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CAULKINS OIL COMPANY

BOX 780  
FARMINGTON, NEW MEXICO

APR 23 1963  
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April 23, 1963

Mr. A. L. Porter, Jr., Secretary - Director  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

This is to request an exception to Rule 303 as provided in Section 2, Subsection (b) of Commission Order Number R-2060, to permit the commingling of liquid production from our State "A" Well Number MD-62, Unit A of Section 2-26N-6W, Rio Arriba County.

This well is a dual completion producing gas and distillate from the Mesa Verde Zone (Blanco Mesa Verde Pool) and gas and distillate from the Dakota Zone (Basin Dakota Pool). The working interests and royalty interests are the same for both zones.

Administrative approval to commingle the liquid production is requested so that the operation of the well may be simplified and to permit the salvage of part of the equipment now in use at the well. The gas production will not be commingled.

Following is the record of liquid production from this well to date:

| <u>Month</u>    | <u>Mesa Verde Zone</u> |                | <u>Dakota Zone</u>  |                |
|-----------------|------------------------|----------------|---------------------|----------------|
|                 | <u>Days on line</u>    | <u>Barrels</u> | <u>Days on line</u> | <u>Barrels</u> |
| September, 1962 | 24                     | 0              | 25                  | 236            |
| October         | 1                      | 0              | 1                   | 5              |
| November        | 0                      | 0              | 0                   | 0              |
| December        | 7                      | 7              | 7                   | 31             |
| January, 1963   | 25                     | 39             | 25                  | 152            |
| February        | 28                     | 54             | 8                   | 36             |
| March           | 31                     | 55             | 4                   | 16             |

From the above report it is apparent that there is a great difference in operating time of the two zones. It will therefore be possible to test each zone frequently enough to accurately estimate the liquid production from each zone monthly.

Recent tests of the distillate from the well showed the following:

|                     | <u>Mesa Verde</u> | <u>Dakota</u> |
|---------------------|-------------------|---------------|
| Gravity             | 59.4              | 55.3          |
| Reid Vapor Pressure | 4.0               | 6.4           |
| Price               | \$ 2.30           | \$ 2.38       |

Due to the difference in flowing time of the two zones it is difficult to calculate

Mr. A. L. Porter, Jr.

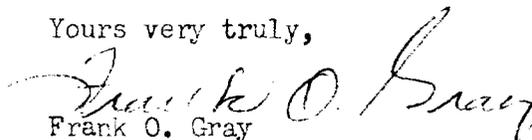
-2-

April 23, 1963

how much the mixing of the liquids would affect their value but due to the small volume involved, the commingling probably would have little effect on income from the sale of liquids.

This well is located on New Mexico State Lease Number E-291-40 and a copy of a letter from the Commissioner of Public Lands approving the commingling is sent herewith; also sent herewith are a plat showing all wells on the lease and a schematic diagram showing the proposed commingling equipment installation. Liquid production would be trucked from the tank at the well to tank number 1063 on the El Paso Natural Gas Products Company gathering line in Section 9-26N-6W. The distillate would be sold to them from that tank.

Yours very truly,



Frank O. Gray

cc New Mexico Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

Mr. A. F. Holland



State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER  
COMMISSIONER

P. O. BOX 791  
SANTA FE, NEW MEXICO

March 6, 1963

Caulkins Oil Company  
Box 780  
Farmington, New Mexico

Re: Your letter of March 2, 1963, requesting  
permission to commingle production from  
your dual completed Mesa Verde-Dakota  
Well.

Attn: Frank O. Gray

Gentlemen:

You are hereby granted permission to commingle pro-  
duction from your State "A" (E-291-40) Well #MD-62,  
provided that we are furnished with a metered pro-  
duction report periodically.

Very truly yours,

E. S. JOHNNY WALKER  
COMMISSIONER OF PUBLIC LANDS

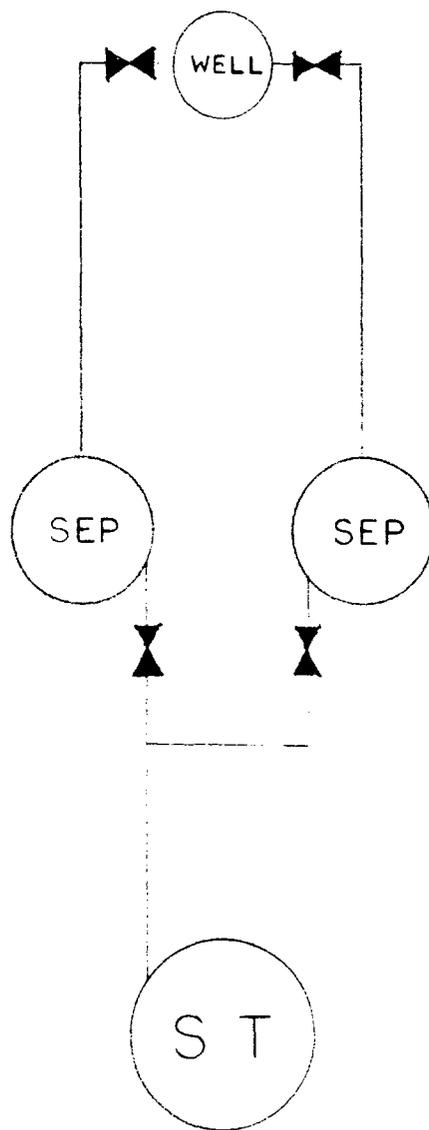
By:   
ROMULO MARTINEZ  
Oil and Gas Department

EW/RM/pr

cc: Oil Conservation Commission

Oil and Gas Accounting Commission

MAIL SERVICE BCC  
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SCHEMATIC DIAGRAM OF PROPOSED  
INSTALLATION FOR COMMINGLING  
LIQUID PRODUCTION FROM MESA  
VERDE AND DAKOTA ZONES

CAULKINS OIL COMPANY  
STATE "A" WELL NO. MD-62  
UNIT A OF SECTION 2-26N-6W

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE