

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

JUN 23 2005

OIL CONSERVATION DIVISION

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-3493

Operator Caulkins Oil Company Address 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410

Lease BREECH "D" Well No. 685-E Unit Letter-Section-Township-Range UNIT P - SEC. 11-26N-6W County Rio Arriba

OGRID No. 003824 Property Code 2458 API No. 30-039-22911 Lease Type: Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---|--|---|
| Pool Name | Mesa Verde ✓ | South Blanco Tocito | Basin Dakota ✓ |
| Pool Code | 72319 ✓ | 06460 ✓ | 71599 ✓ |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 5090' - 5430' | 6748' - 6736' | 7260' - 7470' |
| Method of Production (Flowing or Artificial Lift) | Flowing | Flowing | Flowing |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1211 | Estimated: 1286 | 1211 |
| Producing, Shut-In or New Zone | New Zone | Producing | Producing |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: 12 month average Rate: Gas 8 MCF/D, Oil .227 Bbl, Water .041 Bbl | Date: Estimated Rate: Gas 175 MCF/D, Oil 4 Bbl, Water .10 Bbl | Date: 12 month average Rate: Gas 109 MCF/D, Oil .558 Bbl, Water .085 Bbl |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil 6%, Gas 3% | Oil 83%, Gas 60% | Oil 11%, Gas 37% |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: DHC-1868-A, DHC-2069-A, DHC - 3187, DHC-2248, DHC-2102

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Robert L. Verquer TITLE Superintendent DATE June 15, 2005
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals)

5. Lease

NMNM-03553

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Well Name and No.

BREECH "D" 685-E

9. API Well No.

30-039-22911-00C1

10. Field and Pool, Exploratory Area

DAKOTA, MESA VERDE

11. Country or Parish, State

Rio Arriba Co., New Mexico

1. Oil Well Gas Well Other
GAS WELL

2. Name of Operator:

Caulkins Oil Company

3. Address of Operator:

(505) 334-4323

1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410

4. Location of Well (Footage, Sec., Twp., Rge.)

858' F/S 927' F/E

SEC. 11-26N-6W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | |
|--|---|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment | <input type="checkbox"/> Change of Plans |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Recompletion | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Altering Casing | <input type="checkbox"/> Conversion to Injection |
| | <input checked="" type="checkbox"/> Other <u>Downhole Commingle</u> | <input type="checkbox"/> Dispose Water |

17. Describe Proposed or Completed Operations:

5-13-05

We request approval to recomplete this well in the South Blanco Tocito formation by the following procedure:

Rig up. T. O. H. standing back 2 3/8" tubing with R-3 packer.

Run wireline set retrievable bridge plug to 7000'.

Run gas spectrum log through Tocito & Gallup formations, 6800' to 6400'.

Perforate Tocito zone, 6748' to 6736' with 4 shots per foot.

T. I. H. with 2 7/8" tubing with fullbore packer to approximately 6000'.

Frac Tocito zone with 20,000# 20/40 sand and N2 foam.

Flow well back to clean up and test.

T. O. H. laying down 2 7/8" tubing with packer.

T. I. H. with 2 3/8" tubing with retrieving head.

T. O. H. with retrievable bridge plug from 7000'.

T. I. H. with 2 3/8" production tubing.

Clean out to PBTD with air foam unit.

Land tubing on doughnut at approximately 7340'.

Comminglel Dakota - Tocito - Mesa Verde.

Rig down and move.

NOTE: The format is issued in lieu of U.S. BLM Form 3160-5

18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT

SIGNED: Robert L. Verquer TITLE: Superintendent DATE: May 13, 2005
ROBERT L. VERQUER

