

District I
1625 N. French Ave, 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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

RECEIVED

JUN 23 2005

OIL CONSERVATION DIVISION

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

3490
DHC-~~3490~~

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

Lease BREECH "C" Well No. 244-E Unit Letter-Section-Township-Range UNIT E - SEC. 14-26N-6W County Rio Arriba

OGRID No. 003824 Property Code 2457 API No. 30-039-23428 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)	5444' - 4824'	6772' - 6751'	7296' - 7539'
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)	1292	Estimated: 1286	1292
Producing, Shut-In or New Zone	Producing	New Zone	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 28 MCF/D, Oil .443 Bbl, Water .06 Bbl	Date: Estimated Rate: Gas 200 MCF/D, Oil 5 Bbl, Water .10 Bbl	Date: 12 month average Rate: Gas 173 MCF/D, Oil 1.776 Bbl, Water .249 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 7%	Oil 70%, Gas 50%	Oil 24%, Gas 43%

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-03554

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well Gas Well Other
GAS WELL

8. Well Name and No.
BREECH "C" 244-E

2. Name of Operator:
Caulkins Oil Company

9. API Well No.
30-039-23428-00C1

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.)
1520' F/N 1090' F/W SEC. 14-26N-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"/> 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 recomplate this well in the South Blanco Tocito formation by the following procedure:

Rig up. T. O. H. with 2 3/8" tubing from 7455'.
Run wireline set retrievable bridge plug to 7000'.
Run gas spectrum log through Tocito & Gallup formations, 6900' to 6400".
Perforate Tocito zone, 6772' to 6751', with 4 shots per foot.
T. I. H. with 2 7/8" tubing with fullbore packer to approximately 6500'.
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 PBDT with air foam unit.
Land tubing on doughnut at approximately 7450'.
Commingled 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 C 244-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	6,179	56	8	31	194	1.806
06/04	5,991	57	9	30	194	1.900
07/04	6,403	67	10	31	201	2.161
08/04	6,198	56	8	31	195	1.806
09/04	5,419	64	10	30	175	2.133
10/04	5,512	52	8	31	172	1.677
11/04	2,997	35	5	17	171	2.059
12/04	4,789	32	5	31	149	1.032
01/05	5,436	63	9	31	170	2.032
02/05	4,881	51	8	28	169	1.821
03/05	3,855	42	6	25	149	1.680
04/05	4,090	36	5	30	131	1.200
	61,750	611	91		173	1.776

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	1,061	15	2	31	32	0.484
06/04	1,029	14	2	30	32	0.467
07/04	1,098	17	3	31	33	0.548
08/04	1,065	14	2	31	32	0.452
09/04	936	16	2	30	29	0.533
10/04	953	13	2	31	28	0.419
11/04	518	8	1	17	28	0.471
12/04	835	8	1	31	24	0.258
01/05	941	16	2	31	28	0.516
02/05	845	13	2	28	28	0.464
03/05	672	10	2	25	24	0.400
04/05	720	9	1	30	21	0.300
	10,673	153	22		28	0.443

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 30-039-23428	² Pool Code 72319	³ Pool Name MESA VERDE
⁴ Property Code 2457	⁵ Property Name BREECH "C"	
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	⁶ Well Number 244-E
		⁹ Elevation 6605 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
E	14	26N	6W		1520'	North	1090'	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

⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Printed Name Robert L. Verquer Title Superintendent Date May 20, 2005

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State of New Mexico

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District IV

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23428		² Pool Code 06460		³ Pool Name SOUTH BLANCO TOCITO	
⁴ Property Code 2457		⁵ Property Name BREECH "C"			⁶ Well Number 244-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6605 GR

¹⁰ Surface Location

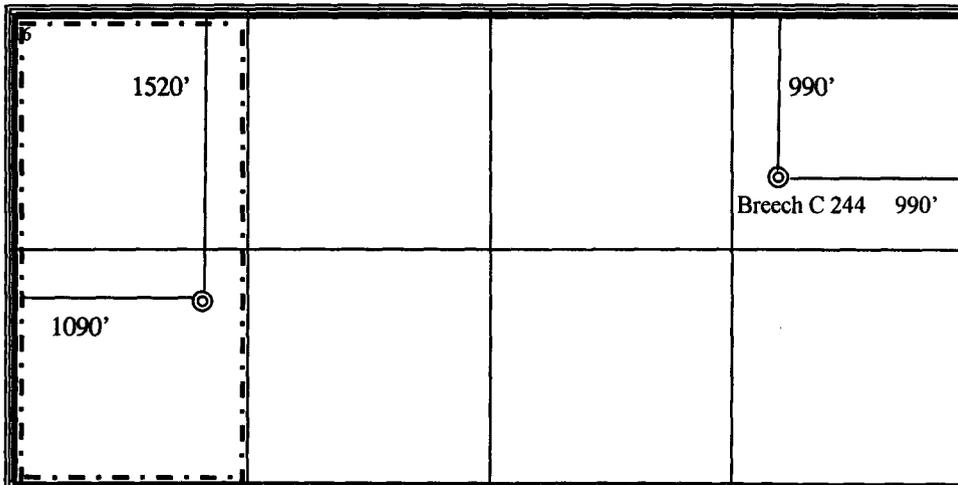
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	26N	6W		1520'	North	1090'	West	Rio Arriba

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 80	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

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Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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Santa Fe, NM 87504

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Revised October 18, 1994

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23428		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2457		⁵ Property Name BREECH "C"			⁶ Well Number 244-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6605 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
E	14	26N	6W		1520'	North	1090'	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

⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Printed Name Robert L. Verquer Title Superintendent Date May 20, 2005		
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> 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 _____