

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

September 5, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery User
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

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

Re: Downhole Commingling
Mesa Verde and Dakota Zones
State "A" Well No. 113-E
S/2 2-26N-6W
Rio Arriba County, New Mexico

ATTENTION: Mr. Charles E. Verquer

Gentlemen:

Reference is made to your application of August 29, 1985, requesting approval to allow you to downhole commingle the Mesa Verde and Dakota Zones in the State "A" Well No. 113-E, located in the SE/4SE/4 of Sec. 2-26N-6W. Our records indicate that the above captioned well is located on State Lease No. E-291-38 and is consolidated with E-291-40 for both the Mesa Verde and Dakota Zones covering the S/2 of Section 2.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel our approval. This approval is subject to like approval and all requirements of the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us. Your filing fee in the amount of Thirty (\$30.00) has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
New Mexico Oil and Gas Accounting Division
State of New Mexico Lease No. E-291-38
State of New Mexico Lease No. E-291-40

CAULKINS OIL COMPANY

P. O. BOX 780
FARMINGTON, NEW MEXICO 87401
August 29, 1985

05002

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Mr. Jim Baca
New Mexico Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504

Dear Sir:

As per request from your office, dated August 6, 1985 we hereby submit our application for Downhole Commingling of our well No. 113-E, located in SE 1/4 of Section 2, 26 North, R 6 West, Rio Arriba County, New Mexico.

A plat showing the involved leases, E 291-³⁸17 outlined in Red and E 291-26 outlined in Green.

In support of request for Commingling as requested from New Mexico Oil Conservation Division we submit the following:

Mesa Verde Zone capable of producing gas but logs off frequently, making it necessary to swab well in. This Commingling proposed in an attempt to keep well producing, therefore well should produce gas that wouldn't otherwise be produced. Mesa Verde oil and gas production same price as Dakota oil and gas production.

Caulkins Oil Company is the operator of all of Section 2, 26N 6 W.

List of attachments are: C-102 Plat, Copy of Production History, January 1984 thru February 1985 and Copy of Order # R-7980 and Caulkins Oil Company Check No. 1149 in the amount of \$30.00 for filing fee.

Approved 9/5/85
Jim Baca
COMMISSIONER OF PUBLIC LANDS

Yours very truly,

Charles E. Verquer
Charles E. Verquer, Supt.
Caulkins Oil Company

encls.

cc: Denver
File

All distances must be from the outer boundaries of the Section.

