



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

December 22, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Amended Administrative Order No. DHC-659

Caulkins Oil Company
P.O. Box 780
Farmington, NM 87401

Attention: Charles E. Verquer

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

Gentlemen:

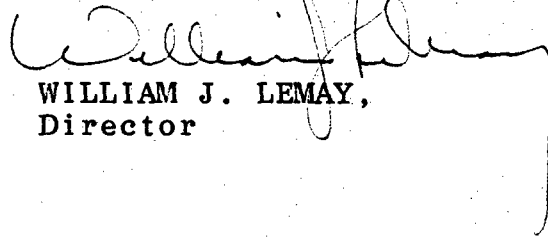
Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject 18 wells to commingle the production from both pools in the wellbore.

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

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

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title.

WILLIAM J. LEMAY,
Director

WJL/DRC/ag

cc: Gas Co. of N.M.
OCD District Office - Aztec

EXHIBIT "A"

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

WELL NAME AND LOCATIONALLOCATION

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

Mesaverde	18	7
Dakota	82	93

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

Mesaverde	30	16
Dakota	70	84

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

Mesaverde	20	14
Dakota	80	86

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

Mesaverde	23	12
Dakota	77	88

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

Mesaverde	78	49
Dakota	22	51

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

Mesaverde	13	8
Dakota	87	92