

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

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

District III
1060 Rio Brazos Road, Aztec, NM 87410

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

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

JUN 23 2005

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
OIL CONSERVATION DIVISION
APPLICATION FOR DOWNHOLE COMMINGLING

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

DHC-3492

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

Lease BREECH "D" Well No. 240-E Unit Letter-Section-Township-Range UNIT F - SEC. 15-26N-6W County Rio Arriba

OGRID No. 003824 Property Code 2458 API No. 30-039-23429 Lease Type: X 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)	4640' - 5267'	6598' - 6585'	7101' - 7354'
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1194	Estimated: 1286	1194
Producing, Shut-In or New Zone	Producing	New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 12 month average Rate: Gas 21 MCF/D, Oil .142 Bbl, Water .019 Bbl	Date: Estimated Rate: Gas 300 MCF/D, Oil 3 Bbl, Water .50 Bbl	Date: 12 month average Rate: Gas 109 MCF/D, Oil .335 Bbl, Water .052 Bbl
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 5 %, Gas 5 %	Oil 86 %, Gas 70 %	Oil 9 %, Gas 25 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No

Will commingling decrease the value of production? Yes No X

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**

NMNM-03553

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)

2004 NOV 8 PM 2:15

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OTO FARMINGTON NM

1. Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> GAS WELL	6. If Indian, Allottee or Tribe Name 7. Unit Agreement Name 8. Well Name and No. BREECH "D" 240-E
2. Name of Operator: Caulkins Oil Company	9. API Well No. 30-039-23429-00C1
3. Address of Operator: (505) 334-4323 1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410	10. Field and Pool, Exploratory Area DAKOTA, MESA VERDE
4. Location of Well (Footage, Sec., Twp., Rge.) 1733' F/N 1795' F/W SEC. 15-26N-6W	11. Country or Parish, State Rio Arriba Co., New Mexico

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

17. Describe Proposed or Completed Operations:

11-5-04 We request approval to recomplate this well in the South Blanco Tocito formation by the following procedure:

Rig up.

T. O. H. laying down 1 1/2" EUE tubing.

Run wireline set retrievable bridge plug to 6800'.

Run gas spectrum log 6750' to 6100'.

Perforate Tocito zone, 6797' - 6787' with 4 shots per foot.

T. I. H. with 2 7/8" tubing and full bore packer to approximately 6200'.

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

Flow back well to clean up and test Tocito.

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

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

T. O. H. with retrievable bridge plug from 6800'.

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

CONDITIONS OF APPROVAL
Adhere to previously issued stipulations.

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: November 5, 2004
ROBERT L. VERQUER

APPROVED BY: Jim Lovato TITLE: Petr. Eng DATE: 11/18/04
CONDITIONS OF APPROVAL, IF ANY

OPERATOR

**LAST 12-MONTHS PRODUCTION
FOR
BREECH D 240-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	3,956	19	3	31	121	0.613
06/04	4,005	20	3	30	127	0.667
07/04	3,986	17	3	31	122	0.548
08/04	3,877	23	3	31	118	0.742
09/04	3,512	20	3	30	110	0.667
10/04	3,673	18	3	31	112	0.581
11/04	3,417	6	1	30	107	0.200
12/04	3,351	0	0	31	101	0.000
01/05	3,404	0	0	31	103	0.000
02/05	3,073	0	0	28	103	0.000
03/05	3,021	0	0	31	91	0.000
04/05	3,095	0	0	30	97	0.000
	42,370	123	19		109	0.335

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	797	8	1	31	23	0.258
06/04	805	9	1	30	24	0.300
07/04	802	7	1	31	23	0.226
08/04	782	10	2	31	23	0.323
09/04	711	8	1	30	21	0.267
10/04	743	8	1	31	21	0.258
11/04	693	2	0	30	20	0.067
12/04	682	0	0	31	19	0.000
01/05	692	0	0	31	20	0.000
02/05	624	0	0	28	20	0.000
03/05	619	0	0	31	17	0.000
04/05	631	0	0	30	18	0.000
	8,581	52	7		21	0.142

District I
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 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 30-039-23429		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2458		⁵ Property Name BREECH "D"			⁶ Well Number 240-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6463 GR

