

Case No.

7172

Application

Transcripts

Small Exhibits

ETC



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 10, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 7172
ORDER NO. R-6609

Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7172
Order No. R-6609

APPLICATION OF CAULKINS OIL
COMPANY FOR TWO UNORTHODOX GAS
WELL LOCATIONS, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caulkins Oil Company, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the W/2 of said Section 10 and the N/2 of said Section 9, respectively, are to be dedicated to the wells in the Mesaverde and Dakota formations, while the NW/4 of their respective sections will be dedicated in the Chacra formation.

-2-

Case No. 7172
Order No. R-6609

(4) That said unorthodox locations result from the recompletion of the wells from a depleted reservoir into the aforesaid formations.

(5) That no offset operator objected to the proposed unorthodox locations.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

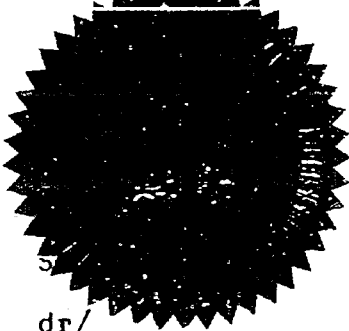
IT IS THEREFORE ORDERED:

(1) That the unorthodox locations of the following two wells on Caulkins Oil Company's Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations are hereby approved: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the W/2 of said Section 10 and the N/2 of said Section 9, respective, shall be dedicated to the above-described wells in the Mesaverde and Dakota formations, while the NW/4 of their respective sections shall be dedicated in the Chacra formation.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company)
for two unorthodox gas well loca-)
tions, Rio Arriba County, New)
Mexico.)

CASE
7172

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

CHARLES VERQUER

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Nutter	9

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Form 132-E	5
Applicant Exhibit Three, Form 682-E	6
Applicant Exhibit Four, Letter	8

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2 MR. NUTTER: Call next Case Number 7172.

3 MR. PADILLA: Application of Caulkins
4 Oil Company for two unorthodox gas well locations, Rio Arriba
5 County, New Mexico.

6 MR. KELLAHIN: Tom Kellahin of Santa Fe,
7 New Mexico, appearing on behalf of the applicant, and I have
8 one witness.

9
10 (Witness sworn.)

11
12 CHARLES VERQUER
13 being called as a witness and being duly sworn upon his oath,
14 testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q Mr. Verquer, for the record would you
19 please state your name and occupation?

20 A My name is Charles Verquer. I'm Super-
21 intendent for Caulkins Oil Company, State of New Mexico.

22 Q Mr. Verquer, have you previously testi-
23 fied before the Oil Conservation Division?

24 A I have.

25 Q And are you familiar with the facts

1
2 surrounding this particular application by Caulkins Oil Com-
3 pany?

4 A. I am.

5 MR. KELLAHIN: We tender Mr. Verquer
6 as an expert witness.

7 MR. NUTTER: Mr. Verquer is qualified.

8 Q Mr. Verquer, would you turn to what
9 we've marked as Applicant Exhibit Number One and identify
10 that plat for us?

11 A. This is a section map of the -- of the
12 area of Caulkins Oil Company leases in Rio Arriba County, New
13 Mexico.

14 On the plat all the shaded area is the
15 operated by Caulkins Oil Company.

16 Q Would you identify for us, Mr. Verquer,
17 the two proration units that are the subject of this hearing?

18 A. The wells that are the subject of this
19 hearing are identified by the red arrows, one in the north
20 half of Section 9, 26 North, 6 West; one in the west half
21 of Section 10, 26 North, 6 West.

22 Q What are you seeking to accomplish with
23 the application?

24 A. These are old -- were previously drilled
25 as an oil well and they are located on a standard oil location,

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that since have been depleted, and both wells have been plugged back to the Gallup and they are very sorry wells in the Gallup and we propose to drill them to the Dakota and at this site, which is unorthodox for a gas well.

Q. Let me direct your attention first to the Well 157. That well is located in the west half of Section 10?

A. Yes, in the northwest quarter.

Q. And that well was originally drilled and produced from what formation, Mr. Verquer?

A. The South Blanco Tocito.

Q. Now which of the applications for permit to drill deal with that well?

A. It would be the 682-E.

MR. KELLAHIN: I'm sorry, I don't know what was marked as Exhibit Two, Mr. Nutter.

MR. NUTTER: Exhibit Two is 132-E.

MR. KELLAHIN: All right.

Q. Let's talk about 132-E first, then, that is Exhibit Number Two, Mr. Verquer, which I say is a permit to drill or deepen.

A. Okay, that's in the north half of Section 9, Well Number 629, and if approved for a Dakota well the new number would be 132-E.

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2 Q Okay, what additional formations do you
3 intend to test at this location?

4 A On this location we propose to -- to
5 have a single Dakota well at this time because there is al-
6 ready a Mesaverde well in that proration unit.

7 Q In order to avoid the repetition of a
8 subsequent hearing, would you prefer that the order entered
9 for this case approve this location for formations other than
10 the Dakota formation?

11 A I would like ti approved for all three,
12 the Chacra, Mesaverde, and Dakota, which are all three gas
13 zones.

14 Q All right. Does that desire apply also
15 to the Well 629?

16 A Yes.

17 Q All right, sir, let me show you Exhibit
18 Number Three and have you identify that.

19 A This is the old Well No. 157. The new
20 number would be 682-E when it's deepened to the Dakota.
21 It's the west half of Section 10, and it was originally
22 drilled to the South Blanco Tocito, plugged back to the Gallup,
23 and now it's -- it's not making any gas, has not produced
24 any in the past year, so we propose to deepen it to the
25 Dakota.

1
2 Q All right, sir, with regards to the Well
3 157, it's at an unorthodox location. Would you describe for
4 us in what way it's unorthodox?

5 A A standard location should be at least
6 790 from the line and this well is located 660 from the
7 west line and 1980 from the north line, which puts it 660
8 from -- from both lines, the inside line on the northwest
9 quarter.

10 Q Okay, in what way is Well 629 unortho-
11 dox, Mr. Verquer?

12 A It is located 1980 from the north and
13 660 from the west, just the opposite --- or excuse me, just
14 the same as the other well. One of them --

15 Q The 629? It's advertised as being 660
16 feet from the north line and 760 feet from --

17 A Okay, excuse me.

18 Q -- the west line.

19 A Excuse me, my fault. I was looking at
20 the same -- same one.

21 The 629 Well will be the new 132-E and
22 it is located 660 from the north and 760 from the west.
23 That's only 30 feet off from the west but it is too close on
24 the north.

