

Caulkins Oil Company

Fax Transmittal Sheet

Date: 8-12-94 Receiving Telephone: 827-5741

To: Ben Stage Location: _____ City: _____

Number of Pages including this cover sheet 8

Comments: Ben if you have any questions or need more information please contact me at 505-632-1544 or mobil

505-860-3339

Robert J Verquer

*LARRY
BROWNE 5/2 288 6/26
288 1399*

If you do not receive all of the pages or can not read the copy, please contact CAULKINS OIL COMPANY at (505) 632-1544

CAULKINS OIL COMPANY

P.O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

June 21, 1994

State of New Mexico
Oil Conservation Division
ATTEN: Mr. Frank Chavez
1000 Rio Brazos Road
Aztec, NM 87410

Re: Downhole Commingle and Dual Complete
Breech "B" 220-R
1750' FEL and 944' FNL
Sec. 14, 26N, 7W
Rio Arriba County, New Mexico

Dear Mr. Chavez:

We are requesting administrative approval for a change of dual completion and downhole commingling of above-referenced well.

Order No. 5926 approved downhole commingling and dual completion of this well, with Pictured Cliffs, Otero Chacra, and Mesa Verde commingled above packer, and Dakota zone below packer.

We now wish to amend Order No. 5926 to commingle Pictured Cliffs and Otero Chacra above packer, and Mesa Verde and Dakota commingled below packer.

We recommend production split for Pictured Cliffs and Otero Chacra be 70% of all gas to Pictured Cliffs and 30% of all gas to Otero Chacra as approved for this acreage by Order No. 5648.

From attached production history tabulation results, we recommend 66% of all oil and 45% of all gas be allocated to Dakota zone, and 34% of all oil and 55% of all gas be allocated to Mesa Verde zone.

Production history taken from C-115 reports 1992 and 1993.

Attached schematic shows proposed completion of commingled well.

Ownership is common, including working and royalty interest for all zones producing from this well.

Copy of sundry notice to BLM is attached.

All offset operators have been notified by certified letter of proposed commingling plans.

Copies of letter and receipts for certified mail are attached.

If you have any questions, please contact me at (505) 632-1544.
Thank you.

Sincerely,



Robert L. Verquer
Superintendent

RLV/smf

cc: Caulkins Oil Co., Denver
Marathon Oil Co.
Louis Dreyfus Natural Gas Co.

SOUTH BLAND P.C.

