

CAULKINS OIL COMPANY

BOX 780

FARMINGTON, NEW MEXICO

February 8, 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 Breech "E" Well Number MD-58, Unit A of Section 3-26N-6W, Rio Arriba County, New Mexico.

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 from the Mesa Verde and Dakota Zones 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 from the two zones will not be commingled.

Following is the record of liquid production for the year 1962:

<u>Month</u>	<u>Mesa Verde Zone</u>		<u>Dokota Zone</u>	
	<u>Days on line</u>	<u>Barrels</u>	<u>Days on line</u>	<u>Barrels</u>
January	31	0	25	112
February	1	0	1	8
March	31	0	24	128
April	6	0	8	35
May	0	0	0	0
June	0	0	0	0
July	0	0	0	0
August	0	0	0	0
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	12	8	19	211
Total	81	8	77	494

Mr. A. L. Porter, Jr.

- 2 -

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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.

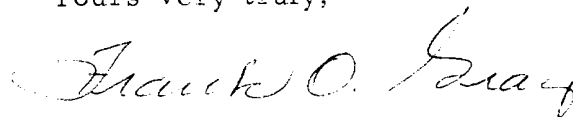
Recent tests of the distillate from the well showed the following:

	<u>Mesa Verde</u>	<u>Dakota</u>
Gravity	59.1	62.2
Reid Vapor Pressure	5.6	7.1
Price	\$ 2.30	\$ 2.34

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

This well is located on Federal Lease SF 03551 and a copy of a letter from the United States Department of the Interior, Geological Survey, Roswell, New Mexico, approving the commingling plan 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 shown on the diagram to tank number 1034 on the El Paso Natural Gas Products Company gathering line in Section 4-26N-6W. The liquid production (distillate) would be sold to them from that tank.

Yours very truly,



Frank O. Gray

cc New Mexico Oil Conservation Commission
1000 Rio Graso Road
Artes, New Mexico



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico

October 1, 1962

Caulkins Oil Company
P. O. Box 780
Farmington, New Mexico

Attention: Mr. Frank Grey

Gentlemen:

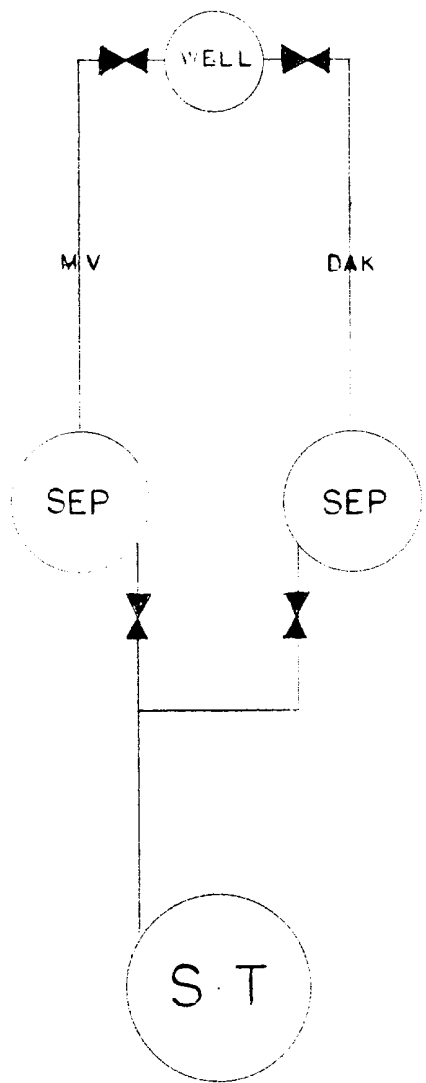
Your letter of September 18 requests approval to commingle Mesaverde, Dakota, and Greenhorn condensate production from wells 4 and 8 on Federal lease NM 03547, well 58 on lease NM 03551, and well 224 on lease NM 03733 in common tankage at each well.

The method of commingling described by your letter is hereby approved with the understanding that the condensate production will be commingled in common storage on each individual leasehold and there will be no commingling of production between the different leases.

You are requested to notify our Farmington office when the installation is completed so that a field inspection of the system can be made.

