

27134242

DHC

10/16/00

CAULKINS OIL COMPANY

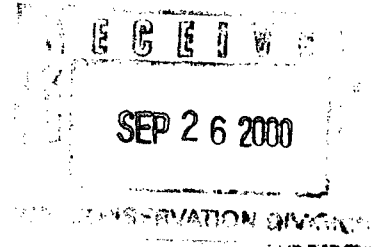
P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

2848



September 25, 2000

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

Re: Administrative Approval to Downhole Commingle
State "B" Com 233-E, Sec. 16-T26N-R6W, Unit Letter K
Basin Dakota and Blanco Mesa Verde Formations
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

This well is currently completed in Dakota – Mesa Verde and Chacra zones. Well was produced as a dual Dakota – Mesa Verde with the Chacra isolated above a packer since May 1983.

The Mesa Verde was disconnected from pipeline and Chacra first delivered through Mesa Verde meter on May 18, 2000. Gas production from the Chacra zone has leveled off at approximately 80 MCF/D with less than 1 BBL/D water.

Caulkins Oil Company now requests approval to downhole commingle Dakota – Mesa Verde below a packer and dual complete with Chacra zone above packer.

Please find the enclosed:

- A. Form C-107-A
- B. Form C-102 for each zone
- C. Sundry dated February 18, 2000
- D. One year production volumes
- E. Notification list of offset operators
- F. Vicinity map

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

Sincerely,

A handwritten signature in cursive script, reading "Robert L. Verquer". The signature is written in dark ink and is followed by a horizontal line.

Robert L. Verquer
Superintendent

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87505-6429

Form C-107-A

New 3-12-96

APPROVAL PROCESS :

☒ Administrative ☐ Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

STATE "B" COM

233-E

K - SEC. 16-26N-6W

RIO ARRIBA

LEASE

WELL NO.

UNIT LTR. - SEC. - TWP. - RGE.

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824

Property Code 2465

API NO. 30-039-22952

Federal ☐ , State ☒ , (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Mesa Verde		Basin Dakota
2. Top and Bottom of Pay Section (Perforations)	5164' - 5376'		7266' - 7424'
3. Type of production (Oil or Gas)	Gas and Condensate		Gas and Condensate
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 570	a.	a. 654
	b. (Original)	b.	b.
Oil Gravity (° API) or Gas BTU Content	1291		1182
7. Producing or Shut-In	Shut-in		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date:	Date:	Date:
	Rates:	Rates:	Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: May 2000	Date:	Date: July 2000
	Gas Oil Rates: 43 .19 MCF/D Bbl	Rates:	Gas Oil Rates: 105 .375 MCF/D Bbl
8. Fixed Percentage Allocation Formula - % for each zone	Oil 34 % Gas 29 %	Oil % Gas %	Oil 66 % Gas 71 %

9. 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? ☒ 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? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. 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 Management has been notified in writing of this application. ☐ Yes ☐ No

15. NMOCD Reference Cases of Rule 303© Exceptions: ORDER NO(S). DHC-659 and R-7980

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 L. Verquer TITLE SUPERINTENDENT DATE September 25, 2000

TYPE OR PRINT NAME ROBERT L. VERQUER TELEPHONE NO. (505) 632-1544

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22952		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2465		⁵ Property Name STATE "B" COM			⁶ Well Number 233-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6669 GR

¹⁰ Surface Location

UL or lot no. K	Section 16	Township 26N	Range 6W	Lot Idn	Feet from the 1740'	North/South line South	Feet from the 1715'	East/West line West	County Rio Arriba
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and	
E - 291 - 17				Signature <i>Robert L. Verquer</i>	
E - 291 - 25				Printed Name Robert L. Verquer	
				Title Superintendent	
1715'				Date February 18, 2000	
1740'				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 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	

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PO Box 1980, Hobbs, NM 88241-1980
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Energy, Minerals & Natural Resources Department

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Santa Fe, NM 87505

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22952		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2465		⁵ Property Name STATE "B" COM			⁶ Well Number 233-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6669 GR

¹⁰ Surface Location

UL or lot no. K	Section 16	Township 26N	Range 6W	Lot Idn	Feet from the 1740'	North/South line South	Feet from the 1715'	East/West line West	County Rio Arriba
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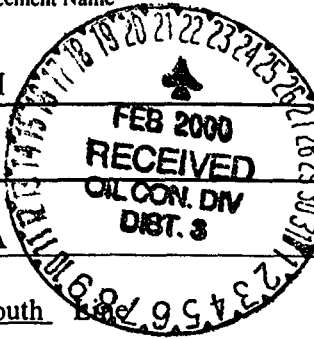
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and	
				Signature <i>Robert L. Verquer</i>	
				Printed Name Robert L. Verquer	
				Title Superintendent	
				Date February 18, 2000	
				¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 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	