APPROVED BY: _____ TITLE: _____ DATE: _____
CONDITIONS OF APPROVAL, IF ANY

**LAST 12-MONTHS PRODUCTION
FOR
BREECH D 685-E**

DAKOTA

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|--------------|---------------|------------|--------------|-------------|----------------|----------------|
| 04/04 | 3,486 | 13 | 2 | 30 | 111 | 0.433 |
| 05/04 | 3,795 | 18 | 3 | 31 | 117 | 0.581 |
| 06/04 | 3,712 | 15 | 2 | 30 | 118 | 0.500 |
| 07/04 | 4,067 | 27 | 4 | 31 | 126 | 0.871 |
| 08/04 | 3,940 | 18 | 3 | 31 | 122 | 0.581 |
| 09/04 | 2,716 | 13 | 2 | 30 | 85 | 0.433 |
| 11/04 | 3,983 | 18 | 3 | 30 | 127 | 0.600 |
| 12/04 | 3,756 | 19 | 3 | 31 | 116 | 0.613 |
| 01/05 | 3,400 | 16 | 2 | 31 | 104 | 0.516 |
| 02/05 | 3,340 | 21 | 3 | 28 | 114 | 0.750 |
| 03/05 | 3,104 | 15 | 2 | 31 | 95 | 0.484 |
| 04/05 | 2,513 | 10 | 2 | 30 | 78 | 0.333 |
| | 41,812 | 203 | 31 | | 109 | 0.558 |

MESA VERDE

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|--------------|--------------|------------|--------------|-------------|----------------|----------------|
| 04/04 | 330 | 6 | 1 | 30 | 8 | 0.200 |
| 05/04 | 356 | 9 | 1 | 31 | 9 | 0.290 |
| 06/04 | 347 | 8 | 1 | 30 | 9 | 0.267 |
| 07/04 | 376 | 13 | 2 | 31 | 9 | 0.419 |
| 08/04 | 367 | 9 | 1 | 31 | 9 | 0.290 |
| 09/04 | 272 | 7 | 1 | 30 | 6 | 0.233 |
| 11/04 | 368 | 8 | 1 | 30 | 10 | 0.267 |
| 12/04 | 353 | 10 | 2 | 31 | 9 | 0.323 |
| 01/05 | 326 | 8 | 1 | 31 | 8 | 0.258 |
| 02/05 | 315 | 10 | 2 | 28 | 9 | 0.357 |
| 03/05 | 304 | 8 | 1 | 31 | 7 | 0.258 |
| 04/05 | 257 | 5 | 1 | 30 | 6 | 0.167 |
| | 3,971 | 101 | 15 | | 8 | 0.277 |

District I
 PO Box 1980, Hobbs, NM 88241-1980
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 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Drive
 Santa Fe, NM 87504

Form C-102
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--|--|---|--|---|--|
| ¹ API Number 30-039-22911 | | ² Pool Code 72319 | | ³ Pool Name MESA VERDE | |
| ⁴ Property Code 2458 | | ⁵ Property Name BREECH "D" | | | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | | ⁸ Operator Name Caulkins Oil Company | | | ⁹ Elevation 6529 GR |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 11 | 26N | 6W | | 858' | South | 927' | East | Rio Arriba |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|--|----------------------|--|
| <p>Breech D 685 660' 1980'</p> | <p>927' 858'</p> | <p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Robert L. Verquer</i> Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date May 20, 2005</p> |
| | | <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p> |

District I

State of New Mexico

Form C-102

PO Box 1980, Hobbs, NM 88241-1980

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

District II

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Instructions on back
Submit to Appropriate District Office

District III

1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Drive

Santa Fe, NM 87504

State Lease - 4 Copies

Fee Lease - 3 Copies

District IV

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--|--|---|--|--|--|
| ¹ API Number 30-039-22911 | | ² Pool Code 06460 | | ³ Pool Name SOUTH BLANCO TOCITO | |
| ⁴ Property Code 2458 | | ⁵ Property Name BREECH "D" | | | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | | ⁸ Operator Name Caulkins Oil Company | | | ⁹ Elevation 6529 GR |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
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| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-------------------------------------|---------|-------------------------------|-------|----------------------------------|---------------|-------------------------|---------------|----------------|--------|
| | | | | | | | | | |
| ¹² Dedicated Acres 80 | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | |

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|--|----------------------|---|
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--|--|---|--|---|--|
| ¹ API Number 30-039-22911 | | ² Pool Code 71599 | | ³ Pool Name BASIN DAKOTA | |
| ⁴ Property Code 2458 | | ⁵ Property Name BREECH "D" | | | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | | ⁸ Operator Name Caulkins Oil Company | | | ⁹ Elevation 6529 GR |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 11 | 26N | 6W | | 858' | South | 927' | East | Rio Arriba |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|--|----------------------|--|
| <p>Breech D 685 660' 1980'</p> | <p>927' 858'</p> | <p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> |
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name _____ Signature _____ Title _____ Date _____
 e-mail Address _____