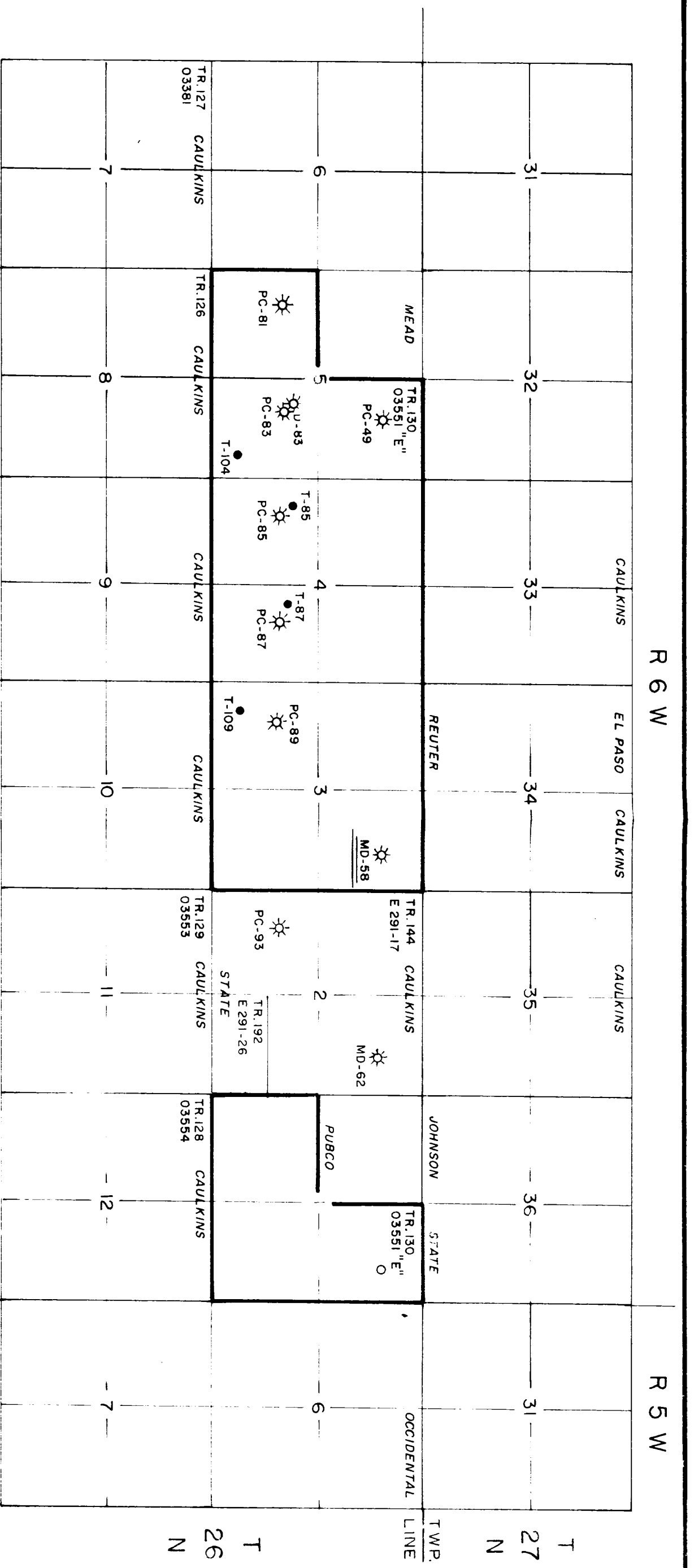
Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor



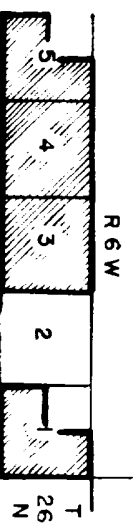
SCHEMATIC DIAGRAM OF PROPOSED
INSTALLATION FOR COMMINGLING
LIQUID PRODUCTION FROM MESA
VERDE AND DAKOTA ZONES

CAULKINS OIL COMPANY
BREECH "E" WELL NO. MD-58
UNIT A OF SECTION 3-26N-6W



LEGEND

- P OR PC.....PICTURED CLIFFS WELL.....SOUTH BLANCO POOL
- C.....CHACRA WELL
- M OR MV.....MESA VERDE WELL.....BLANCO POOL
- T.....TOCITO WELL
- D.....DAKOTA WELL.....BASIN POOL
- PM.....DUAL COMPLETION-PICTURED CLIFFS-MESA VERDE WELL
- PMD.....TRIPLE COMPLETION-PICTURED CLIFFS-MESA VERDE-DAKOTA WELL



BREECCH "E" LEASE - FEDERAL NO. 03551

CAULKINS OIL COMPANY

BREECCH "E" LEASE - FEDERAL NO. 03551
 IN SECS. 5-4-3 AND 1, T 26N, R 6W, NMPM
 RIO ARRIBA COUNTY NEW MEXICO

SCALE 2 INCHES = 1 MILE
 E. V. ECHOHAWK FARMINGTON
 DECEMBER 1962
 NEW MEXICO