



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 14, 1997

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87143
Attention: Charles E. Verquer

Administrative Order NSL-3899

Dear Mr. Verquer:

Reference is made to your application dated November 7, 1997 for a non-standard Tocito oil well location for your existing State Com Well No. 113 (API No. 30-039-06662), which was drilled in 1961 and completed in the Basin-Dakota Pool at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 2, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

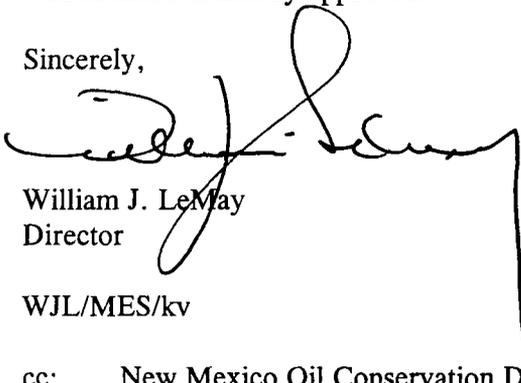
It is our understanding that the Dakota interval was recently abandoned and said well was recompleted up-hole into the Undesignated South Blanco-Tocito Oil Pool, which pursuant to Rule 3 of the "Special Rules and Regulations for the South Blanco-Tocito Oil Pool," as promulgated by Division Order No. R-1191, as amended, is deemed to be unorthodox. Further, the W/2 SW/4 of said Section 2 is to be dedicated to the well in order to form a standard 80-acre oil spacing and proration unit for said pool.

Further, the N/2, SW/4, and N/2 SE/4 of said Section 2 is a single State lease (Lease No. E-00291-46) in which Caulkins Oil Company ("Caulkins") is the leasehold operator; therefore, there are no affected offsets to the subject 80-acre tract within the Tocito interval other than Caulkins.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provision of said "Special Rules and Regulations for the South Blanco-Tocito Oil Pool" and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
New Mexico State Land Office - Santa Fe