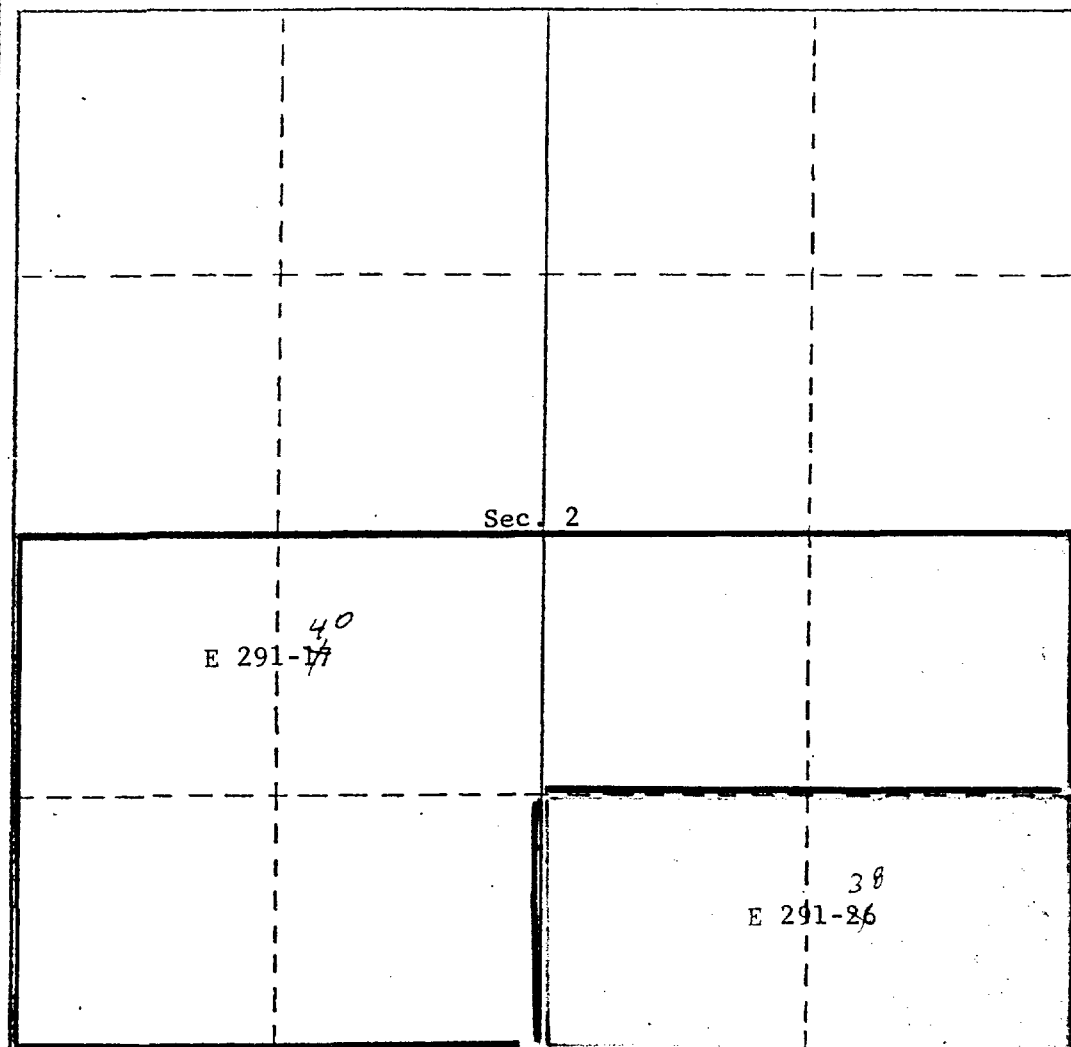
Operator Caulkins Oil Company		Lease State "A"			Well No. 113-E
Unit Letter P	Section 2	Township 26 North	Range 6 West	County Rio Arriba	
Actual Footage Location of Well: 1110 feet from the South line and 950 feet from the East line					
Ground Level Elev. 6646	Producing Formation Mesa Verde - Dakota		Pool Blanco Mesa Verde - Basin Dakota	Dedicated Acreage: 320 MV & Dak. Acre	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Charles E. Verquer
Name

Charles E. Verquer

Position
Superintendent

Company
Caulkins Oil Company

Date
8-29-85

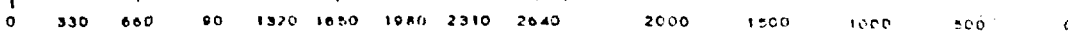
I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
6 November, 1980

Registered Professional Engineer and/or Land Surveyor

Curtis Stocking

Certificate No.
NMLS 5980



State "A" 113-E

14 Month Production Tabulation

	<u>Mesa Verde</u>			<u>Dakota</u>		
	Gas Prod.	Oil Prod.	Days On	Gas Prod.	Oil Prod.	Days On
Jan. 1984	207	4	1	4,926	3	31
Feb.	3,122	9	15	3,762	9	31
Mar.	---	0	--	3,031	18	29
Apr.	1,812	13	8	3,080	14	31
May	2,063	6	14	2,273	6	28
June	---	0	--	441	0	17
July	---	0	--	3,198	7	14
Aug.	963	5	4	---	0	--
Sept.	---	0	--	2,958	8	14
Oct.	---	0	--	4,463	6	30
Nov.	6,150	32	27	6,003	32	31
Dec.	282	0	5	2,774	6	30
Jan. 1985	3,365	19	20	3,272	19	29
Feb.	3,083	14	25	4,246	14	30
	<u>21,047</u>	<u>102</u>	<u>119</u>	<u>44,427</u>	<u>142</u>	<u>345</u>
	176 MCFPD	.857 BOPD		128 MCFPD	.41 BOPD	

Recommend Production split as follows:

58% of all Gas and 67% of all Oil to Mesa Verde
 42% of all Gas and 33% of all Oil to Dakota.