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088		WELL API NO. 30-039-22952	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR TO PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
		6. State Oil & Gas Lease No. E29125	
		7. Lease Name or Unit Agreement Name STATE "B" COM	
1. Type of Well Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		8. Well No. 233-E	
2. Name of Operator Caulkins Oil Company		Pool Name or Wildcat BASIN DAKOTA	
3. Address of Operator P.O. Box 340, Bloomfield, NM 87413			
4. Well Location Unit Letter <u>K</u> : <u>1715</u> Feet from the <u>West</u> Line and <u>1740</u> Feet from the <u>South</u> Line Section <u>16</u> Township <u>26N</u> Range <u>6W</u> NMPM Rio Arriba County			
10. Elevation (Show Whether D, RKB, RT, GR, etc.) 6669 GR			
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: Temp. Disconnect Mesa Verde/Flow Chacra for Testing <input checked="" type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
12. Describe Proposed or Completed Operations <p>2/19/00 This well is currently completed as a dual Dakota and Mesa Verde completion with packers set in wellbore isolating Chacra zone.</p> <p>Chacra zone was perforated and frac'd during original completion of this well and was intended to be commingled with Mesa Verde for production. Due to accounting problems within Caulkins Oil Company, the Chacra zone was isolated and to-date has not produced to sales line.</p> <p>We now intend to temporarily disconnect Mesa Verde from sales line, tie-in Chacra to Mesa Verde sales meter and produce Chacra from annulus for test.</p> <p>If Chacra will produce marketable quantities of gas for 60 day test period then well will be commingled in Dakota - Mesa Verde zones and dual completed with Chacra.</p> <p>If tests indicate formation damage to Chacra zone, sundry to plug and abandon zone will be filed.</p> <p>In either case, commingling application will be filed for Dakota - Mesa Verde formations and no remedial action will commence prior to approvals.</p> <p><u>Attached:</u> 1. Copy of original C-104 for Chacra 2. New C-104 with correct transporter 3. C-102s for Dakota, Mesa Verde and Chacra</p> <p>If you have any questions or need more information, please contact Robert L. Verquer, Superintendent.</p> <p>NOTE: This format is in lieu of State Form C-103.</p>			
I hereby certify that the information above is true and complete to the best of my knowledge and belief.			
SIGNATURE <u>Robert L. Verquer</u> ROBERT L. VERQUER		TITLE <u>Superintendent</u> DATE <u>February 18, 2000</u> Ph. (505) 632-1544	
(This space for State Use) APPROVED BY <u>SS</u>		SUPERVISOR DISTRICT # <u>3</u> DATE <u>FEB 22 2000</u>	
CONDITIONS OF APPROVAL, IF ANY:			

**LAST 12-MONTHS PRODUCTION
FOR
STATE B COM 233-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/99	2,856	12	2	29	98	0.414
07/99	2,773	5	1	31	89	0.161
08/99	2,054	4	1	28	73	0.143
09/99	2,940	7	1	30	98	0.233
10/99	3,074	9	1	31	99	0.290
11/99	3,066	8	1	30	102	0.267
12/99	3,051	4	1	31	98	0.129
01/00	3,094	15	2	31	100	0.484
02/00	2,549	14	2	24	106	0.583
03/00	3,515	9	1	29	121	0.310
04/00	2,943	9	1	28	105	0.321
05/00	1,684	6	1	16	105	0.375
	33,599	102	15		100	0.309

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/99	888	7	1	22	40	0.318
07/99	1,329	8	1	31	43	0.258
08/99	1,264	5	1	28	45	0.179
09/99	1,391	5	1	30	46	0.167
10/99	1,433	7	1	31	46	0.226
11/99	1,415	9	1	30	47	0.300
12/99	1,175	6	1	30	39	0.200
01/00	1,458	7	1	31	47	0.226
02/00	1,168	6	1	26	45	0.231
03/00	1,375	9	1	31	44	0.290
04/00	1,294	8	1	30	43	0.267
05/00	689	3	0	16	43	0.188
	14,879	80	11		44	0.237

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

September 25, 2000

The following list is all the offset operators to Caulkins Oil Company well State "B" Com 233-E, section 16, township 26N, range 6W

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

Conoco, Inc.
3315 Bloomfield Highway
Farmington, NM 87401

3. 5

