

DATE IN <u>9/3/07</u>	SUSPENSE	ENGINEER <u>Jones</u>	LOGGED IN <u>9/13/07</u>	TYPE <u>DHC</u>	APP NO. <u>PSEM0425747426</u>
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3346

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- Engineering Bureau -**  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication**  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement**  
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_**

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☐ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO**  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Print or Type Name

Signature

Title

Date

e-mail Address

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

RECEIVED

Oil Conservation Division

1220 South St. Francis Dr. SEP 13 2004  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING  
DIVISION

Caulkins Oil Company 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410  
Operator Address  
BREECH "B" 305 UNIT M - SEC. 14-26N-7W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 003824 Property Code 2456 API No. 30-039-27329 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	BLANCO Mesa Verde Pools		Basin Dakota
Pool Code	72319		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4556' - 4691'		6663' - 6789'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degrec API or Gas BTU)			1224 BTU
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8-30-04 Rate: Gas Oil Water 211 2.25 1.5 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water MCF/D Bbl Bbl	Date: 12 month average Rate: Gas Oil Water 313 2.21 0.5 MCF/D Bbl Bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50 % Gas 40 %		Oil 50 % Gas 60 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐  
NMOCD Reference Case No. applicable to this well: DHC-659, R-5403, DHC-455, DHC-1027

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE Robert L. Verquer TITLE Superintendent DATE August 31, 2004  
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

## EXHIBIT "H"

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Drive

Santa Fe, NM 87504

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 2456		<sup>5</sup> Property Name BREECH "B"			<sup>6</sup> Well Number 305
<sup>7</sup> OGRID No. 003824		<sup>8</sup> Operator Name Caulkins Oil Company			<sup>9</sup> Elevation 6140 GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	26N	6W		1072'	South	1157'	West	Rio Arriba

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature Printed Name Robert L. Verquer Title Superintendent Date January 7, 2002			
	<sup>18</sup> SURVEYOR CERTIFICATION 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. Date of Survey			
	Signature and Seal of Professional Surveyor:  Certificate Number			

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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2040 South Pacheco, Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

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☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name MESA VERDE
<sup>4</sup> Property Code 2456	<sup>5</sup> Property Name BREECH "B"	<sup>6</sup> Well Number 305
<sup>7</sup> OGRID No. 003824	<sup>8</sup> Operator Name Caulkins Oil Company	<sup>9</sup> Elevation 6140 GR

<sup>10</sup> Surface Location

UL or lot no. M	Section 14	Township 26N	Range 6W	Lot Idn	Feet from the 1072'	North/South line South	Feet from the 1157'	East/West line West	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> RECEIVED 2004 JUN -3 AM 11:48 070 Farmington, NM				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and  Signature Robert L. Verquer Printed Name Robert L. Verquer Title Superintendent Date June 2, 2004
 Breech "B" 781 1150' 1800' 1072' 1157' Breech "B" 305				<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by my supervision, and that the same is true and correct to the best of my knowledge and belief. Date of Survey  Signature and Seal of Professional Surveyor:  Certificate Number

**LAST 12-MONTHS PRODUCTION  
FOR  
BREECH B 305**

**DAKOTA**

<b>MONTH</b>	<b>GAS</b>	<b>OIL</b>	<b>WATER</b>	<b>DAYS</b>	<b>GAS DPA</b>	<b>OIL DPA</b>
08/03	6,827	0	0	21	325	0.000
09/03	7,690	131	20	27	285	4.852
10/03	9,590	136	20	31	309	4.387
11/03	9,885	86	13	30	330	2.867
12/03	10,217	100	15	31	330	3.226
01/04	10,198	66	10	31	329	2.129
02/04	9,242	54	8	29	319	1.862
03/04	9,856	63	9	31	318	2.032
04/04	9,368	43	6	30	312	1.433
05/04	9,315	51	8	30	311	1.700
06/04	9,265	35	5	30	309	1.167
07/04	8,746	28	4	31	282	0.903
	<b>110,199</b>	<b>793</b>	<b>118</b>		<b>313</b>	<b>2.213</b>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals)

5. Lease

NMNM-03381

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well ☐ Gas Well ☐ Other ☐  
GAS WELL

2. Name of Operator:

Caulkins Oil Company

3. Address of Operator:

(505) 334-4323

1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410

4. Location of Well (Footage, Sec., Twp., Rge.)

1072' F/S 1157' F/W

SEC. 14-26N-7W

8. Well Name and No.

BREECH "B" 305

9. API Well No.

30-039-27329-00C1

10. Field and Pool, Exploratory Area

BASIN DAKOTA, MESA VERDE

11. Country or Parish, State

Rio Arriba Co., New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☒ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other \_\_\_\_\_

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

17. Describe Proposed or Completed Operations:

8-20-04 Move to location.