25 Q Why do you desire to use the existing

1
2 wellbores in each of these wells to deepen to test this other
3 formation?

4 A Well, it's a development of the infill
5 drilling of the Dakota and to prevent waste, which would be
6 plugging and abandoning this well and drilling a complete new
7 hole to the Dakota zone.

8 Q Let me direct your attention to Exhibit
9 Number Four, Mr. Verquer, and ask you to identify that.

10 A Exhibit Number Four is just a letter
11 returned to me after --- from the USGS notifying me that we
12 would have to have clearance of the unorthodox locations be-
13 fore they could approve the deepening of those two wells to
14 the Dakota.

15 Q As I understand your Exhibit Number One,
16 the acreage outside of the proration unit to which you are
17 crowding your location is also owned and operated by Caulkins
18 Oil Company.

19 A It is.

20 Q All right, sir.

21 A I might even note that in Section 15,
22 which offsets Section 10, we are the operator of that complete
23 section, the 321 Well down in that corner is getting commun-
24 itized with the southeast quarter and we are the operator of
25 it also.

1
2 Q In your opinion, Mr. Verquer, will approval
3 of this application violate anyone's correlative rights?

4 A It will not.

5 Q In your opinion is it in the best inter-
6 ests of conservation and the prevention of waste?

7 A It is.

8 MR. KELLAHIN: That concludes our exam-
9 ination of Mr. Verquer.

10 We'd move the introduction of Exhibits
11 One through Four.

12 MR. NUTTER: Exhibits One through Four
13 will be admitted in evidence.

14
15 CROSS EXAMINATION

16 BY MR. NUTTER:

17 Q Mr. Verquer, I gather that both of these
18 wells would be infill wells in the Dakota, then.

19 A They would, yes, sir.

20 Q Now can you tell me why, it's immaterial
21 as far as this case is concerned, I think, but why are you
22 whipstocking inside your 7-inch casing and drilling a --
23 cutting a hole in the casing and drilling out through that
24 window instead of going down to the bottom of it?

25 A My report here is not quite complete.

1
2 There is a 5-1/2 inch liner through the Tocito zone in the
3 bottom of the hole and I ---

4 Q You couldn't drill through it?

5 A No, sir, I'll have to go around it.

6 Q I see. Okay.

7 MR. NUTTER: Are there any further ques-
8 tions of Mr. Verquer? He may be excused.

9 Do you have anything further, Mr.
10 Kellahin?

11 MR. KELLAHIN: Not in this case.

12 MR. NUTTER: Does anyone have anything
13 they wish to offer in Case Number 7172?

14 We'll take the case under advisement.

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16 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7172 heard by me on 2/25 19.81.
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 February 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company
for two unorthodox gas well loca-
tions, Rio Arriba County, New
Mexico.

CASE
7172

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

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Division:

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Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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KELLAHIN & KELLAHIN
500 Don Gaspar
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I N D E X

CHARLES VERQUER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Mutter 9

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Applicant Exhibit Two, Form 132-E 5

Applicant Exhibit Three, Form 682-E 6

Applicant Exhibit Four, Letter 8

MR. HUTTER: Call next Case Number 7172.

MR. PADILLA: Application of Caulkins Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe New Mexico, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

CHARLES VERQUER

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Verquer, for the record would you please state your name and occupation?

A. My name is Charles Verquer. I'm Superintendent for Caulkins Oil Company, State of New Mexico.

Q Mr. Verquer, have you previously testified before the Oil Conservation Division?

A. I have.

Q And are you familiar with the facts

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2 surrounding this particular application by Caulkins Oil Com-
3 pany?

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6 as an expert witness.

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25 as an oil well and they are located on a standard oil location,

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2 that since have been depleted, and both wells have been
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22 which offsets Section 10, we are the operator of that complete
23 section, the 321 Well down in that corner is getting commun-
24 itized with the southeast quarter and we are the operator of
25 it also.

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MR. KELLAHIN: That concludes our examination of Mr. Verquer.

We'd move the introduction of Exhibits One through Four.

MR. NUTTER: Exhibits One through Four will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

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8 tions of Mr. Verquer? He may be excused.

9 Do you have anything further, Mr.

10 Kellahin?

11 MR. KELLAHIN: Not in this case.

12 MR. NUTTER: Does anyone have anything
13 they wish to offer in Case Number 7172?

14 We'll take the case under advisement.

15
16 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7172 heard by me on 2/25 1981.

[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

Dockets Nos. 8-81 and 9-81 are tentatively set for March 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 25, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7157: Application of Carl A. Schellinger for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Campbell Station Unit Area, comprising 3,841 acres, more or less, of State lands in Townships 8 and 9 South, Range 27 East.

CASE 7158: Application of Grynberg & Associates for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Silman Lake Unit Area, comprising 13,743 acres, more or less, of State and fee lands in Townships 9 and 10 South, Ranges 26 and 27 East.

CASE 7159: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Greenhorn and Dakota production in the wellbore of its Navajo Well No. 2-E located in Unit C of Section 11, Township 25 North, Range 10 West.

CASE 7160: Application of Harlan Drilling Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2370 feet from the North line and 1528 feet from the West line of Section 31, Township 29 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, the NW/4 of said Section 31 to be dedicated to the well.

CASE 7148: (Continued from February 11, 1981, Examiner Hearing)

Application of Twin Montana Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre Vada-Pennsylvanian oil proration unit comprising the S/2 NE/4 of Section 3, Township 9 South, Range 35 East, to be dedicated to its Webb Federal Well No. 1 located in Unit G of said Section 3.

CASE 7051: (Continued from January 28, 1981, Examiner Hearing)

Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.

CASE 7140: (Continued from February 11, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7149: (Continued from February 11, 1981, Examiner Hearing)

Application of John H. Hendrix Corporation for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3362 feet, subsurface, underlying Unit O of Section 19, Township 23 South, Range 37 East.

CASE 7161: Application of John Yuronka for four compulsory poolings, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the four 40-acre proration units comprising the SW/4 of Section 31, Township 22 South, Range 37 East, to be dedicated to wells to be drilled at standard locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

- CASE 7162: Application of McCulloch Oil & Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the McKee formation underlying the E/2 of Section 25, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7163: Application of ARCO Oil and Gas Company for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalnat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool by 165 feet underlying the NE/4 SE/4 of Section 35, Township 23 South, Range 36 East.
- CASE 7164: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and Ellenburger formations, Custer Field, underlying the N/2 of Section 6, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7165: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langley-Ellenburger Pool underlying the N/2 of Section 33, Township 22 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7166: Application of Inxco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Chosa Draw Unit Area, comprising 2,560 acres, more or less, of Federal and State lands in Townships 25 and 26 South, Range 25 East.
- CASE 7167: Application of Inxco Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Made Well Anticline Unit Area, comprising 39,238 acres, more or less, of State, Federal, and fee lands in Townships 12, 13, and 14 South, Ranges 21 and 22 East.
- CASE 7168: Application of Cavalcade Oil Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine into an unlined surface pit located in Unit K or L of Section 33, Township 18 South, Range 30 East.
- CASE 7129: (Continued from February 11, 1981, Examiner Hearing)
- Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the N/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7169: Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7170: Application of Threshold Development Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka and Morrow formations for its Conoco 10A State Well No. 1Y in Unit F of Section 10, Township 19 South, Range 29 East.

