

DHC 8/16/99

CAULKINS OIL COMPANY

P. O. BOX 340
BLOOMFIELD, NEW MEXICO 87413
PHONE: 505-632-1544
FAX 505-632-1471

glar

July 23, 1999

State of New Mexico
Oil Conservation Division
ATTN: Lori Wrotenberry
2040 South Pacheco
Santa Fe, NM 87504

JUL 27 1999

Re: Administrative Approval to Downhole Commingle
Sanchez 4-E
890' F/S 990' F/W Sec. 25-T26N-R6W
Rio Arriba County, New Mexico

Dear Ms Wrotenberry:

Caulkins Oil Company requests approval to downhole commingle this well in the Dakota -- Mesa Verde formations.

Please find enclosed:

- A. Form C-107-A
- B. Form C-102 for each zone
- C. BLM sundry notice of intent
- D. One year production volumes
- E. Notification list of offset operators
- F. Vicinity Map

If you have any questions, please contact me at 505-632-1544. Thank you.

Sincerely,



Robert L. Verquer
Superintendent

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A

New 3-12-96

APPROVAL PROCESS:

X Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

SANCHEZ

4-E

M - SEC. 25-26N-6W

RIO ARRIBA

LEASE

WELL NO.

UNIT LTR. - SEC. - TWP. - RGE.

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824 Property Code 2463 API NO. 30-039-22912 Federal X State (and/or) Fee

Table with 4 columns: The following facts are submitted in support of downhole commingling, Upper Zone, Intermediate Zone, Lower Zone. Rows include Pool Name, Top and Bottom of Pay Section, Type of production, Method of Production, Bottomhole Pressure, Oil Gravity, Producing or Shut-In, Production Marginal, and Fixed Percentage Allocation.

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rte projections or other required data.

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

If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No

Have all offset operators been given written notice of the proposed downhole commingling? X Yes No

11. Will cross-flow occur? X Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. X Yes No (If No, attach explanation)

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

13. Will the value of production be decreased by commingling? Yes X No (If Yes, attach explanation)

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

15. NMOCD Reference Cases of Rule 303C Exceptions: ORDER NO(S). DHC - 659, R-10239

16. 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 all offset operators.
Notification list of working, overriding, and royalty interests for uncommon interest cases.
Any additional statements, data, or documents required to support commingling.

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 July 23, 1999

TYPE OR PRINT NAME ROBERT L. VERQUER TELEPHONE NO. (505) 692-1544

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
 2040 South Pacheco
 Santa Fe, NM 87505

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 30-039-22912		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2463		⁵ Property Name SANCHEZ			⁶ Well Number 4-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6628 GR

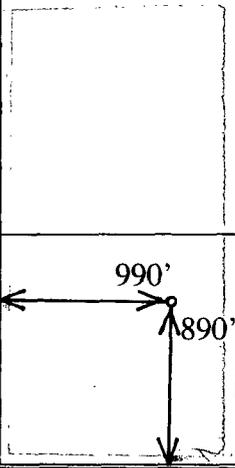
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	26N	6W		890'	South	990'	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.			

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>Robert L. Verguer</i> Printed Name Robert L. Verguer Title Superintendent Date July 23, 1999			
	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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 State Lease - 4 Copies
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22912		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2463		⁵ Property Name SANCHEZ			⁶ Well Number 4-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6628 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	25	26N	6W		890'	South	990'	West	Rio Arriba

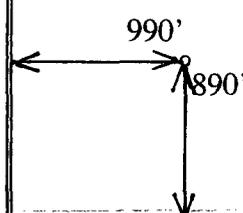
¹¹ Bottom Hole Location If Different From Surface

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

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 July 23, 1999				
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				



**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-079304

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well Gas Well Other
GAS WELL

8. Well Name and No.

SANCHEZ 4-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-22912-00D1

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

DAKOTA, MESA VERDE

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

890' F/S 990' F/W

SEC. 25-26N-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 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:

7-23-99

Approval to downhole commingle this well has been submitted to the NMOCD.

Commingleing documents attached.

Pending approval, commingling will be done by the following procedure.

Rig up.

T.O.H. with 2 1/16" Mesa Verde production tubing form 5272'.

T.O.H. with 2 1/16" Dakota production string with seal assembly from model "D" packer set at 5346'.

T.I.H. with 2 3/8" work string with packer plucker mill to drill out model "D" packer.

T.O.H. with 2 3/8" tubing, mill and packer.

T.I.H. with 2 1/16" Dakota - Mesa Verde production string.

Clean out well with air package to PBTD at 7489'.

Land tubing on doughnut at approximately 7400'.

Rig down and move.

No new surface will be disturbed, location area will be cleaned up when workover operations are completed.

Estimated starting date, August 30, 1999

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
ROBERT L. VERQUER

TITLE: Superintendent DATE: July 23, 1999

APPROVED BY: _____ TITLE: _____ DATE: _____

CONDITIONS OF APPROVAL, IF ANY

**LAST 12-MONTHS PRODUCTION
FOR
SANCHEZ 4-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/98	2,724	16	2	30	91	0.533
07/98	2,460	10	2	30	82	0.333
08/98	1,999	9	1	24	83	0.375
09/98	2,130	9	1	30	71	0.300
10/98	3,612	21	3	31	117	0.677
11/98	2,414	15	2	27	89	0.556
12/98	2,588	13	2	31	83	0.419
01/99	2,901	16	2	28	104	0.571
02/99	2,886	19	3	28	103	0.679
03/99	2,768	18	3	30	92	0.600
05/99	3,129	12	2	31	101	0.387
06/99	2,846	18	3	30	95	0.600
	32,457	176	26		93	0.503

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/98	5,530	72	11	31	178	2.323
06/98	4,982	53	8	30	166	1.767
07/98	5,210	63	9	30	174	2.100
08/98	3,845	41	6	24	160	1.708
09/98	3,928	47	7	30	131	1.567
11/98	5,134	87	13	27	190	3.222
12/98	6,413	86	13	31	207	2.774
01/99	5,147	51	8	26	198	1.962
02/99	4,620	74	11	28	165	2.643
03/99	4,787	54	8	30	160	1.800
05/99	5,855	75	11	28	209	2.679
06/99	4,574	73	11	30	152	2.433
	60,025	776	116		174	2.248

CAULKINS OIL COMPANY

P. O. BOX 340
BLOOMFIELD, NEW MEXICO 87413
PHONE: 505-632-1544
FAX 505-632-1471

July 23, 1999

The following list is all the offset operators to Caulkins Oil Company well Sanchez 4-E, section 25, township 26N, range 6W

Amoco Production Company
200 Amoco Court
Farmington, NM 87401

Joseph B. Gould
4430 South 3rd
Las Vegas, NV 89101-6225

Burlington Resources
P.O. Box 4289
Farmington, NM 87499

Merrion Oil & Gas Corp.
610 Reilly Ave.
Farmington, NM 87401

Conoco, Inc.
3315 Bloomfield Highway
Farmington, NM 87401

Taurus Exploraation USA, Inc.
2198 Bloomfield Highway
Farmington, NM 87402

Four Star Oil & Gas Company
3300 N. Butler Suite 100
Farmington, NM 87401

CAULKINS OIL COMPANY

DATE July 22, 1999 LEASE SANCHEZ WELL NO. 4-E

FIELD BASIN DAKOTA - MESA VERDE

UNIT LTR. M SEC. 25 TWP. 26N RGE. 6E

