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May 6, 1985

MAY 1 1985

OIL CONSERVATION DIVISION

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Caulkins Oil Company

Case 8623

Dear Mr. Stamets:

On behalf of Caulkins Oil Company, please set the enclosed application for hearing on the Examiner Docket for June 5, 1985.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

cc: Charles Varquer
Caulkins Oil Company
P. O. Box 780
Farmington, New Mexico 87401

Arnold Raether
Caulkins Oil Company
2100 Colorado St. Bank Building
Denver, Colorado 80202

El Paso Natural Gas
Attn: Mr. Van Gobel
P. O. Box 990
Farmington, New Mexico 87499

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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MAY 1 1985

OIL CONSERVATION DIVISION

CASE: 86-23

IN THE MATTER OF THE APPLICATION OF
CAULKINS OIL COMPANY FOR APPROVAL
OF A NON-STANDARD GAS PRORATION AND
SPACING UNIT AND DOWNHOLE COMMINGLING,
RIO ARRIBA COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now CAULKINS OIL COMPANY, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an order approving a non-standard gas proration unit consisting of the NE/4 of Section 20, T26N, R6W, NMPM, Rio Arriba County, New Mexico, and for approval to downhole commingle the Mesaverde and Dakota production and then to dually complete said production with the Pictured Cliff and Chacra production which will also be downhole commingled in its Kaime #1-R well, and in support thereof would show:

1. Applicant is the operator of the N/2NE/4; the SW/4NE/4, and SE/4NW/4 of said Section 20.
2. That the balance of the N/2 of said Section 20 is owned and operated by El Paso Natural Gas Company.

3. That El Paso Natural Gas Company is willing and able to dedicate its 40-acres in the NE/4 of said Section 20 to form a non-standard Dakota-Mesaverde unit but is unable to dedicate its interest in the NW/4 of said Section 20 to form a standard spacing and proration unit.

4. That Division Orders R-1670-T and R-1670-V provide for infill wells for both the Mesaverde and Dakota formations.

5. That the downhole commingling of the Mesaverde and Dakota production is the most effective and economic method of completion of the subject well.

6. That the downhole commingling of production from the Pictured Cliffs and Chacra formations is also the most effective and economic method of completion for those two zones.

7. That the commingled zones can be effectively produced in a dually completed wellbore.

8. That applicant is unable to form a standard, voluntary spacing and proration unit for the N/2 of said Section 20 and in order to protect its correlative rights and prevent waste, desires to create a non-standard spacing and proration unit consisting of the NE/4 of said Section 20.

WHEREFORE, applicant requests that the application be set for hearing on the Examiner docket now set for June 5, 1985, and that after notice and hearing the application be granted as requested.

Respectfully submitted,


By _____

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501