- CASE 7171: Application of Zia Energy Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit in the Eunont Gas Pool comprising the SW/4 SE/4 of Section 27, and the N/2 NE/4 of Section 34, Township 20 South, Range 36 East, to be dedicated to its Elliott "A" State Well No. 1 located 660 feet from the South line and 1980 feet from the East line of said Section 27.
- CASE 7172: Application of Caulkins Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West.
- CASE 7173: Application of V-F Petroleum Inc. for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the North line and 1150 feet from the East line of Section 5, Township 16 South, Range 36 East, South Denton-Devonian Pool, the NE/4 NE/4 of said Section 5 to be dedicated to the well.
- CASE 7174: Application of Jake L. Hamon for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South and West lines of Section 36, Township 23 South, Range 26 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 36 to be dedicated to the well.
- CASE 7175: Application of Conoco Inc. for compulsory pooling and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Ellebarger formations underlying the S/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to a well to be drilled at a standard location and dually completed in the Devonian and Ellebarger formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. SF 079035 - A	
2. NAME OF OPERATOR Caulkins Oil Company			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 780 Farmington, New Mexico			7. UNIT ASSIGNMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' F/N and 760' F/W At proposed prod. zone Same			8. FARM OR LEASE NAME Breech A	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 Miles Southeast of Blanco, New Mexico			9. WELL NO. 132 E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'			10. FIELD AND POOL OR SUBCANTON Otero Chacra, Blanco Mesa Verde, Basin Dakota	
16. NO. OF ACRES IN LEASE 2400			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9 26 North 6 West	
17. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 400'			12. COUNTY OR PARISH Rio Arriba	
18. PROPOSED DEPTH 7365'			13. STATE New Mexico	
19. ELEVATIONS (Show whether DF, RT, GR, etc.) 6411' GR			14. NO. OF ACRES ASSIGNED TO THIS WELL 160 Chacra	
20. APPROX. DATE WORK WILL START* July 1, 1981			15. NO. OF ACRES ASSIGNED TO THIS WELL 320 Mesa Verde & Dakota	
21. APPROX. DATE WORK WILL START* July 1, 1981			20. ROTARY OR CABLE TOOLS Rotary	
22. APPROX. DATE WORK WILL START* July 1, 1981				

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
6 1/8"	4 1/2"	11.6#	7365	Sufficient to circulate above liner

Formerly well no. 629. Undes Gallup.

Present condition PSTD 6460'. Perforated 6390' to 6448' in Gallup formation. This well averages 500 MCF per month from Gallup zone.

It is now proposed to abandon Gallup zone and then deepen well to Dakota zone at approximately 7365'.

A whipstock will be set in 7" casing at approximately 6400' and then a window cut in 7" casing at that point. A 6 1/8" hole will be drilled from window to TD using 9# Gel based mud. New 4 1/2" 11.6# liner will be run TD to approximately 6300'. Liner will be cemented with sufficient cement to circulate.

Present cement top behind 7" casing 5100' as determined by Temperature Survey 12-25-52.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

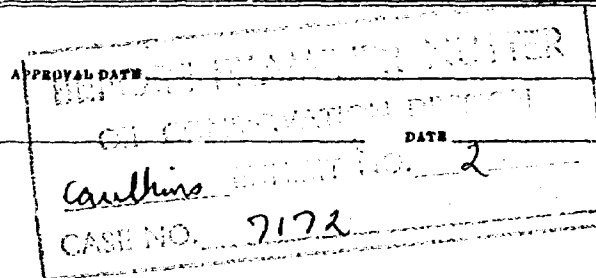
24. SIGNED Charles E. Dargatzis TITLE Superintendent DATE 1-08-81
(This space for Federal or State office use)

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE



Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plat, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-598

It is proposed to perforate 2 holes at 5090' and 2 holes at 3850' then set cement retainer at 5000' and cement area 5090' to 3850'. After completing this stage run packer and cement 3850' to surface with sufficient cement to circulate to surface. Cement plugs will be drilled out and then 7" casing tested with 3000#. After cementing completed well will be perforated in Dakota, Mesa Verde and Chacra zones and fractured to stimulate production.

Well will be Dual completed with Chacra Mesa Verde Commingled in Wellbore. Hearing scheduled 1-28-81.

2 3/8" tubing will be run to Dakota perforations for its production.

1 1/4" tubing will be run to Mesa Verde perforations for Commingled Chacra-Mesa Verde production.

Old location will be cleared off and old reserve pit reopened to contain drilling and completion fluids.

After well is completed location will be cleaned up, reserve pit covered and all disturbed area reseeded to within 5" of all facilities with BLM approved seeding program.

A 6000# test, 3000# WP BOP will be in use at all times while drilling and completing well.

