

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87504
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ADMINISTRATIVE ORDER DHC-703

Caulkins Oil Company
P.O. Box 340
Bloomfield, NM 87413

Attention: Charles E. Verquer

Breach No. 228
Unit A, Section 18, Township 26 North, Range 6
West, NMPM, Rio Arriba County, New Mexico.
South Blanco Pictured Cliffs, Otero Chacra, Blanco
Mesaverde and Basin Dakota Pools

Dear Mr. Verquer:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations and an amendment to Division Order No. R-5634 to permit the subject well to commingle Chacra and Pictured Cliffs production above a packer and to commingle Mesaverde and Dakota production below a packer.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that 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 required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4, total commingled oil production from the Chacra and Pictured Cliffs zones shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. Total commingled oil production from the Mesaverde and Dakota zones shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced from the commingled zones as described above shall be determined by Division Rules and Regulations or by the gas allowable for each for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Order No. DHC-708

Page 2

Assignment of allowable and allocation of production from the commingled Chacra and Pictured Cliffs zones shall be on the following basis:

Chacra Pool:	Oil: 30%	Gas: 30%
Pictured Cliffs Pool	Oil: 70%	Gas: 70%

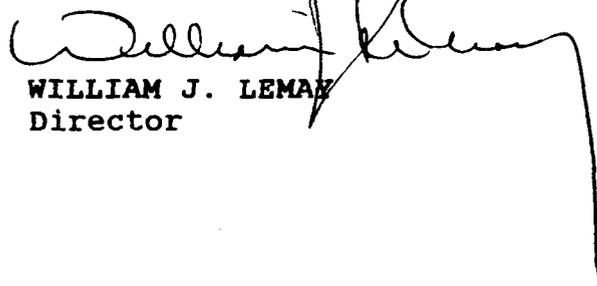
Assignment of allowable and allocation of production from the commingled Mesaverde and Dakota zones shall be on the following basis:

Mesaverde Pool:	Oil: 74%	Gas: 11%
Dakota Pool:	Oil: 26%	Gas: 89%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 8th day of November, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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