Rig up.

T. O. H. laying down 211 joints 2 3/8" tubing.

Install frac valve.

8-23-04 Rigged down and moved.

Rigged up Bluejet.

Run cast iron bridge plug to 4800'.

Perforated Mesa Verde zone with 4 shots per foot.

4691' - 4686', 24 shots

4631' - 4627', 16 shots

4584' - 4580', 16 shots

4579' - 4565', 56 shots

4560' - 4556', 16 shots

(continued on page 2)

NOTE: The format is issued in lieu of U.S. BLM Form 3160-5

18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT

SIGNED: Robert L. Verquer

ROBERT L. VERQUER

TITLE: Superintendent DATE: September 3, 2004

APPROVED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY

Caulkins Oil Company  
BLM Sundry Notice  
Breech "B" 305  
September 3, 2004  
Page 2

- 8-25-04 Rigged up BJ Services.  
Frac'd Mesa Verde zone with 105,420# sand and 7,165 m/scf N<sub>2</sub> foam.  
Shut well in overnight.
- 8-26-04 1310# shut-in pressure  
Nipped up 1/2" choke.  
Flowing back.
- 8-27-04 Nipped up BOP  
T. I. H. with 2 3/8" tubing.  
Tagged sand at 4600'.  
Cleaned out to 4800' with air package.  
Unloaded well through tubing.  
Flowing to clean up and test.
- 8-30-04 Shut-in pressures: Tubing 785#, Casing 1040#  
Tested Mesa Verde for 3 hours through 3/4" choke.  
Tubing 61#, Casing 139#, calculated flow 1,058 MCF/D.  
T. I. H. with tubing.  
Tagged sand 80' above cast iron bridge plug at 4800'.  
Cleaned out sand with air package.  
Milled out cast iron bridge plug.  
Continued in hole with tubing.  
Cleaned out to 6827' with air package.  
T. O. H. with tubing and mill.
- 8-31-04 T. I. H. with 2 3/8" production tubing.  
Landed on doughnut at 6772'  
Released rig.  
Well will be turned on to sales line upon receiving downhole commingle order from NMOCD.

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
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1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Caulkins Oil Company 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410  
Operator Address  
BREECH "B" 305 UNIT M - SEC. 14-26N-7W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 003824 Property Code 2456 API No. 30-039-27329 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Mesa Verde		Basin Dakota
Pool Code	72319		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4556' - 4691'		6663' - 6789'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			1224 BTU
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8-30-04 Rate: Gas Oil Water 211 2.25 1.5 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water MCF/D Bbl Bbl	Date: 12 month average Rate: Gas Oil Water 313 2.21 0.5 MCF/D Bbl Bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50 % Gas 40 %		Oil 50 % Gas 60 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No  
Are all produced fluids from all commingled zones compatible with each other? Yes X No  
Will commingling decrease the value of production? Yes No X  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No  
NMOCD Reference Case No. applicable to this well: DHC-659, R-5403, DHC-455, DHC-1027

Attachments:  
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE Robert L. Verquer TITLE Superintendent DATE August 31, 2004  
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323



## EXHIBIT "H"

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

District III

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District IV

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State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Drive

Santa Fe, NM 87504

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

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Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 2456	<sup>5</sup> Property Name BREECH "B"				<sup>6</sup> Well Number 305
<sup>7</sup> OGRID No. 003824	<sup>8</sup> Operator Name Caulkins Oil Company				<sup>9</sup> Elevation 6140 GR

<sup>10</sup> Surface Location

UL or lot no. M	Section 14	Township 26N	Range 6W	Lot Ida	Feet from the 1072'	North/South line South	Feet from the 1157'	East/West line West	County Rio Arriba
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION			
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief			
	 Signature Printed Name Robert L. Verquer Title Superintendent Date January 7, 2002			
	<sup>18</sup> SURVEYOR CERTIFICATION			
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.				
Date of Survey				
Signature and Seal of Professional Surveyor:				
Certificate Number				

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## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

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<sup>1</sup> API Number		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name MESA VERDE	
<sup>4</sup> Property Code 2456		<sup>5</sup> Property Name BREECH "B"			<sup>6</sup> Well Number 305
<sup>7</sup> OGRID No. 003824		<sup>8</sup> Operator Name Caulkins Oil Company			<sup>9</sup> Elevation 6140 GR