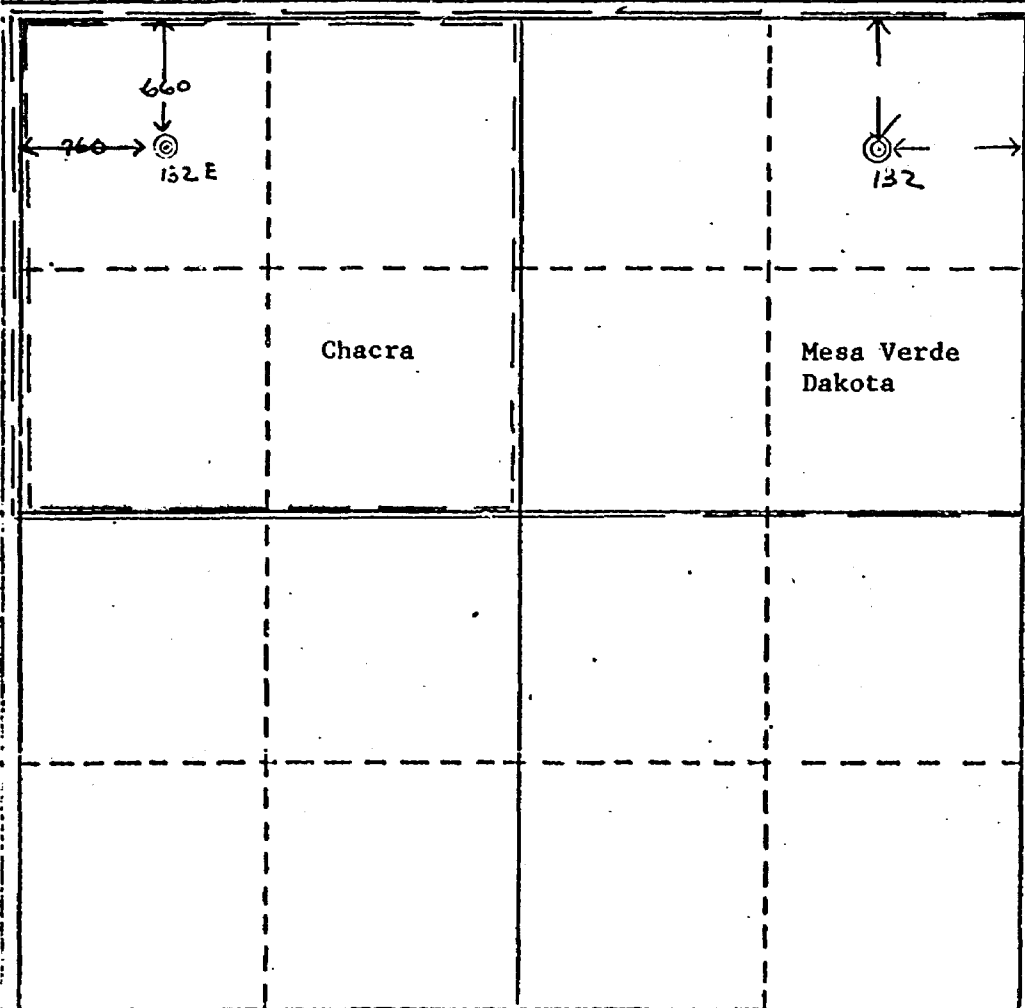
Production equipment on surface will be painted Grey.

Application for Non Standard Location applied for.

Estimated Formation Tops:

Chacra	3722
Mesa Verde	4513
Dakota	7080

All distances must be from the outer boundaries of the Section.

Operator Caulkins Oil Company		Lease Breach A		Well No. 132 E
Unit Letter D	Section 9	Township 26 North	Range 6 West	County Rio Arriba
Actual Postage Location of Well: 660 feet from the North line and 760 feet from the West line				
Ground Level Elev. 6411'	Producing Formation Dakota, Chacra - Mesa Verde	Pool Otero Chacra, Blanco Mesa Verde - Basin Dakota		Dedicated Acres 160 Chacra 320 Mesa Verde, Ariz
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. Dakota</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation _____</p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.</p>				
				<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Charles E. Verquer</i> Name Charles E. Verquer Position Superintendent Company Caulkins Oil Company Date January 8, 1981</p> <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>10-18-52 Date Surveyed San Juan Engineering Registered Professional Engineer and/or Land Surveyor</p> <p>Certificate No. _____</p>

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. SF 079035 - A		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Caulkins Oil Company			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P.O. Box 780 Farmington, New Mexico			8. FARM OR LEASE NAME Brecch A		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' F/N & 660' F/W At proposed prod. zone Same			9. WELL NO. 682 E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 Miles Southeast of Blanco, New Mexico			10. FIELD AND POOL, OR WILDCAT Basin Dakota		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 1980			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10 26 North 6 West		
16. NO. OF ACRES IN LEASE 2400			12. COUNTY OR PARISH Rio Arriba		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 Infil			13. STATE New Mexico		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 540			19. PROPOSED DEPTH 7575'		
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START* July 15, 1981		
21. ELEVATIONS (Show whether DP, RT, GR, etc.) 6638' GR					

22. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
6 1/8"	4 1/2"	10.5 & 11.6#	7575	Approximately 300 Sacks

Formerly Well No. 157. Undes Gallup

Present condition PBD 6723'. Perforated 6631' to 6679' in Gallup formation. This well has not produced any gas in past year.

It is now proposed to abandon Gallup zone and then deepen well to Dakota zones at approximately 7575'.

A whipstock will be set in 7" casing at approximately 6600' and then a window cut in 7" casing at that point. A 6 1/8" hole will be drilled from window to TD using 9# Gel based mud. New 4 1/2" 10.5# & 11.6# casing will be run TD to surface and cemented with sufficient cement to circulate at least 500' above window. Casing will then be perforated and fractured in Dakota zone to stimulate production.

(OVER)

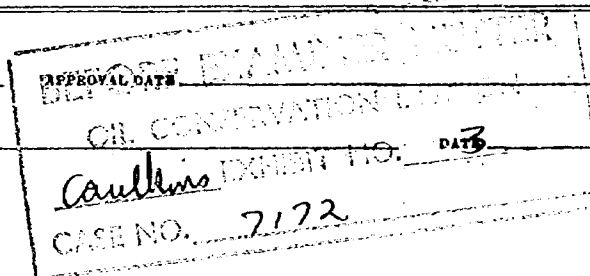
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Charles E. Surgen TITLE Superintendent DATE 1-08-81
(This space for Federal or State office use)

PERMIT NO. _____

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____



Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plat, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1963-O-711-394

Well will be completed as a single Dakota.

2 3/8" tubing will be run to perforations for Dakota production string.

Old location will be cleared off and old reserve pit reopened to contain drilling & completion fluids.

After well is completed location will be cleaned up, reserve pit recovered and all disturbed area reseeded to within 5' of all facilities with BIM approved seeding program.

Production equipment on surface will be painted Grey.

Application for Non Standard Location applied for.

A 6000# test, 3000# WP BOP will be in use at all times while drilling and completing well.

