



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-1027

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

Attention: Robert L. Verquer

*Breach "B" Well No. 220-R
Unit B, Section 14, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
South Blanco Pictured Cliffs/Otero Chacra and Blanco Mesaverde/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 to permit the subject dually completed well to commingle production from both pools in both completions in the wellbore.

It appearing that the subject well qualifies for approval for such exception 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 required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject upper completion in the wellbore shall not exceed 20 barrels per day, and total water production shall not exceed 40 barrels per day. Total commingled oil production from the subject lower completion in the wellbore 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 daily from either the upper or the lower commingled completion 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 upper completion and allocation of production from the upper completion shall be on the following basis:

South Blanco Pictured Cliffs Pool	Oil	100%	Gas	70%
Otero Chacra Pool	Oil	0%	Gas	30%

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

Blanco Mesaverde Pool	Oil	34%	Gas	55%
Basin Dakota Pool	Oil	66%	Gas	45%

FURTHER: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

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 23rd day of August, 1994.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

WJL/BES/amg

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