¹⁰ Surface Location

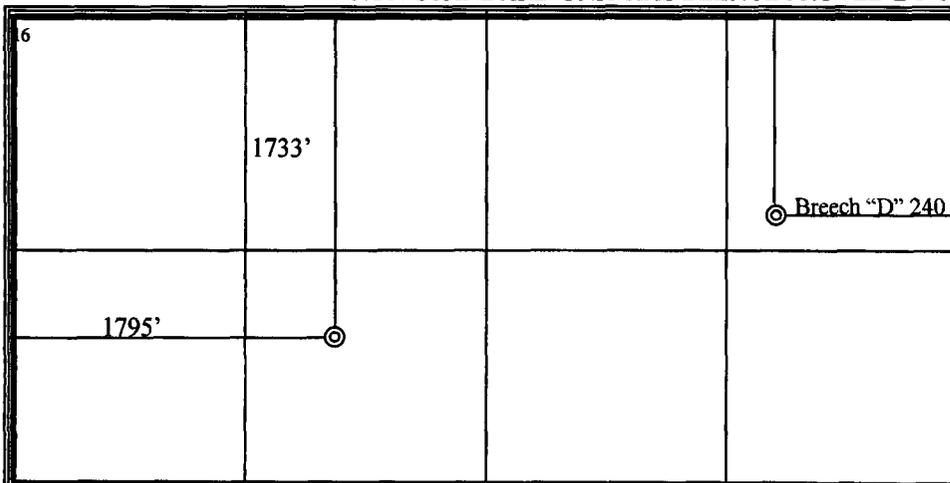
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	15	26N	6W		1733'	North	1795'	West	Rio Arriba

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.
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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



¹⁷ OPERATOR CERTIFICATION

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

Robert L. Verquer
 Signature

Printed Name **Robert L. Verquer**

Title **Superintendent**

Date **May 20, 2005**

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I
 PO Box 1980, Hobbs, NM 88241-1980
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23429		² Pool Code 06460		³ Pool Name SOUTH BLANCO TOCITO	
⁴ Property Code 2458		⁵ Property Name BREECH "D"			⁶ Well Number 240-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6463 GR

¹⁰ Surface Location

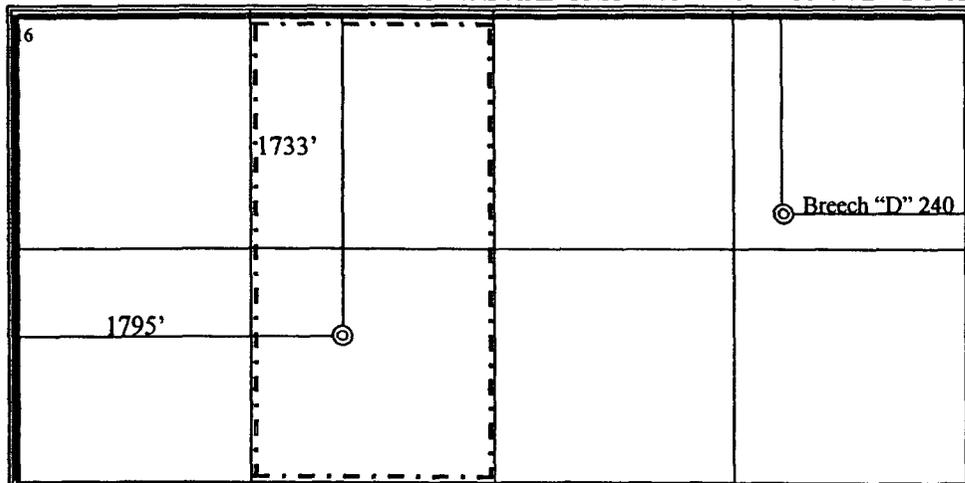
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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Robert L. Verquer
 Signature

Printed Name Robert L. Verquer

Title Superintendent

Date November 5, 2004

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Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23429		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2458		⁵ Property Name BREECH "D"			⁶ Well Number 240-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6463 GR

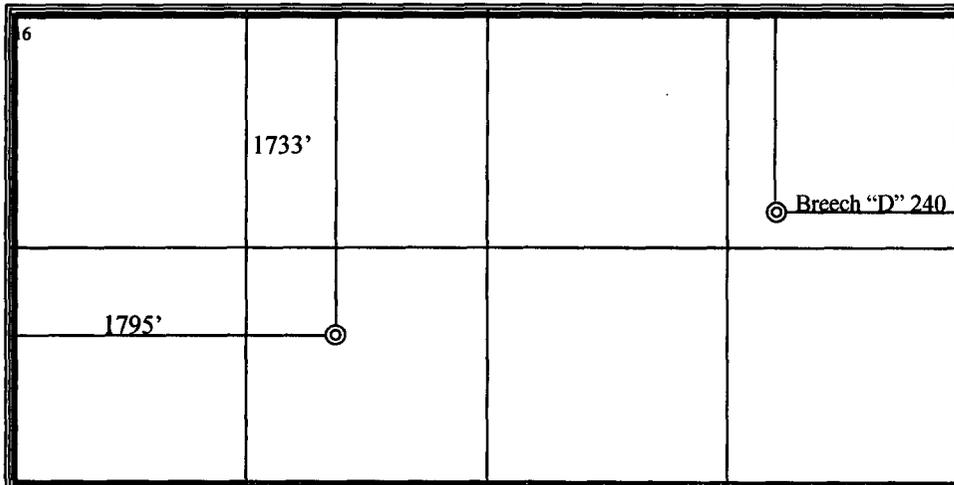
¹⁰ Surface Location

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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.			

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¹⁷ OPERATOR CERTIFICATION

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Robert L. Verquer
Signature

Printed Name **Robert L. Verquer**

Title **Superintendent**

Date **May 20, 2005**

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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

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 _____