Estimated Formation Top:

Dakota

7305

All distances must be from the outer boundaries of the Section

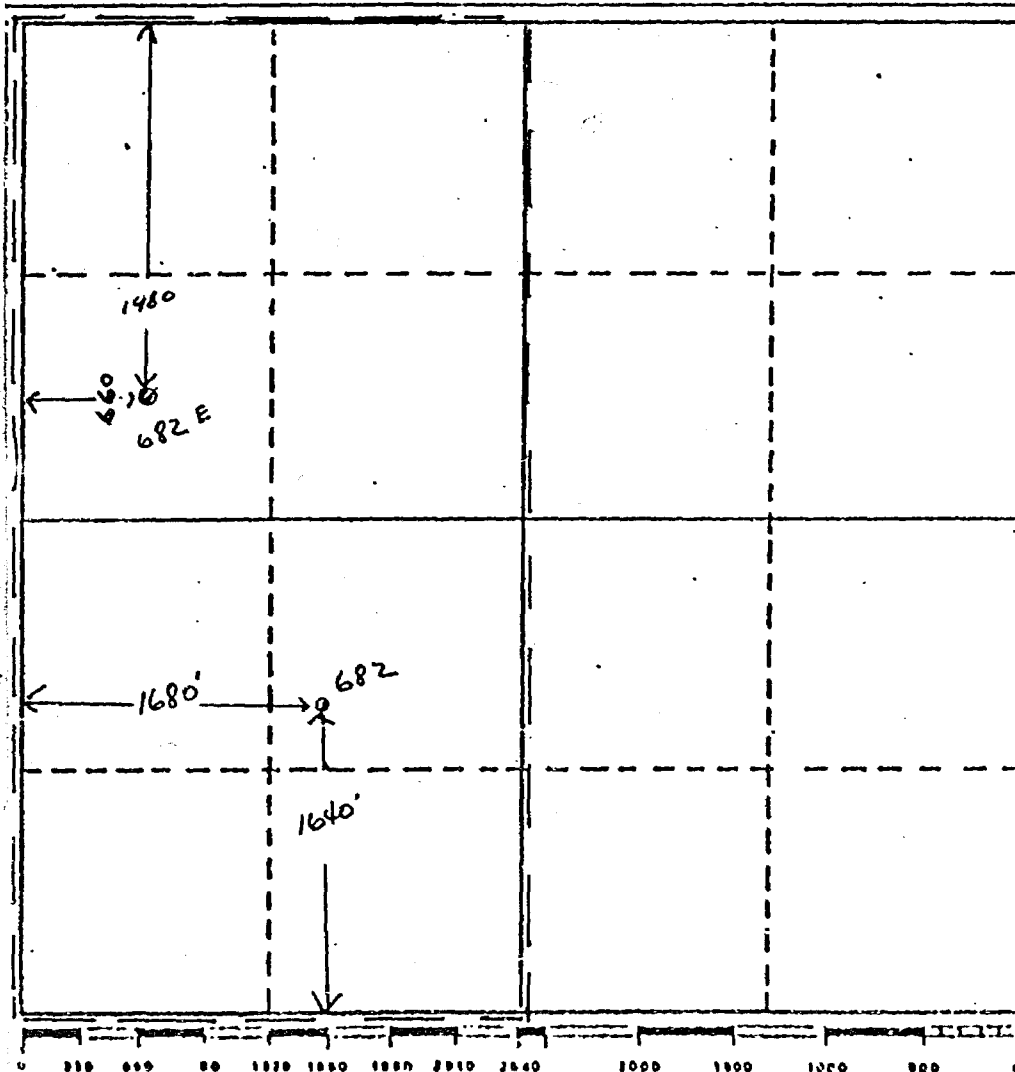
Operator Caulkins Oil Company		Lease Breech A		Well No. 682 E
Unit Letter E	Section 10	Township 26 North	Range 6 West	County Rio Arriba
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line				
Ground Level Elev. 6638'	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acres: 320 Infill Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Charles E. Verquer
Name

Charles E. Verquer

Position

Superintendent

Company

Caulkins Oil Company

Date

January 8, 1981

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.

12-13-51

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Edmund Ross

Certificate No.

81



United States Department of the Interior

GEOLOGICAL SURVEY

P.O. Box 959
Farmington, New Mexico 87401

January 21, 1981

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

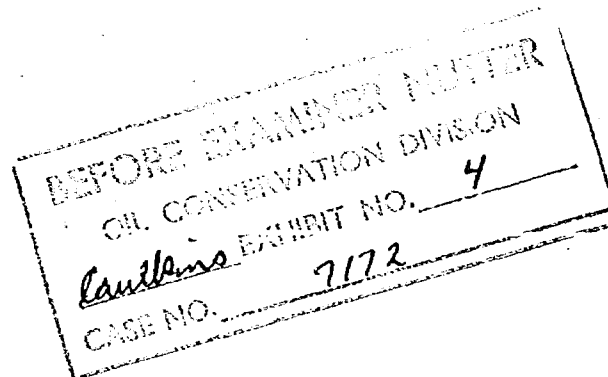
Gentlemen:

Reference is made to your Applications for Permit to Drill (APD's) wells No. 132E Breech "A", NW¹/₄ NW¹/₄ sec. 9, and No. 682E, SW¹/₄ NW¹/₄ Section 10, T. 26 N., R. 6 W., Rio Arriba County, New Mexico, lease No. Santa Fe 079035-A. The subject wells are proposed at locations that are unorthodox according to New Mexico State regulations. State approval of the locations will be required before we grant approval of your APD's.

Sincerely yours,

for Bruce Wamsley
for James F. Sims

District Oil and Gas Supervisor



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. SF 079035 - A		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Caulkins Oil Company			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR P.O. Box 780 Farmington, New Mexico			8. FARM OR LEASE NAME Breech A		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' F/N and 760' F/W			9. WELL NO. 132 E		
At proposed prod. zone Same			10. FIELD AND ZONE OF WELL Chacra, Blanco Mesa Verde, Basin Dakota		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 30 Miles Southeast of Blanco, New Mexico			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9 26 North 6 West		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'			12. COUNTY OR PARISH Rio Arriba		
16. NO. OF ACRES IN LEASE 2400			13. STATE New Mexico		
17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 400'			14. NO. OF ACRES ASSIGNED TO THIS WELL 160 Chacra		
18. PROPOSED DEPTH 7365'			15. MESA VERDE & DAKOTA		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6411' GR			16. ROTARY OR CABLE TOOLS Rotary		
22. APPROX. DATE WORK WILL START July 1, 1981					

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
6 1/8"	4 1/2"	11.6#	7365	Sufficient to circulate above liner

Formerly well no. 629. Undes Gallup.

Present condition PBTB 6460'. Perforated 6390' to 6448' in Gallup formation. This well averages 500 MCF per month from Gallup zone:

It is now proposed to abandon Gallup zone and then deepen well to Dakota zone at approximately 7365'.

A whipstock will be set in 7" casing at approximately 6400' and then a window cut in 7" casing at that point. A 6 1/8" hole will be drilled from window to TD using 9# Gel based mud. New 4 1/2" 11.6# liner will be run TD to approximately 6300'. Liner will be cemented with sufficient cement to circulate.

Present cement top behind 7" casing 5100' as determined by Temperature Survey 12-25-52.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Charles E. Argun TITLE Superintendent DATE 1-08-81

(This space for Federal or State office use)

PERMIT NO.

