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NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



AUG 18 2003

OIL CONSERVATION DIVISION

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
 Print or Type Name

Robert L. Verquer
 Signature

Superintendent
 Title

8-13-03
 Date

 e-mail Address

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

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

Caulkins Oil Company P. O. Box 340, Bloomfield, NM 87413
Operator Address

BREECH "E" 58-M UNIT P - SEC. 3-26N-6W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 003824 Property Code 2459 API No. 30-039-23427 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>BLANCO Mesa Verde Pro Gas</u>	<u>South Blanco Tocito oil</u>	<u>Basin Dakota Pro Gas</u>
Pool Code	72319	06460	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5198' - 5490'	6623' - 6813'	7278' - 7506'
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)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1252	1297	1252
Producing, Shut-In or New Zone	Shut-in	New zone	Shut-in
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: . Rate: Gas Oil Water 36 .56 .08 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water 196 2.3 .10 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water 124 .24 .17 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 Gas 15 % 10 %	Oil Gas 61 % 55 %	Oil Gas 24 % 35 %

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-659B, DHC-2102, 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 13, 2003
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505)-632-1544

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

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 30-039-23427		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 58-M
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6587 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
P	3	26N	6W		990'	South	1120'	East	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.
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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		<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</i></p> <p><i>Robert L. Verquer</i></p> <p>Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date August 13, 2003</p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
Certificate Number		

District I

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Revised October 18, 1994

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23427		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 58-M
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6587 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
P	3	26N	6W		990'	South	1120'	East	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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		<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</i></p> <p><i>Robert L. Verquer</i></p> <p>Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date August 13, 2003</p>
		¹⁸ SURVEYOR CERTIFICATION
		<p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		Certificate Number

District I

PO Box 1980, Hobbs, NM 88241-1980

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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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Revised October 18, 1994

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-23427		² Pool Code 06460		³ Pool Name SOUTH BLANCO TOCITO	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 58-M
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6587 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
P	3	26N	6W		990'	South	1120'	East	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	
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Robert L. Verquer</i> Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date January 7, 2003</p>	
	¹⁸ SURVEYOR CERTIFICATION		
	<p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>		

**LAST 12-MONTHS PRODUCTION
FOR
BREECH E 58-M**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
07/02	3,796	21	3	31	122	0.677
08/02	3,803	20	3	31	123	0.645
09/02	3,555	26	4	30	119	0.867
10/02	3,798	20	3	31	123	0.645
11/02	3,683	24	4	30	123	0.800
12/02	3,927	34	5	29	135	1.172
01/03	3,855	31	5	31	124	1.000
02/03	3,543	29	4	28	127	1.036
03/03	3,925	34	5	31	127	1.097
04/03	3,702	29	4	30	123	0.967
05/03	3,830	25	4	31	124	0.806
06/03	3,634	28	4	30	121	0.933
	45,051	321	48		124	0.887

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
07/02	1,107	13	2	31	36	0.419
08/02	1,108	13	2	31	36	0.419
09/02	1,037	17	3	30	35	0.567
10/02	1,107	12	2	31	36	0.387
11/02	1,074	16	2	30	36	0.533
12/02	1,141	22	3	29	39	0.759
01/03	1,123	19	3	31	36	0.613
02/03	1,032	19	3	28	37	0.679
03/03	1,143	22	3	31	37	0.710
04/03	1,079	18	3	30	36	0.600
05/03	1,116	16	2	31	36	0.516
06/03	1,060	17	3	30	35	0.567
	13,127	204	31		36	0.564

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

August 13, 2003

There are no offset operators to be listed for Caulkins Oil Company well Breech "E" 58-M, section 3, township 26N, range 6W.

**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-03551

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" 58-M

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-23427-00C1

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

DAKOTA, MESA VERDE, TOCITO

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

990' F/S 1120' F/E

SEC. 3-26N-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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" 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 type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

17. Describe Proposed or Completed Operations:

7-21-03 Rigged up.

Thru T. O. H. laying down 1 1/4" tubing.

7-28-03 T. I. H. with retrievable bridge plug on 2 7/8" tubing.

Set plug at 7010'.

Loaded hole between retrievable bridge plug and bottom Mesa Verde perforations with KCL water.

T. O. H. with 2 7/8" tubing.

Logged and perforated Tocito zone.

Perforated Tocito zone with 40 select fire holes, 6813' - 6623'.

T. I. H. with fullbore packer on 2 7/8" tubing.

Set packer at 5830'.

N₂ foam frac'd Tocito formation with 20,200# 20/40 sand, 616(MscF) N₂, and 18,060 gal. fluid.

Shut well in overnight.

(continued on page 2)

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 13, 2003
ROBERT L. VERQUER

APPROVED BY: _____ TITLE: _____ DATE: _____
CONDITIONS OF APPROVAL, IF ANY

Caulkins Oil Company
BLM Sundry Notice
Breech "E" 58-M
August 13, 2003
Page 2

Flowed well back through 1/2" choke 24 hours.

Calculated test, 196 MCF/D and 2.3 bbls/D oil.

Released packer, T. O. H. laying down 2 7/8" work string.

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

Released retrievable bridge plug set at 7010'.

T. O. H. with retrievable bridge plug.

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

Landed tubing on doughnut at 7454'.

Rigged down.

Well will be turned on to sales line when order for commingled Dakota – Mesa Verde – Tocito is approved.