



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

November 4, 1987

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:

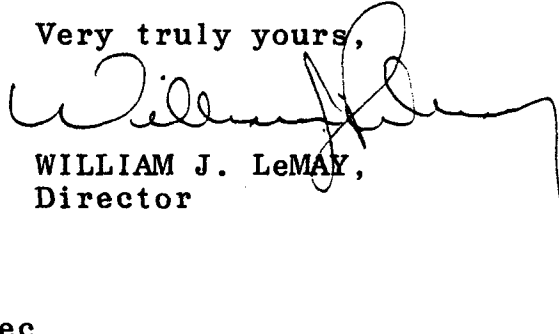
Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject 18 wells as described in Exhibit "A" of this order to commingle the production from both pools in the wellbore.

It appearing that the subject wells qualify for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby 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Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.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', with a long, sweeping horizontal line extending to the right.

WILLIAM J. LeMAY,
Director

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

EXHIBIT "A"

WELL NAME & LOCATION	ALLOCATION	
	OIL%	GAS%
Reuter Well No. 321-E Unit P, Section 15, T-26 North, Range 6 West	Mesaverde Dakota	60 26 40 74
Breech Well No. 854 Unit H, Section 24, T-26 North, Range 7 West	Mesaverde Dakota	15 1 85 99
Breech "B" Well No. 220-M Unit E, Section 14, T-26 North, Range 7 West	Mesaverde Dakota	46 48 54 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		
State "A" Well No. 62-M Unit D, Section 2, T-26 North, Range 6 West	Mesaverde Dakota	24 12 76 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		
Breech "D" Well No. 140 Unit P, Section 11, T-26 North, Range 6 West	Mesaverde Dakota	6 8 94 92
Breech "E" Well No. 58-M Unit P, Section 3, T-26 North, Range 6 West	Mesaverde Dakota	39 22 61 78
Breech "F" Well No. 11-M Unit P, Section 35, T-27 North, Range 6 West	Mesaverde Dakota	13 7 87 93
Breech "F" Well No. 4-M Unit I, Section 33, T-27 North, Range 6 West	Mesaverde Dakota	50 20 50 80

WELL NAME & LOCATIONALLOCATION

		OIL%	GAS%
Breech "B" Well No. 123-E	Mesaverde	18	7
Unit D, Section 7,	Dakota	82	93
T-26 North, Range 6 West			
Breech "D" Well No. 240-E	Mesaverde	30	16
Unit F, Section 15,	Dakota	70	84
T-26 North, Range 6 West			
Breech "C" Well No. 224-E	Mesaverde	20	14
Unit E, Section 14,	Dakota	80	86
T-26 North Range 6 West			
Breech "C" Well No. 323-E	Mesaverde	23	12
Unit P, Section 14,	Dakota	77	88
T-26 North, Range 6 West			
Breech "E" Well No. 64-M	Mesaverde	78	49
Unit J, Section 1,	Dakota	22	51
T-26 North, Range 6 West			
Breech "C" Well No. 389-E	Mesaverde	13	8
Unit P, Section 13,	Dakota	87	92
T-26 North, Range 6 West			