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVAL DATE	DATE
DIAMONDS NUTTER	
OIL CONSERVATION DIVISION	
EXHIBIT NO. 2	
CASE NO. 2122	

Instructions

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Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1963-O-711-396

It is proposed to perforate 2 holes at 5090' and 2 holes at 3850' then set cement retainer at 5000' and cement area 5090' to 3850'. After completing this stage run packer and cement 3850' to surface with sufficient cement to circulate to surface. Cement plugs will be drilled out and then 7" casing tested with 3000#. After cementing completed well will be perforated in Dakota, Mesa Verde and Chacra zones and fractured to stimulate production.

Well will be Dual completed with Chacra Mesa Verde Commingled in Wellbore. Hearing scheduled 1-28-81.

2 3/8" tubing will be run to Dakota perforations for its production.

1 1/4" tubing will be run to Mesa Verde perforations for Commingled Chacra-Mesa Verde production.

Old location will be cleared off and old reserve pit reopened to contain drilling and completion fluids.

After well is completed location will be cleaned up, reserve pit covered and all disturbed area reseeded to within 5" of all facilities with BLM approved seeding program.

A 6000# test, 3000# WP BOP will be in use at all times while drilling and completing well.

Production equipment on surface will be painted Grey.

Application for Non Standard Location applied for.

Estimated Formation Tops:

Chacra	3722
Mesa Verde	4513
Dakota	7080

All distances must be from the outer boundaries of the Section.

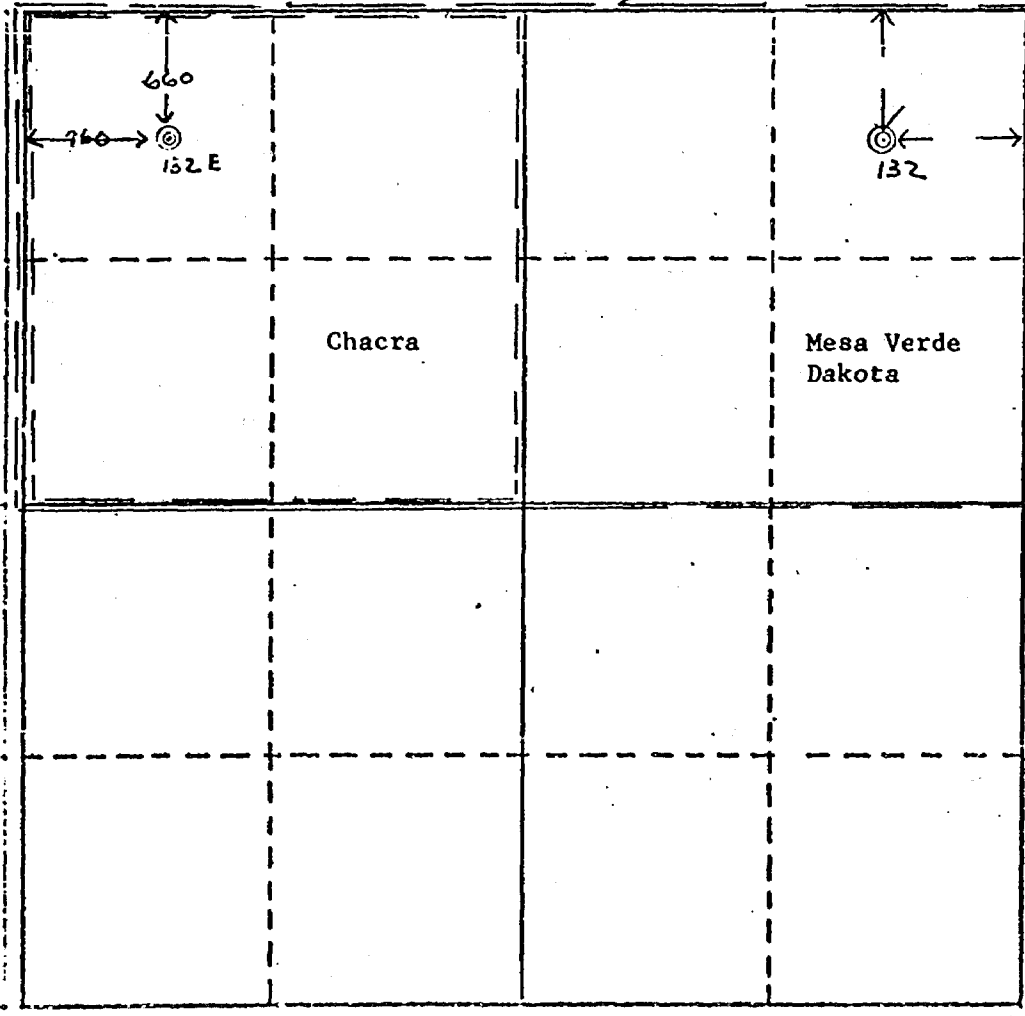
Operator Caulkins Oil Company			Lease Breach A		Well No. 132 E
Unit Letter D	Section 9	Township 26 North	Range 6 West	County Rio Arriba	
Actual Footage Location of Well:					
660 feet from the North line and		760 feet from the West line			
Ground Level Elev. 6411'	Producing Formation Dakota, Chacra - Mesa Verde		Pool Otero Chacra, Blanco Mesa Verde - Basin Dakota		Dedicated Acres 160 Chacra 320 Mesa Verde, Arriba

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

		CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Charles E. Verquer</i> Name Charles E. Verquer Position Superintendent Company Caulkins Oil Company Date January 8, 1981 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. 10-18-52 Date Surveyed San Juan Engineering Registered Professional Engineer and/or Land Surveyor Certificate No.
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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. SF 079035 - A	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Caulkins Oil Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 780 Farmington, New Mexico		8. FIRM OR LEASE NAME Breech A	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' F/N & 660' F/W At proposed prod. zone Same		9. WELL NO. 682 E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 Miles Southeast of Blanco, New Mexico		10. FIELD AND POOL, OR WILDCAT Basin Dakota	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1980		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec. 10 26 North 6 West	
16. NO. OF ACRES IN LEASE 2400		12. COUNTY OR PARISH 13. STATE Rio Arriba New Mexico	
17. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 540		14. FIELD AND POOL, OR WILDCAT Basin Dakota	
18. PROPOSED DEPTH 7575'		15. SEC., T., R., M., OR BLE. AND SURVEY OR AREA Sec. 10 26 North 6 West	
19. ROTARY OR CABLE TOOLS Rotary		16. COUNTY OR PARISH 17. STATE Rio Arriba New Mexico	
20. APPROX. DATE WORK WILL START* July 15, 1981		21. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 540	
22. ELEVATIONS (Show whether DF, RT, GR, etc.) 6638' GR		23. APPROX. DATE WORK WILL START* July 15, 1981	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE 6 1/8"	SIZE OF CASING 4 1/2"	WEIGHT PER FOOT 10.5 & 11.6#	SETTING DEPTH 7575
QUANTITY OF CEMENT Approximately 300 Sacks			

Formerly Well No. 157. Undes Gallup

Present condition PBDT 6723'. Perforated 6631' to 6679' in Gallup formation. This well has not produced any gas in past year.