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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<div style="border: 1px dashed black; padding: 5px;"> <p>16</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">RECEIVED</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">2004 JUN -3 AM 11:48</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">070 Farmington, NM</p> </div>	<div style="border: 1px dashed black; padding: 5px;"> <p>Brech "B" 781</p> <p>1150' 1800'</p> </div>				<div style="border: 1px dashed black; padding: 5px;"> <p>1072'</p> <p>Brech "B" 305</p> <p>1157'</p> </div>		<div style="border: 1px dashed black; padding: 5px;"> <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</p> <p style="text-align: right;"><i>Robert L. Verquer</i></p> <p>Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date June 2, 2004</p> </div>	
	<div style="border: 1px dashed black; padding: 5px;"> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> </div>				<p>Certificate Number</p>			

**LAST 12-MONTHS PRODUCTION  
FOR  
BREECH B 305**

**DAKOTA**

<b>MONTH</b>	<b>GAS</b>	<b>OIL</b>	<b>WATER</b>	<b>DAYS</b>	<b>GAS DPA</b>	<b>OIL DPA</b>
08/03	6,827	0	0	21	325	0.000
09/03	7,690	131	20	27	285	4.852
10/03	9,590	136	20	31	309	4.387
11/03	9,885	86	13	30	330	2.867
12/03	10,217	100	15	31	330	3.226
01/04	10,198	66	10	31	329	2.129
02/04	9,242	54	8	29	319	1.862
03/04	9,856	63	9	31	318	2.032
04/04	9,368	43	6	30	312	1.433
05/04	9,315	51	8	30	311	1.700
06/04	9,265	35	5	30	309	1.167
07/04	8,746	28	4	31	282	0.903
	<b>110,199</b>	<b>793</b>	<b>118</b>		<b>313</b>	<b>2.213</b>

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals)

5. Lease

NMNM-03381

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well ☐ Gas Well ☐ Other ☐  
GAS WELL

8. Well Name and No.

BREECH "B" 305

2. Name of Operator:

**Caulkins Oil Company**

9. API Well No.

30-039-27329-00C1

3. Address of Operator:

**(505) 334-4323**

10. Field and Pool, Exploratory Area

**1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410**

**BASIN DAKOTA, MESA VERDE**

4. Location of Well (Footage, Sec., Twp., Rge.)

1072' F/S 1157' F/W

SEC. 14-26N-7W

11. Country or Parish, State

Rio Arriba Co., New Mexico

**12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

**TYPE OF SUBMISSION**

**TYPE OF ACTION**

☐ Notice of Intent

☐ Abandonment

☐ Change of Plans

☒ Recompletion

☐ New Construction

☒ Subsequent Report

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Final Abandonment Notice

☐ Altering Casing

☐ Conversion to Injection

☐ Other \_\_\_\_\_

☐ Dispose Water

17. Describe Proposed or Completed Operations:

8-20-04 Move to location.

Rig up.

T. O. H. laying down 2 3/8" tubing.

Install frac valve.

8-23-04 Rigged down and moved.

Rigged up Bluejet.

Run cast iron bridge plug to 4800'.

Perforated Mesa Verde zone with 4 shots per foot.

4691' - 4686', 24 shots

4631' - 4627', 16 shots

4584' - 4580', 16 shots

4579' - 4565', 56 shots

4560' - 4556', 16 shots

(continued on page 2)

NOTE: The format is issued in lieu of U.S. BLM Form 3160-5

18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT

SIGNED: Robert L. Verquer TITLE: Superintendent DATE: September 3, 2004  
ROBERT L. VERQUER

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY

Caulkins Oil Company  
BLM Sundry Notice  
Breach "B" 305  
September 3, 2004  
Page 2

- 8-25-04 Rigged up BJ Services.  
Frac'd Mesa Verde zone with 105,420# sand and 7,165 m/scf N<sub>2</sub> foam.  
Shut well in overnight.
- 8-26-04 1310# shut-in pressure  
Nipped up 1/2" choke.  
Flowing back.
- 8-27-04 Nipped up BOP  
T. I. H. with 2 3/8" tubing.  
Tagged sand at 4600'.  
Cleaned out to 4800' with air package.  
Unloaded well through tubing.  
Flowing to clean up and test.
- 8-30-04 Shut-in pressures: Tubing 785#, Casing 1040#  
Tested Mesa Verde for 3 hours through 3/4" choke.  
Tubing 61#, Casing 139#, calculated flow 1,058 MCF/D.  
T. I. H. with tubing.  
Tagged sand 80' above cast iron bridge plug at 4800'.  
Cleaned out sand with air package.  
Milled out cast iron bridge plug.  
Continued in hole with tubing.  
Cleaned out to 6827' with air package.  
T. O. H. with tubing and mill.
- 8-31-04 T. I. H. with 2 3/8" production tubing.  
Landed on doughnut at 6772'  
Released rig.  
Well will be turned on to sales line upon receiving downhole commingle order from NMOCD.