BLAND MV

BREECH B 220-R - BASIN DAKOTA

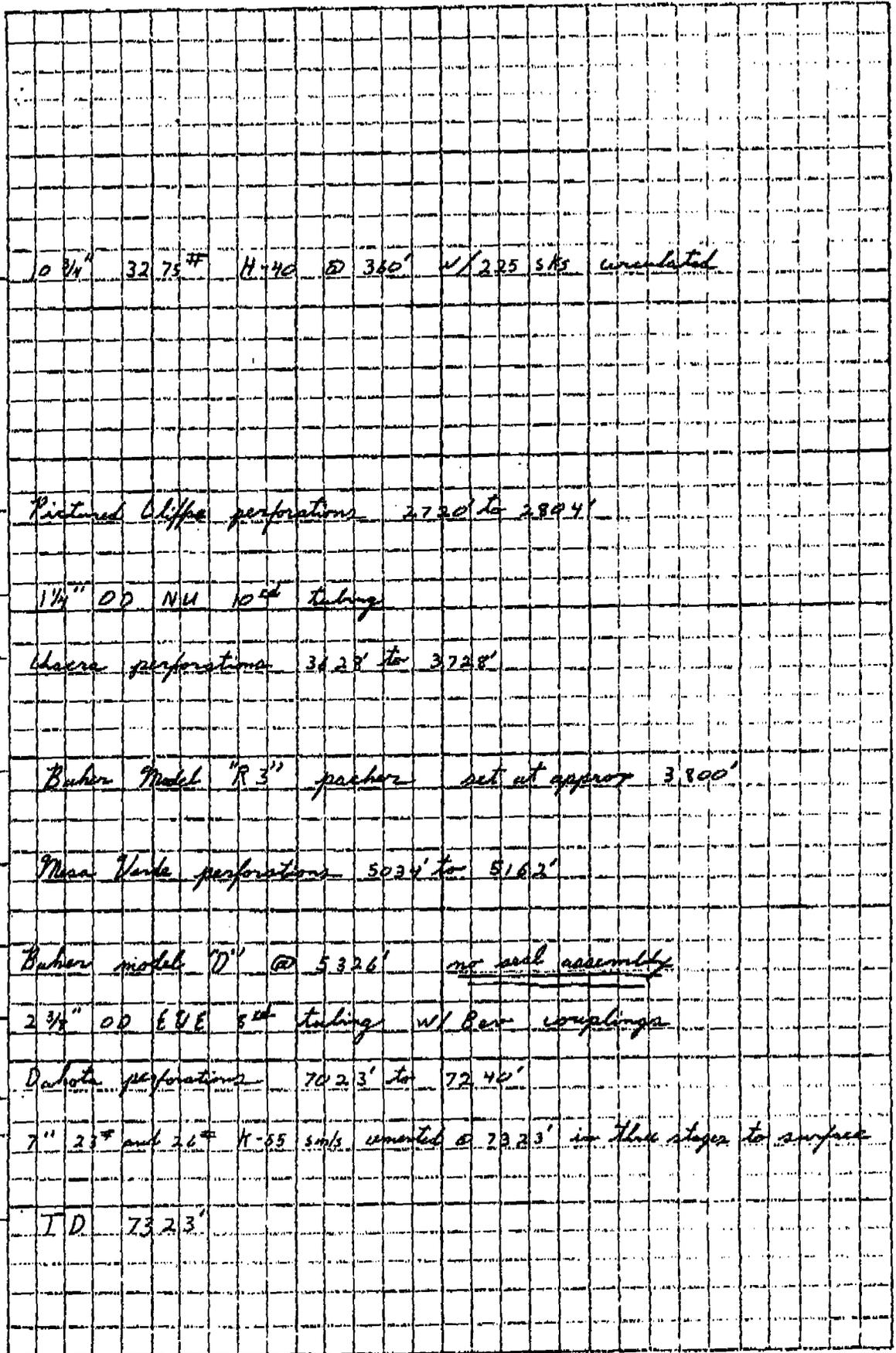
DATE	DAYS ON	GAS PRODUCED	OIL PRODUCED
1992			
JANUARY	23	126	0
FEBRUARY	29	649	6
MARCH	22	1468	54
APRIL	20	952	31
MAY	30	3045	30
JUNE	8	768	0
JULY	24	2893	53
AUGUST	8	998	9
SEPTEMBER	1	10	88
OCTOBER	3	360	42
NOVEMBER	22	3365	74
DECEMBER	28	3282	33
TOTALS FOR 1992	218	17,916	420
1993			
JANUARY	0	0	0
FEBRUARY	6	925	37
MARCH	28	3710	74
APRIL	31	3873	58
MAY	30	3822	36
JUNE	31	3341	20
JULY	30	3493	0
AUGUST	27	3490	13
SEPTEMBER	11	1113	6
OCTOBER	28	3298	43
NOVEMBER	30	3646	36
DECEMBER	24	2875	23
TOTAL FOR 1993	276	33,586	346
GRAND TOTALS	494	51,502	766
DAILY AVERAGE		104	1.55
PERCENTAGE		45%	66%

BREECH B 220-R - MESA VERDE

DATE	DAYS ON	GAS PRODUCED	OIL PRODUCED
1992			
JANUARY	24	2245	15
FEBRUARY	3	12	3
MARCH	23	4101	23
APRIL	22	3819	29
MAY	30	1319	13
JUNE	8	0	0
JULY	3	795	22
AUGUST	12	1382	4
SEPTEMBER	24	5292	38
OCTOBER	26	4366	18
NOVEMBER	31	4944	32
DECEMBER	28	3257	14
TOTALS FOR 1992	234	31,532	211
1993			
JANUARY	0	0	0
FEBRUARY	13	2735	16
MARCH	28	4580	32
APRIL	31	4064	25
MAY	30	3540	15
JUNE	16	1637	8
JULY	0	0	0
AUGUST	10	44	6
SEPTEMBER	21	3236	18
OCTOBER	26	3490	19
NOVEMBER	30	2662	15
DECEMBER	31	2625	10
TOTAL FOR 1993	236	28,613	164
GRAND TOTALS	470	60,145	375
DAILY AVERAGE		128	0.80
PERCENTAGE		55%	34%