It is now proposed to abandon Gallup zone and then deepen well to Dakota zones at approximately 7575'.

A whipstock will be set in 7" casing at approximately 6600' and then a window cut in 7" casing at that point. A 6 1/8" hole will be drilled from window to TD using 9# Gel based mud. New 4 1/2" 10.5# & 11.6# casing will be run TD to surface and cemented with sufficient cement to circulate at least 500' above window. Casing will then be perforated and fractured in Dakota zone to stimulate production.

(OVER)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Charles E. Surgen TITLE Superintendent DATE 1-08-81
(This space for Federal or State office use)

PERMIT NO. _____

APPROVED BY _____

CONDITIONS OF APPROVAL, IF ANY: _____

TITLE _____

APPROVAL DATE _____

BEFORE EXAMINED
OIL CONSERVATION DIVISION
DATE NO. 3
CASE NO. 2122

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult local applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1983-O-711-388

Well will be completed as a single Dakota.

2 3/8" tubing will be run to perforations for Dakota production string.

Old location will be cleared off and old reserve pit reopened to contain drilling & completion fluids.

After well is completed location will be cleaned up, reserve pit recovered and all disturbed area reseeded to within 5' of all facilities with BLM approved seeding program.

Production equipment on surface will be painted Grey.

Application for Non Standard Location applied for.

A 6000# test, 3000# WP BOP will be in use at all times while drilling and completing well.

Estimated Formation Top:

Dakota

7305

All distances must be from the outer boundaries of the Section

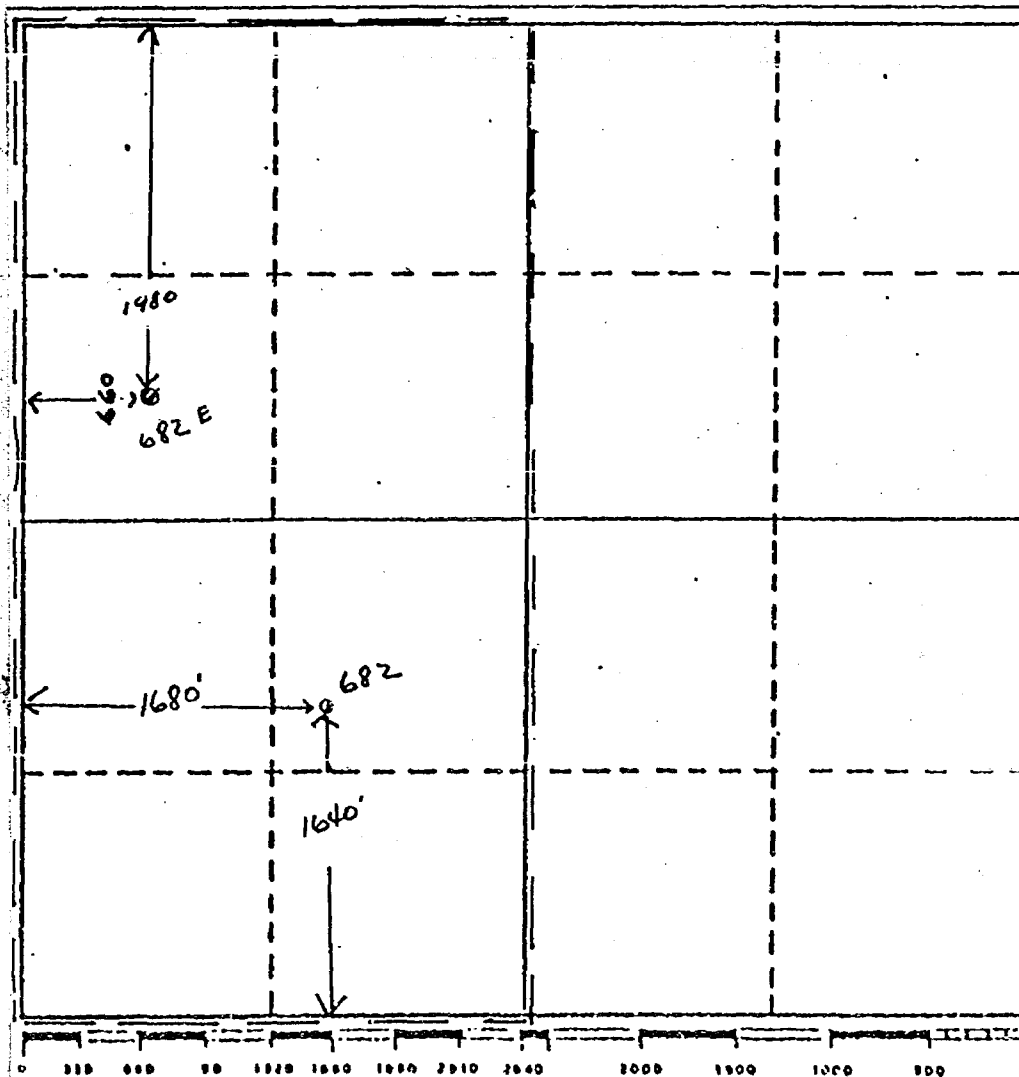
Operator Caulkins Oil Company			Lease Breach A		Well No. 682 E
Unit Letter E	Section 10	Township 26 North	Range 6 West	County Rio Arriba	
Actual Footage Location of Well 1980 feet from the North line and 660 feet from the West line					
Ground Level Elev. 6638'	Producing Formation Dakota		Foot Basin Dakota		Dedicated Acceptor 320 Infil Area

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Charles E. Verquer
Name

Charles E. Verquer

Position

Superintendent

Company

Caulkins Oil Company

Date

January 8, 1981

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.

12-13-51

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Edmund Ross

Certificate No.