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
Single Well  
Establish Pre-Approved Pools  
EXISTING WELLBORE  
X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Caulkins Oil Company 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410  
Operator Address

BREECH "B" 305 UNIT M - SEC. 14-26N-7W Rio Arriba  
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 003824 Property Code 2456 API No. 30-039-27329 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Mesa Verde		Basin Dakota
Pool Code	72319		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4556' - 4691'		6663' - 6789'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			1224 BTU
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8-30-04 Rate: Gas Oil Water 211 2.25 1.5 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water MCF/D Bbl Bbl	Date: 12 month average Rate: Gas Oil Water 313 2.21 0.5 MCF/D Bbl Bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 50 % Gas 40 %		Oil 50 % Gas 60 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: DHC-659, R-5403, DHC-455, DHC-1027

Attachments:  
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula.  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.  
Bottomhole pressure data.

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

SIGNATURE Robert L. Verquer TITLE Superintendent DATE August 31, 2004  
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

## EXHIBIT "H"

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Drive  
Santa Fe, NM 87504

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71599		3 Pool Name BASIN DAKOTA		
4 Property Code 2456		5 Property Name BREECH "B"			6 Well Number 305	
7 OGRID No. 003824		8 Operator Name Caulkins Oil Company			9 Elevation 6140 GR	


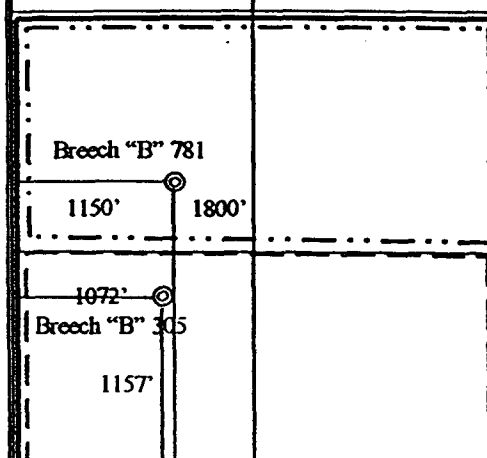
## 10 Surface Location

UL or lot no. M	Section 14	Township 26N	Range 6W	Lot Idn	Feet from the 1072'	North/South line South	Feet from the 1157'	East/West line West	County Rio Arriba
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## 11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature Printed Name Robert L. Verquer Title Superintendent Date January 7, 2002
				18 SURVEYOR CERTIFICATION  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. Date of Survey  Signature and Seal of Professional Surveyor:   Certificate Number

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PO Box 1980, Hobbs, NM 88241-1980

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811 South First, Artesia, NM 88210

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Energy, Minerals &amp; Natural Resources Department

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## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 72319		<sup>3</sup> Pool Name MESA VERDE	
<sup>4</sup> Property Code 2456		<sup>5</sup> Property Name BREECH "B"			<sup>6</sup> Well Number 305
<sup>7</sup> OGRID No. 003824		<sup>8</sup> Operator Name Caulkins Oil Company			<sup>9</sup> Elevation 6140 GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	26N	6W		1072'	South	1157'	West	Rio Arriba

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<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and  Signature Printed Name Robert L. Verquer Title Superintendent Date June 2, 2004			
	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by my supervision, and that the same is true and correct to the best of my knowledge and belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number			



**LAST 12-MONTHS PRODUCTION  
FOR  
BREECH B 305**

**DAKOTA**

<b>MONTH</b>	<b>GAS</b>	<b>OIL</b>	<b>WATER</b>	<b>DAYS</b>	<b>GAS DPA</b>	<b>OIL DPA</b>
08/03	6,827	0	0	21	325	0.000
09/03	7,690	131	20	27	285	4.852
10/03	9,590	136	20	31	309	4.387
11/03	9,885	86	13	30	330	2.867
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SIGNED: Robert L. Verquer  
ROBERT L. VERQUER

TITLE: Superintendent DATE: September 3, 2004

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY

Caulkins Oil Company  
BLM Sundry Notice  
Breach "B" 305  
September 3, 2004  
Page 2

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