

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

July 27, 1987

Administrative Order DHC-659

Caulkins Oil Company
P.O. Box 780
Farmington, New Mexico 87401

Attention: Charles E. Verquer

RE: Downhole Commingling
18 Wells, Blanco Mesaverde, Basin Dakota Pools
Rio Arriba County, New Mexico.

Gentlemen:

Reference is made to your recent request for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject 18 wells as described on Exhibit "A" of this order to commingle the production from both pools in the wellbores.

It appearing that the subject wells qualify for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby place in abeyance.

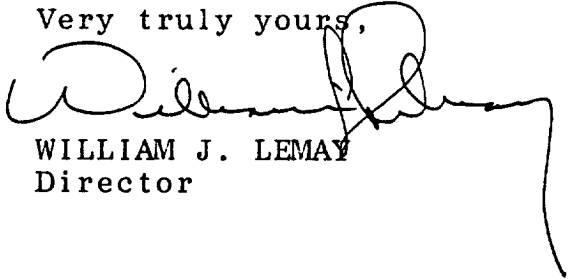
In accordance with the provisions of Rule 303.C.4, total commingled oil production from the subject wells shall not exceed 50 barrels per day, and total water production shall not exceed 100 barrels per day. The maximum amount of gas which may be produced daily from each of the subject wells shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

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Pursuant to Rule 303-C.5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William J. Lemay', with a long horizontal flourish extending to the right.

WILLIAM J. LEMAY
Director

WJL/DRC/ag

cc: OCD District Office - Aztec ✓

EXHIBIT "A"

| <u>WELL NAME & LOCATION</u> | <u>ALLOCATION</u> | | |
|---|--|----------|----------|
| | | OIL% | GAS% |
| Reuter Well No. 321-E Unit P, Section 15, T-26 North, Range 6 West | Mesaverde Dakota | 60 40 | 26 74 |
| Breech Well No. 854 Unit H, Section 24, T-26 North, Range 7 West | Mesaverde Dakota | 15 85 | 1 99 |
| Breech "B" Well No. 220-M Unit E, Section 14 4, T-26 North, Range 7 West | Mesaverde Dakota | 46 54 | 48 52 |
| Breech "A" Well No. 132-E Unit D, Section 9, T-26 North, Range 6 West | Allocation to be determined after completion | | |
| Breech "F" Well No. 45-M Unit D, Section 35, T-27 North, Range 6 West | Allocation to be determined after completion | | |
| State "A" Well No. 62-M Unit D, Section 2, T-26 North, Range 6 West | Mesaverde Dakota | 24 76 | 12 88 |
| Breech "D" Well No. 346-M Unit I, Section 22, T-26 North, Range 6 West | Allocation to be determined after completion | | |
| Breech "D" Well No. 140-M Unit D, Section 11, T-26 North, Range 6 West | Mesaverde Dakota | 22 78 | 11 89 |
| Breech "D" Well No. 140 Unit A, Section 11, T-26 North, Range 6 West | Mesaverde Dakota | 6 94 | 8 92 |
| Breech "E" Well No. 58-M Unit P Ø, Section 3, T-26 North, Range 6 West | Mesaverde Dakota | 39 61 | 22 78 |
| Breech "F" Well No. 11-M Unit P, Section 35, T-27 North, Range 6 West | Mesaverde Dakota | 13 87 | 7 93 |
| ✓ Breech "F" Well No. 4-M Unit I, Section 33, T-27 North, Range 6 West | Mesaverde Dakota | 50 50 | 20 80 |

WELL NAME & LOCATIONALLOCATION

OIL% GAS%

Breech "B" Well No. 123-E
Unit D, Section 7,
T-26 North, Range 6 West

Mesaverde 18 7
Dakota 82 93

Breech "D" Well No. 240-E
Unit F, Section 15,
T-26 North, Range 6 West

Mesaverde 30 16
Dakota 70 84

Breech "C" Well No. 244-E
Unit E, Section 14,
T-26 North, Range 6 West

Mesaverde 20 14
Dakota 80 86

Breech "C" Well No. 323-E
Unit P, Section 14,
T-26 North, Range 6 West

Mesaverde 23 12
Dakota 77 88

Breech "E" Well No. 64-M
Unit J, Section 1,
T-26 North, Range 6 West

Mesaverde 78 49
Dakota 22 51

Breech "C" Well No. 389-E
Unit P, Section 13,
T-26 North, Range 6 West

Mesaverde 13 8
Dakota 87 92