81



United States Department of the Interior

GEOLOGICAL SURVEY

P.O. Box 959

Farmington, New Mexico 87401

January 21, 1981

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

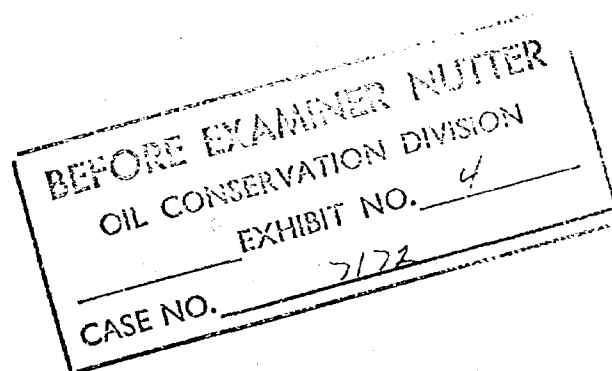
Gentlemen:

Reference is made to your Applications for Permit to Drill (APD's) wells No. 132E Breech "A", NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 9, and No. 682E, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 10, T. 26 N., R. 6 W., Rio Arriba County, New Mexico, lease No. Santa Fe 079035-A. The subject wells are proposed at locations that are unorthodox according to New Mexico State regulations. State approval of the locations will be required before we grant approval of your APD's.

Sincerely yours,

Bruce Wamsley
for James F. Sims

District Oil and Gas Supervisor



KELLAHIN and KELLAHIN

Attorneys at Law

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

February 2, 1981

Mr. Joe Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501


RE: Caulkins Oil Company

Case 7172

Dear Joe:

Please set the enclosed application for hearing
on February 25, 1981.

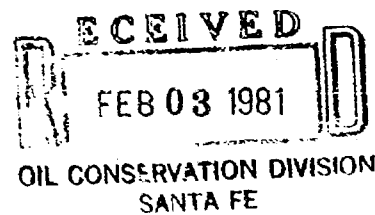
Very truly yours,


W. Thomas Kellahin

WTK:jm

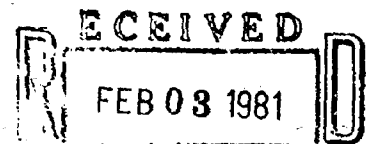
Enclosure

cc: Mr. Charles V. Varquer
Mr. Arnold Rather



STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
CAULKINS OIL COMPANY FOR
APPROVAL OF TWO UNORTHODOX WELL
LOCATIONS, RIO ARriba COUNTY,
NEW MEXICO.



A P P L I C A T I O N

OIL CONSERVATION DIVISION
SANTA FE

Case 7172

COMES NOW CAULKINS OIL COMPANY and applies to the
Oil Conservation Division of New Mexico for authority to
recomplete to the Dakota formation two existing wells
both at unorthodox well locations and in support thereof
would show:

1. Applicant is the operator of the following
wells:

(a) Breech A. Well No. 157

1980 feet from the North line and 660 feet
from the West line of Section 10, T26N, R6W, NMPM

(b) Breech A. Well No. 629;

660 feet from the North line and 760 feet from
the West line of Section 9, T26N, T6W, NMPM

2. Applicant desires to recomplete both said wells
by drilling them deeper to the Dakota.

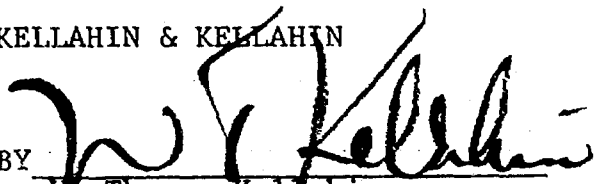
3. Both said wells are at unorthodox well locations
for the Dakota and applicant seeks approval of the respective
unorthodox well locations.

4. Approval of the application will prevent waste,
and protect correlative rights.

WHEREFORE applicant requests that this application
be set for an examiner hearing and that after notice and
hearing, the application be granted.

KELLAHIN & KELLAHIN

BY


W. Thomas Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

ATTORNEYS FOR APPLICANT

CAULKINS OIL CO.

Post Office Box 780

Farmington, New Mexico 87401

January 8, 1981

JAN 12 1981

OIL CONSERVATION DIVISION
SANTA FE

Mr. J. D. Ramey, Secretary Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico

Dear Sir:

Administrative approval is here by requested for unorthodox locations for recompleted gas wells as set forth in Oil Commission Rules and Regulations Rule #104 "F", Page C-9.

Lease	Old No.	New No.	Location	Sec.	Range
Breech A	157	682 E	1980' F/N 660' F/W	10	26 North 6 West
Breech A	629	132 E	660' F/N 760' F/W	9	26 North 6 West

All in Rio Arriba County, New Mexico.

Above wells originally drilled to South Blanco Tocito Pool which has long since been depleted. These wells now completed in Gallup zone.

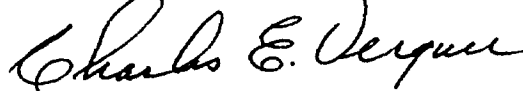
It is now proposed to deepen wells to Dakota Zone then complete wells in following gas zones: Chacra, Mesa Verde and Dakota.

Proposed Commingling and Dual Completion applications will be scheduled for hearings in January or February, 1981.

Attached is a Plat showing well location and dedicated acreage on each well.

All direct offset locations owned by Caulkins Oil Company.

Yours very truly,



Charles E. Verquer, Supt.
Caulkins Oil Company

cc: Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico
Mr. Arnold Raether,
Caulkins Oil Company

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7172

ORDER NO. R- 6609

APPLICATION OF Caulkins Oil Company
TWO

FOR AN UNORTHODOX GAS WELL LOCATIONS,

RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25,
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Caulkins Oil Company
for the unorthodox location of the following two wells on its
seeks approval of an unorthodox gas well location
Breach A Lease to be recompleated in the Chacra, Mesaverde, and Dakota
formations: No. 157 located 1980 feet from the North line and 660
feet from the West line of Section 10 and No. 629 located 660 feet
from the North line and 760 feet from the West line of Section 9, both
in Township 26 North, Range 6 West, Rio Arriba
County, New Mexico. and the N/2 of said Section 9, respectively,

(3) That the W/2 of said Section 10 are to be
dedicated to the wells in the Mesaverde and Dakota formations, while
the N/2 of their respective sections will be dedicated in the Chacra formation.

(4) That a well at said unorthodox location will better
recompleation of the wells from a depleted reservoir into the
enable applicant to produce the gas underlying the proration unit.
of said formations

(5) That no offset operator objected to the proposed unorthodox
location.

-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the unorthodox locations of the following two wells on Caulkins Oil Company's Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations are hereby approved: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the W/2 of said Section 10 *and the N/2 of said Section 9*, respective, shall be dedicated to the above-described wells *in the Mesaverde and Dakota formations, while the N/4 of their respective sections shall be dedicated in the Chacra formation.*

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.