STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

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

December 3, 1993

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Attn: Robert L. Verquer

Re: Downhole Commingling Request

Dear Mr. Verquer,

Reference is made to your recent request for administrative approval to exercise commingling authority granted by Division Order DHC-660, issued July 29, 1987.

In speaking with Frank Chavez, Aztec District Supervisor, he advised me that commingled be allowed only by producing through a tubing configuration detailed in the application which was approved by DHC-660. Specifically, this involved a single string of tubing, packer isolation between the 3 zones, with production through reverse-flow check valves.

If you would like to present your case before an examiner at public hearing, you may be granted the authority to produce the well in its present condition.

I'm sorry I cannot approve your request at this time. Please call if I may be of assistance or if you would like to set the case for hearing.

Very truly yours,

Benjamin E. Stone

Engineering Tech II

/BES

CAULKINS OIL COMPANY OIL CONSERVE ON DIVISION

P.O. BOX 340

RECE VED

BLOOMFIELD. NEW MEXICO 87413

193 NO 123 AM 10 35

November 17, 1993

State of New Mexico Oil Conservation Division ATTEN: Mr. Ben Stone P.O. Box 2088 Santa Fe, NM 87504

Downhole Commingled Production Caulkins Oil Company Breech 812 Unit N, Sec. 18, T26N, R6W

Dear Mr. Stone:

We are requesting permission to commingle this well under a previously approved Administrative Order, DHC-660, dated July 29, 1987.

This well is presently dual completed with the Basin Dakota producing through Gas Company of New Mexico meter #3427-30, and the commingled Blanco Mesa Verde and Otero Chacra producing through Gas Company of New Mexico meter #3429-21. (Order #R-5922).

A recent packer leakage test conducted October 17 - 22, 1993 revealed a packer leak. We are requesting approval to produce gas from all three zones through the Basin Dakota tubing set at 7322'.

Tests conducted on well show no reduction in gas or oil volumes from the three zones when produced through Dakota tubing with the Mesa Verde - Otero Chacra tubing shut-in. Please see the attached diagram of proposed production route for the commingled wellbore.

If you need more information please contact me at (505) 632-1544.

Sincerely,

Robert L. Verquer Superintendent

Robert I Vergue

BAKER PACKERS DIVISION