BAKER PACKERS DIVISION

DATE June -1-1994 WELL NO. 220-R LEASE Breece "B" FIELD Dak-MV-PC-Cha



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS <small>(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)</small>	5. No. NM-03381 RECEIVED BLM JUN - 8 PM 2:01
--	--

1. Oil Well [] Gas Well [] Other [] 070 FARMINGTON, NM GAS WELL	Well Name and No. BREECH "B" 220-R
---	--

2. Name of Operator: Caulkins Oil Company	9. API Well No. 300392199800-Q2
---	---

3. Address of Operator: (505) 632-1544 P.O. Box 340, Bloomfield, NM 87413	10. Field and Pool, Exploratory Area BASIN DAKOTA, MESA VERDE, PICTURED CLIFFS, CHACRA
---	---

4. Location of Well (Footage, Sec., Twp., Rng.) 944' F/N 1750' F/E, SEC. 14-26N-7W	11. County 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	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Change commingle completion</u>	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations:

6-2-94 It is our intention to seek administrative approval from the State of New Mexico to change commingle completion from Pictured Cliffs - Chacra - Mesa Verde commingled to Pictured Cliffs - Chacra commingled above packer, and Mesa Verde - Dakota commingled below packer.

Approval for a small flare pit is requested during workover operations.

No new surface will be disturbed, location area and pit will be cleaned-up and covered when work is completed.

Estimated starting date - August 29, 1994.

SEE ATTACHED
CONDITIONS OF APPROVAL

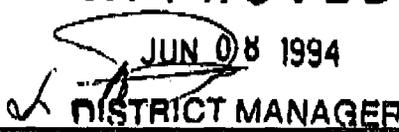
NOTE: The format is issued in lieu of U.S. BLM Form 3160-5

14. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT

SIGNED: Robert L. Verquer TITLE: Superintendent DATE: 06/02/94
 ROBERT L. VERQUER

APPROVED BY: _____ TITLE: _____ **APPROVED**

CONDITIONS OF APPROVAL, IF ANY


 JUN 08 1994
 DISTRICT MANAGER

BLM CONDITIONS OF APPROVALOperator Caulkins Oil Company Well Name 220R Breech BLegal Location 944'FNL/1750'FEL Sec. 14 T. 26 N. R. 7 W.Lease Number NM-03381 Field Inspection Date n/a

The following stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and the operator a contradictory environmental stipulation. The failure of the operator to comply with these requirements may result in the assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity.

An agreement between operator and fee land owner will take precedence over BLM surface stipulations unless (In reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

1. **Pits will be fenced during work-over operation.**
2. **All disturbance will be kept on existing pad.**
3. **Empty and reclaim pit after work completed.**

Caulkins Oil Company

Fax Transmittal Sheet

Date: 8-12-94 Receiving Telephone: 505-827-5741

To: Mr. Ben Stone Location: _____ City: _____

Number of Pages including this cover sheet 6

Comments: Here are the postal return receipts you
requested for Breech "B" 220-R.

If you have any questions, please call me
at (505) 632-1544

Sandy
E J

If you do not receive all of the pages or can not read the copy, please contact CAULKINS OIL COMPANY at (505) 632-1544

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- Complete items 3 and 4a & b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Amax Oil & Gas
 P.O. Box 2330
 Farmington, NM 87499

4a. Article Number
 P 322 980 242

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/10/94

5. Signature (Addressee)
 [Signature]

6. Signature (Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Amax Oil & Gas
 P.O. Box 4838
 Houston, TX 77210-4838

4a. Article Number
 P 322 980 241

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/15/94

5. Signature (Addressee)
 [Signature]

6. Signature (Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

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- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Amoco Production Co
 SJ OPER CTR 2005 Amoco Ct.
 Farmington, NM 87499

4a. Article Number
 P 322 980 326

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 6-13-94

5. Signature (Addressee)
 Sue Natoni

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Amoco Production Co
 P.O. Box 800
 Denver, CO 80201

4a. Article Number
 P 322 980 341

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 6/1/94

5. Signature (Addressee)
 [Signature]

6. Signature (Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-382-714 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Central Resources
 1776 Lincoln St. Ste 1010
 Denver, CO 80203