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION	
<i>Caulkins</i>	EXHIBIT NO. <u>5</u>
CASE NO. <u>8573</u>	

STATE OF NEW MEXIC
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

*Oil
in case
of the
United*

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

CASE NO. 8573
Order No. R-7980

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 8 a.m. on April 24, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of July, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) At the time of the hearing Division Cases Nos. 8573, 8574, and 8575 were consolidated for the purpose of testimony.
- (3) The applicant, Caulkins Oil Company, is the owner and operator of the following described wells:

State "A" Well No. 113-E
1110' FSL - 950' FEL
Unit P, Section 2

Breech "B" Well No. 172-E
890' FSL - 990' FWL
Unit M, Section 7

Breech "D" Well No. 685-E
858' FSL - 927' FEL
Unit P, Section 11

Breech "C" Well No. 689
1850' FSL - 790' FWL
Unit L, Section 12

Breech "C" Well No. 689-M
920' FSL - 1100' FEL
Unit P, Section 12

Breech "C" Well No. 248
1140' FNL - 900' FEL
Unit A, Section 13

Breech "A" Well No. 229-M
1120' FNL - 890' FEL
Unit A, Section 17

Breech "D" Well No. 341-M
1850' FNL - 1800' FWL
Unit F, Section 21

All in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(4) The applicant seeks authority to commingle production from the Blanco Mesaverde and Basin Dakota Gas Pools within the wellbores of the above-described wells.

(5) From the Blanco Mesaverde Gas Pool, the subject wells are expected to be capable of low production only.

(6) From the Basin Dakota Gas Pool, the subject wells are expected to be capable of low production only.

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

(8) 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 for an extended period.

(9) 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 that any of the subject wells is shut-in for 7 consecutive days.

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TALAMON OFFICE

(10) 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 THAT:

(1) The applicant, Caulkins Oil Company, is hereby authorized to commingle Blanco Mesaverde Gas Pool and Basin Dakota Gas Pool production within the wellbores of the following wells:

State "A" Well No. 113-E
1110' FSL - 950' FEL
Unit P, Section 2

Breach "B" Well No. 172-E
890' FSL - 990' FWL
Unit M, Section 7

Breach "D" Well No. 685-E
858' FSL - 927' FEL
Unit P, Section 11

Breach "C" Well No. 689
1850' FSL - 790' FWL
Unit L, Section 12

Breach "C" Well No. 689-M
920' FSL - 1100' FEL
Unit P, Section 12

Breach "C" Well No. 248
1140' FNL - 900' FEL
Unit A, Section 13

Breach "A" Well No. 229-M
1120' FNL - 890' FEL
Unit A, Section 17

Breach "D" Well No. 341-M
1850' FNL - 1800' FWL
Unit F, Section 21

All in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) 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.

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

(4) 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS,
Director

S E A L

STATE OIL CONSERVATION DIVISION
SANTA FE, N.M.
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Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

June 6, 1985

HAND-DELIVERED

Mr. Michael Stogner
Examiner
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

RECEIVED
JUN 6 1985
OIL CONSERVATION DIVISION

Re: Cases 8573, 8574 and 8575

Dear Mr. Stogner:

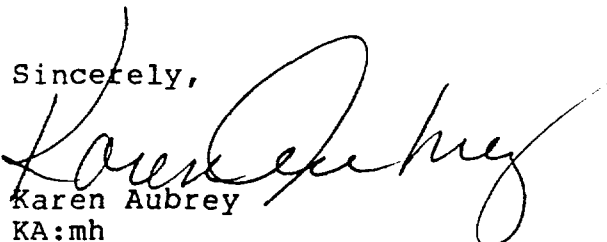
On April 24, 1985, testimony on the above cases was presented to you. In the time since the hearing there have been some changes in Caulkins intentions with regard to some of these wells. Caulkins now requests that you dismiss Case 8575 which sought downhole commingling of the Pictured Cliffs, Chacra, Mesa Verde and Dakota pools in the State B Well No. 233 and the Sanchez Well No. 1. Caulkins has decided not to commingle these wells.

With regard to the Sanchez Well No. 4 which is included in Case No. 8574, Caulkins no longer intends to recomplete that well in the Mesa Verde and, therefore, you may dismiss that well from Case 8574.

Because of equipment availability we would appreciate an order in this matter prior to July 10, 1985. We still need an order with regard to all wells included in Case 8573, and the remaining six wells included in Case 8574.

If you have any questions or problems with this, I would appreciate it if you would give me a call.

Sincerely,



Karen Aubrey
KA:mh

cc: Mr. Charles Verquer
Caulkins Oil Company
Post Office Box 780
Farmington, New Mexico 87401