Well No. 1, a Morrow test to be drilled 660 feet from the North line and 840 feet from the East line of Section 30, Township 17 South, Range 28 East, the N/2 of said Section 30 to be dedicated to the well.

CASE 6792: Application of Florida Exploration Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 324.25-acre non-standard gas proration unit comprising Lots 1 and 2 and N/2 NE/4 of Section 32 and Lots 2, 3, and 4 and NW/4 NE/4 and N/2 NW/4 of Section 34, all in Township 26 South, Range 30 East, Ross Draw Area, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6793: Application of Meadco Properties, Ltd. for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a proposed well in Unit E of Section 4, Township 21 South, Range 29 East, to be completed by setting surface casing at 550 feet and production casing at total depth and cementing both casing strings to the surface.

CASE 6794: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tocito Gallup and Dakota production in the wellbore of its Breech "D" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY
STATE OF NEW MEXICO

RECEIVED

DEC 21 1979

~~ON CONSERVATION~~

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

No. 6794

APPLICATION

COMES NOW CAULKINS OIL COMPANY and applies to the Oil Conservation Division of New Mexico for authority to downhole commingle production from the Gallup and Dakota Formations, Rio Arriba County, New Mexico and in support thereof would show the Division:

1. Applicant is the operator of the following well for which it seeks permission to downhole commingle production from the Gallup (Tocito) and the Dakota formations, Rio Arriba County, New Mexico:

Breach "D" No. 140 well located in Unit A.,
Sec. 11, T26N, R6W, NMPM.

2. Approval of this application will recover gas that would not otherwise be produced, would not impair the correlative rights of others and will be in the best interest of conservation.

Respectfully submitted,

CAULKINS OIL COMPANY

By 

W. Thomas Kellahin

Kellahin & Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

Phone: (505) 982-4285

BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY
STATE OF NEW MEXICO

RECEIVED

1979

Oil Conservation

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

No. 6799

APPLICATION

COMES NOW CAULKINS OIL COMPANY and applies to the Oil Conservation Division of New Mexico for authority to downhole commingle production from the Gallup and Dakota Formations, Rio Arriba County, New Mexico and in support thereof would show the Division:

1. Applicant is the operator of the following well for which it seeks permission to downhole commingle production from the Gallup (Tocito) and the Dakota formations, Rio Arriba County, New Mexico:

Breech "D" No. 140 well located in Unit A.,
Sec. 11, T26N, R6W, NMPM.

2. Approval of this application will recover gas that would not otherwise be produced, would not impair the correlative rights of others and will be in the best interest of conservation.

Respectfully submitted,

CAULKINS OIL COMPANY

By 

W. Thomas Kellahin

Kellahin & Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

Phone: (505) 982-4285

BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY
STATE OF NEW MEXICO

RECEIVED

DEC 21 1979

Oil Conservation

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

No. 6794

APPLICATION

COMES NOW CAULKINS OIL COMPANY and applies to the Oil Conservation Division of New Mexico for authority to downhole commingle production from the Gallup and Dakota Formations, Rio Arriba County, New Mexico and in support thereof would show the Division:

1. Applicant is the operator of the following well for which it seeks permission to downhole commingle production from the Gallup (Tocito) and the Dakota formations, Rio Arriba County, New Mexico:

Breech "D" No. 140 well located in Unit A.,
Sec. 11, T26N, R6W, NMPM.

2. Approval of this application will recover gas that would not otherwise be produced, would not impair the correlative rights of others and will be in the best interest of conservation.

Respectfully submitted,

CAULKINS OIL COMPANY

By 

W. Thomas Kellahin

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Santa Fe, New Mexico 87501

Phone: (505) 982-4285

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6794

Order No. R-6268

APPLICATION OF CAULKINS OIL COMPANY

FOR DOWNHOLE COMMINGLING, RIO ARRIBA

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30
1980, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of February, 1980, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Caulkins Oil Company, is
the owner and operator of the Breech "D" Well No. 140,
located in Unit A of Section 11, Township 26 North
Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle South
Blanco Locito Basin Dakota production
within the wellbore of the above-described well.

(4) That from the Tocito Gallup zone, the subject well is capable of low marginal production only.

(5) That from the Dakota zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that ~~the well is not shut-in~~ *a packer and check valve are installed above the Dakota zone to prevent Gallup, Tocito formation liquids from coming in contact with the Dakota pay interval.*

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, _____ percent of the commingled _____ production should be allocated to the Tocito Gallup zone, and _____ percent of the commingled _____ production to the Dakota zone.

(ALTERNATE)

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle ^{South Blanco-}Tocito ~~Gallup~~ and Basin-Dakota production within the wellbore of the Breech "D" Well No. 140, located in Unit A of Section 11, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in ~~each of~~ the subject wells.

(ALTERNATE)

(2) That _____ percent of the commingled production shall be allocated to the Tocito/Gallup zone and _____ percent of the commingled production shall be allocated to the Dakota zone.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

Provided However, that the applicant shall install a packer and check valve above the Dakota zone to prevent ^{Tocito} ~~Basin~~ formation liquids from coming in contact therewith.