4a. Article Number
 P 322 980 240

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 JUN 13 1994

5. Signature (Addressee)
 Angela D. [Signature]

6. Signature (Agent)
 6/13/94

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-382-714 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
 Consolidated Oil
 410 17th St. Ste 2300
 Denver, CO 80202

4a. Article Number
 P 322 980 334

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 6-13-94

5. Signature (Addressee)

6. Signature (Agent)
 Rosanne Vela

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-382-714 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
El Paso Natural Gas
P.O. Box 4990
Farmington, NM 87499

4a. Article Number
P 322 980 247

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-13-94

5. Signature (Addressee)

6. Signature (Agent)
Thyron Jacques

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Louis Dreyfus Nat. Gas
P.O. Box 2993
Farmington, NM 87499

4a. Article Number
P 322 980 244

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-13-94

6. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Louis Dreyfus Nat. Gas
14000 Quail Spgs. Parkway
Suite 600
Oklahoma City, OK 73134

4a. Article Number
P 322 980 243

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-13-94

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Meridian Oil Co.
 P.O. Box 4259
 Farmington, NM 87499

4a. Article Number
 P 322 980 237

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 6-13-94

5. Signature (Addressee)
[Signature]

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Merriion Oil & Gas
 P.O. Box 840
 Farmington, NM 87499

4a. Article Number
 P 322 980 239

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 6-13-94

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Snyder Oil Co.
 P.O. Box 2038
 Farmington, NM 87499

4a. Article Number
 P 322 981 855

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 8-9-94

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Snyder Oil Co.
1625 Broadway Ste. 2200
Denver CO 80202

4a. Article Number
P 322 981 854

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-13-94

5. Signature (Addressee)

6. Signature (Agent)
James P. Stuebel

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Union Oil Company
3300 N Butler Ave,
Suite 200
Farmington, NM 87401

4a. Article Number
P 322 980 246

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
6-20-94

5. Signature (Addressee)

6. Signature (Agent)
Donald E. Smith

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

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. 6443
Order No. R-5926

APPLICATION OF CAULKINS OIL COMPANY
FOR A DUAL COMPLETION AND DOWNHOLE
COMMINGLING, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 31, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of February, 1979, 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 authority to complete its Breech B Well No. 220-R, located in Unit B of Section 14, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Dakota formation through one string of tubing and to produce commingled Pictured Cliffs, Chacra and Mesaverde gas production through a second string of tubing.
- (3) That from each of the zones proposed to be commingled, the subject well is expected to be capable of low marginal production only.
- (4) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(5) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(6) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division of the pressure and productivity encountered upon completion and to further notify said district office any time the subject well is shut-in for 7 consecutive days.

(7) That in order to allocate the commingled production to each of the commingled zones in the subject well, 50 percent of the commingled gas production should be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production to the Chacra zone, and 30 percent of the commingled gas production and all of the condensate production to the Mesaverde zone.

(8) That the Director of the Division should be authorized to rescind the commingling authority granted by this order whenever it appears that waste would be prevented thereby.

(9) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(10) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to complete its Breech B Well No. 220-R, located in Unit B of Section 14, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Dakota formation through one string of tubing and to produce Pictured Cliffs, Chacra and Mesaverde gas production, hereby authorized to be commingled in the wellbore, through a second string of tubing with separation of the Dakota zone from the other zones achieved by means of a packer set at approximately 5100 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for gas wells in Northwest New Mexico.

(2) That 50 percent of the commingled gas production shall be allocated to the Pictured Cliffs zone, 20 percent of the commingled gas production shall be allocated to the Chacra zone, and 30 percent of the commingled gas production and all of the condensate production shall be allocated to the Mesa-verde zone.

(3) That the operator of the subject well shall immediately notify the Division's Aztec district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Division, a plan for remedial action.

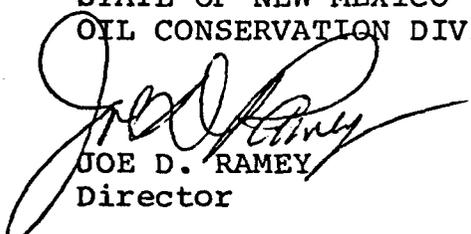
(4) That the applicant shall immediately advise the Division's Aztec district office of the pressure and potential of the commingled zones.

(5) That the Director of the Division may rescind the authority to commingle granted by this order if it appears that waste will be prevented thereby.

(6) 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
Director

S E A L

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