

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

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

**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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Operator Caulkins Oil Company

Address 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410

Lease BREECH "E" Well No. 850 Unit Letter-Section-Township-Range UNIT C - SEC. 5-26N-6W County Rio Arriba

OGRID No. 003824 Property Code 2459 API No. 30-039-27676 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	✓ South Blanco Tocito		✓ Basin Dakota
Pool Code	06460 ✓		71599 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6844' - 6834'		7522' - 7304'
Method of Production (Flowing or Artificial Lift)	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)	Estimated 1248		1135
Producing, Shut-In or New Zone	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: Estimated Rate: Oil 3.5 Gas 200 Water .25 MCF/D Bbl Bbl	Date: Rate: Oil Gas Water MCF/D Bbl Bbl	Date: 10 month average Rate: Oil 1.587 Gas 389 Water .78 MCF/D Bbl 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 69 % Gas 34 %	Oil % Gas %	Oil % Gas 66 %

**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-1780, DHC-3029

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 August 4, 2005  
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

**LAST 10-MONTHS PRODUCTION  
FOR  
BREECH E 850**

**DAKOTA**

<b>MONTH</b>	<b>GAS</b>	<b>OIL</b>	<b>WATER</b>	<b>DAYS</b>	<b>GAS DPA</b>	<b>OIL DPA</b>
09/04	11,653	69	10	13	896	5.308
10/04	18,781	74	11	31	606	2.387
11/04	12,803	42	6	30	427	1.400
12/04	9,718	30	5	31	313	0.968
01/05	9,563	23	3	31	308	0.742
02/05	8,654	32	5	28	309	1.143
03/05	8,984	40	6	31	290	1.290
04/05	7,767	34	5	30	259	1.133
05/05	7,856	37	6	31	253	1.194
06/05	6,949	9	1	30	232	0.300
	<b>102,728</b>	<b>390</b>	<b>58</b>		<b>389</b>	<b>1.587</b>

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

Instructions on back

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III

1220 South St. Francis Drive

State Lease - 4 Copies

1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, NM 87504

Fee Lease - 3 Copies

District IV

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-27676</b>		<sup>2</sup> Pool Code <b>06460</b>		<sup>3</sup> Pool Name <b>SOUTH BLANCO TOCITO</b>	
<sup>4</sup> Property Code <b>2459</b>		<sup>5</sup> Property Name <b>BREECH "E"</b>			<sup>6</sup> Well Number <b>850</b>
<sup>7</sup> OGRID No. <b>003824</b>		<sup>8</sup> Operator Name <b>Caulkins Oil Company</b>			<sup>9</sup> Elevation <b>6640'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26N	6W		705'	NORTH	2270'	WEST	Rio Arriba

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>80</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<sup>17</sup> 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 <b>Robert L. Verquer</b> Title <b>Superintendent</b> Date <b>August 4, 2005</b>
	<sup>18</sup> 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

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

<sup>1</sup> API Number		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 2459		<sup>5</sup> Property Name BREECH "E"			<sup>6</sup> Well Number 850
<sup>7</sup> OGRID No. 003824		<sup>8</sup> Operator Name Caulkins Oil Company			<sup>9</sup> Elevation 6640'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	26N	6W		705'	NORTH	2270'	WEST	Rio Arriba

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320 80 designated	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</i>
	<i>Robert L. Verquer</i> Signature Printed Name Robert L. Verquer Title Superintendent Date March 16, 2004
	<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 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

**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

NMSF-079186

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 "E" 850

2. Name of Operator:

**Caulkins Oil Company**

9. API Well No.

30-039-27676-00S1

3. Address of Operator:

(505) 334-4323

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

10. Field and Pool, Exploratory Area

BASIN DAKOTA

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

705' F/N 2270' F/W

SEC. 5-26N-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:

8-4-05

Rig up.

T. O. H. with 2 3/8" tubing from 7521'.

Run wireline set retrievable bridge plug to 6950'.

Run gas spectrum log through Tocito and Gallup formations, 6900' to 6500'.

Perforate Tocito zone, 6845' to 6834' with 4 shots per foot.

Frac Tocito zone with 20,000# 20/40 sand and N<sub>2</sub> foam.

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

Swab in and test Tocito.

Clean out to retrievable bridge plug at 6950'.

T. O. H. with retrievable bridge plug.

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

Land tubing on doughnut at approximately 7500'.

No new surface will be disturbed, location area will be cleaned up following operations.

Estimated starting date, September 12, 2005.

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: August 4, 2005

**ROBERT L. VERQUER**

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY

DATE IN 8.8.05	SUSPENSE	ENGINEER Jones	LOGGED IN 8.8.05	TYPE DHC 3546	APP NO. PSEM0522050053
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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

2005 AUG 8 PM 12 21

[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 \_\_\_\_\_ Superintendent \_\_\_\_\_ 8-4-05  
 Print or Type Name Signature Title Date

\_\_\_\_\_  
 e-mail Address