



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

2ND AMENDMENT ADMINISTRATIVE ORDER DHC-659

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Attention: Mr. Robert L. Verquer

*Breech "F" No. 45-M
API No. 30-039-23638
Unit D, Section 35, Township 27 North, Range 6 West, NMPM,
Rio Arriba County, New Mexico
Otero-Chacra (Gas – 82329),
Blanco-Mesaverde (Prorated Gas – 72319) and
Basin-Dakota (Prorated Gas – 71599) Pools*

Dear Mr. Verquer:

Reference is made to your recent application for an amendment to that portion of Amended Division Order No. DHC-659 dated December 22, 1987, that authorized the downhole commingling of Blanco-Mesaverde and Basin-Dakota Gas Pool production within the Breech "F" Well No. 45-M, to add the Otero-Chacra Gas Pool as a third commingled zone in the well.

It appearing that the subject well qualifies for approval for such amendment 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 zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well 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.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

| | | |
|---------------------------|---------|---------|
| Otero-Chacra Gas Pool | Oil-0% | Gas-31% |
| Blanco-Mesaverde Gas Pool | Oil-46% | Gas-10% |
| Basin-Dakota Gas Pool | Oil-54% | Gas-59% |

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

All other provisions contained within Amended Division Order DHC-659 that are not inconsistent with those provisions contained herein shall remain in full force and effect.

Approved at Santa Fe, New Mexico on this 5th day of June, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Aztec
Bureau of Land Management-Farmington