

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

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

DHC-3489

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

Lease BREECH Well No. 307 UNIT M - SEC. 13-26N-7W County Rio Arriba

OGRID No. 003824 Property Code 2454 API No. 30-039-08157 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Mesa Verde	Basin Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3194' - 3292'	4602' - 4740'	6620' - 6828'
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)	1172	1155	1155
Producing, Shut-In or New Zone	Producing	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 23 MCF/D, Oil 0 Bbl, Water 0 Bbl	Date: 12 month average Rate: Gas 10 MCF/D, Oil .106 Bbl, Water .011 Bbl	Date: 12 month average Rate: Gas 55 MCF/D, Oil .326 Bbl, Water .046 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 0%, Gas 26%	Oil 25%, Gas 12%	Oil 75%, Gas 62%

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-659-a, R-5647-A, DHC- 660

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 14, 2005
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

**LAST 12-MONTHS PRODUCTION
FOR
BREECH 307**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	2,310	10	2	31	68	0.323
06/04	2,133	8	1	30	64	0.267
07/04	2,349	8	1	31	69	0.258
08/04	2,144	9	1	31	62	0.290
09/04	1,652	5	1	27	55	0.185
10/04	2,159	18	3	31	63	0.581
11/04	1,911	21	3	30	57	0.700
12/04	1,350	23	3	25	47	0.920
01/05	1,744	12	2	31	50	0.387
02/05	1,512	0	0	28	47	0.000
03/05	1,507	0	0	31	42	0.000
04/05	1,205	0	0	30	34	0.000
	21,976	114	17		55	0.326

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	413	3	0	31	12	0.097
06/04	381	3	0	30	11	0.100
07/04	419	2	0	31	12	0.065
08/04	383	3	0	31	11	0.097
09/04	296	2	0	27	10	0.074
10/04	386	6	1	31	11	0.194
11/04	342	7	1	30	10	0.233
12/04	242	7	1	25	8	0.280
01/05	313	4	1	31	9	0.129
02/05	271	0	0	28	8	0.000
03/05	271	0	0	31	7	0.000
04/05	217	0	0	30	6	0.000
	3,934	37	4		10	0.106

OTERO CHACRA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	899	0	0	30	26	0.000
06/04	839	0	0	30	24	0.000
07/04	822	0	0	31	23	0.000
08/04	807	0	0	31	22	0.000
09/04	684	0	0	25	23	0.000
10/04	883	0	0	31	25	0.000
11/04	862	0	0	30	25	0.000
12/04	877	0	0	30	25	0.000
01/05	827	0	0	31	23	0.000
02/05	685	0	0	28	21	0.000
03/05	701	0	0	31	19	0.000
04/05	680	0	0	30	19	0.000
	9,566	0	0		23	0.000

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

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 30-039-08157	² Pool Code 82329	³ Pool Name OTERO CHACRA
⁴ Property Code 2454	⁵ Property Name BREECH	
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	⁶ Well Number 307
		⁹ Elevation 6122 GR

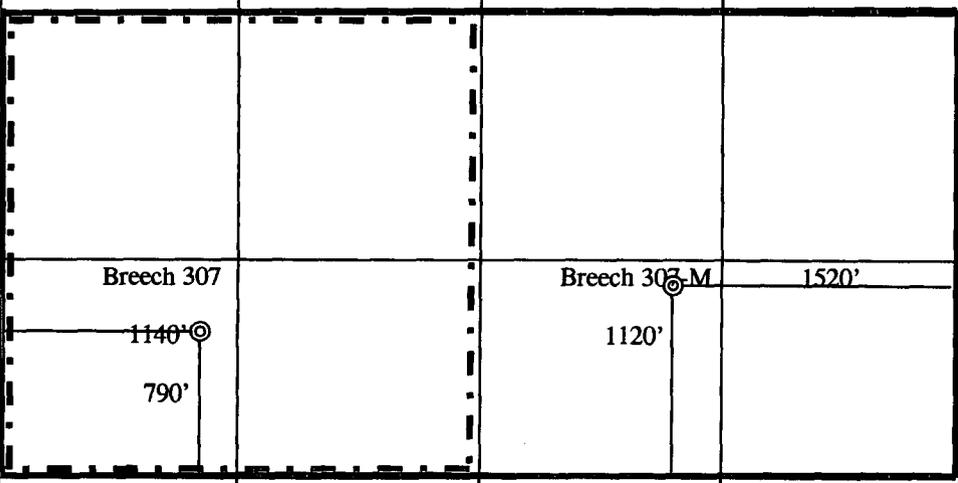
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	26N	7W		790'	South	1140'	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 160		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

16					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	

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-08157	² Pool Code 72319	³ Pool Name MESA VERDE
⁴ Property Code 2454	⁵ Property Name BREECH	⁶ Well Number 307
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	⁹ Elevation 6122 GR

¹⁰ Surface Location

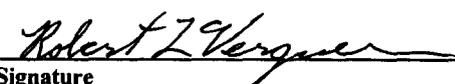
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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	Breech 307		Breech 307-M	1520'	
	1140' ⊙		1120'		
	790'				

Certificate Number

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-08157	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 2454	⁵ Property Name BREECH	
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	
		⁶ Well Number 307
		⁹ Elevation 6122 GR

¹⁰ Surface Location

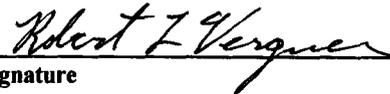
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	Brech 307		Brech 307-M	1520'
	1140' ⊙		1120'	
	790'			

ABOVE THIS LINE FOR DIVISION USE ONLY

3489

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]

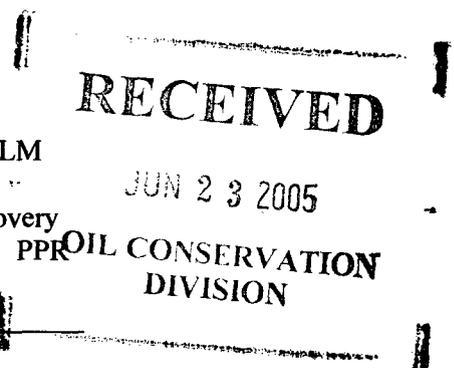
- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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.

Robert L. Verquer _____ June 15, 2005
 Print or Type Name Signature Title Date

 e-mail Address