

DHC 3/9/99

CAULKINS OIL COMPANY

P. O. BOX 340
BLOOMFIELD, NEW MEXICO 87413
PHONE: 505-632-1544
FAX 505-632-1471

2236



February 15, 1999

State of New Mexico
Oil Conservation Division
ATTN: Mr. David Catanach
2040 S. Pacheco
Santa Fe, NM 87505

Re: Breech 224, Sec. 13-26N-7W
Downhole Commingle and Dual Complete

Dear Mr. Catanach:

This well is currently producing as a commingled Greenhorn – Mesa Verde – Pictured Cliffs – Otero Chacra completion by Order # R-5927.

Due to current flow conditions we request approval to dual complete this well as a commingled Greenhorn – Mesa Verde completion below a packer and commingled Pictured Cliffs – Otero Chacra completion above packer.

Please find the enclosed documents:

- A. Form C-107-A
- B. Form C-102 for each zone
- C. Form C-107
- D. Vicinity Map
- E. Wellbore diagram
- F. Vicinity map
- G. List of offset operators
- H. Commingle Order #R-5927

If you have any questions or need more information, please contact Robert L. Verquer at (505) 632-1544.

Sincerely,

Robert L. Verquer,
Superintendent

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-03733

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 224

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-06508-00C1

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

GREENHORN, MESA VERDE, CHACRA,
PICTURED CLIFFS

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

865' F/N 1140' F/E

SEC. 13-26N-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

☐ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Final Abandonment Notice

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Altering Casing

☐ Conversion to Injection

☐ Other Commingle & Dual Complete Well

☐ Dispose Water

17. Describe Proposed or Completed Operations:

2-15-99

Caulkins Oil Company has filed for administrative approval with the NMOCD to change commingle formation and dual complete this well.

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: February 16, 1999
ROBERT L. VERQUER

APPROVED BY: _____ TITLE: _____ DATE: _____
CONDITIONS OF APPROVAL, IF ANY

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A

New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

BREECH

224

A - SEC. 13-26N-7W

RIO ARRIBA

LEASE

WELL NO.

UNIT LTR. - SEC. - TWP. - RGE.

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824 Property Code 2454 API NO. 30-039-06508 Federal ☒ State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Mesa Verde		Greenhorn
2. Top and Bottom of Pay Section (Perforations)	4996' to 5146'		6900' to 6940'
3. Type of production (Oil or Gas)	Gas and Condensate		Gas and Condensate
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 533 7 day shut-in	a.	a. 533 7 day shut-in
	b. (Original)	b.	b.
Oil Gravity (° API) or Gas BTU Content	1193 BTU		1193 BTU
7. Producing or Shut-In	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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:	Date:	Date:
	Rates:	Rates:	Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2-4-99	Date:	Date: 2-4-99
	Rates: Oil Gas .38 bbl 111 MCF/D	Rates:	Rates: Oil Gas .26 bbl 42 MCF/D
8. Fixed Percentage Allocation Formula - % for each zone	Oil Gas 60 % 70 %	Oil Gas % %	Oil Gas 40 % 30 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rte projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No

If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

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

15. NMOCD Reference Cases of Rule 303© Exceptions: ORDER NO(S). DHC-659, DHC 455, R-5923

16. 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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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 February 15, 1999

TYPE OR PRINT NAME ROBERT L. VERQUER TELEPHONE NO. (505) 632-1544

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A

New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

BREECH

224

A - SEC. 13-26N-7W

RIO ARRIBA

LEASE

WELL NO.

UNIT LTR. - SEC. - TWP. - RGE.

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824 Property Code 2454 API NO. 30-039-06508 Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Pictured Cliffs		Otero Chacra
2. Top and Bottom of Pay Section (Perforations)	2716' to 2754'		3594' to 3699'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 243 7 day shut-in b. (Original)	a. b.	a. 243 7 day shut-in b.
Oil Gravity (° API) or Gas BTU Content	1193 BTU		1193 BTU
7. Producing or Shut-In	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give 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: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 2-4-99 Rates: Gas 84 MCF/D	Date: Rates:	Date: 2-4-99 Rates: Gas 101 MCF/D
8. Fixed Percentage Allocation Formula - % for each zone	Oil Gas 70 %	Oil Gas %	Oil Gas 30 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rte projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No
11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No
13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner or Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No
15. NMOCD Reference Cases of Rule 303© Exceptions: ORDER NO(S). R-5648
16. 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 all offset operators.
 - Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - Any additional statements, data, or documents required to support commingling.

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 February 15, 1999
TYPE OR PRINT NAME ROBERT L. VERQUER TELEPHONE NO. (505) 632-1544

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 & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-10
Revised October 18, 199
Instructions on bac
Submit to Appropriate District Office
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06508		² Pool Code 93325		³ Pool Name UNDESIGNATED GREENHORN	
⁴ Property Code 2454		⁵ Property Name BREECH			⁶ Well Number 224
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6463 KB

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	26N	7W		865'	North	1140'	East	Rio Arriba

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.
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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

16				865'	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 February 10, 1999
				1140'	
					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

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 & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-10
Revised October 18, 199
Instructions on bac
Submit to Appropriate District Office
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06508		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2454		⁵ Property Name BREECH			⁶ Well Number 224
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6463 KB

¹⁰ Surface Location

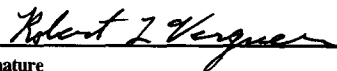
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	26N	7W		865'	North	1140'	East	Rio Arriba

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.
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				1140'	
					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

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
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District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-10
Revised October 18, 1999
Instructions on bac
Submit to Appropriate District Office
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-06508	² Pool Code 82329	³ Pool Name OTERO CHACRA
⁴ Property Code 2454	⁵ Property Name BREECH	⁶ Well Number 224
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	⁹ Elevation 6463 KB

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	26N	7W		865'	North	1140'	East	Rio Arriba

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					865'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Robert L. Verquer</i> Signature Printed Name Robert L. Verquer Title Superintendent Date February 10, 1999
					1140'	
						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

16			17	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
				<i>Robert L. Verquer</i> Signature
				Printed Name Robert L. Verquer
				Title Superintendent
			Date February 10, 1999	
18			SURVEYOR CERTIFICATION <i>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.</i>	
			Date of Survey	
			Signature and Seal of Professional Surveyor:	
			Certificate Number	

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107
Revised 4-1-91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-6429

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

APPLICATION FOR MULTIPLE COMPLETION

Operator CAULKINS OIL COMPANY		Address P.O. Box 340, Bloomfield, NM 87413	
Lease Breech	Well No. 224	Unit Ltr. - Sec - Twp - Rge A 13 - 26N - 7W	County Rio Arriba
All applicants for multiple completion must complete Items 1 and 2 below.			
I. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Pictured Cliffs - Otero Chacra		Mesa Verde - Greenhorn
b. Top and Bottom of Pay Section (Perforations)	Pictured Cliffs 2716' - 2754' Chacra 3594' - 3699'		Mesa Verde 4996' - 5146' Greenhorn 6900' - 6940'
c. Type of production (Oil or Gas)	Gas		Gas and Condensate
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
e. Daily Production X Actual ___ Estimated Oil Bbls. Gas MCF Water Bbls.	Order # R-5927 0 bbls 119 MCF .10 bbls		Order # R-5927 1.26 bbls 219 MCF .24 bbls

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated hereon. (if such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A)

OPERATOR:

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

Signature Robert L. Verquer
Printed Name & Title Robert L. Verquer, Superintendent
Date February 15, 1999 Ph. (505) 632-1544

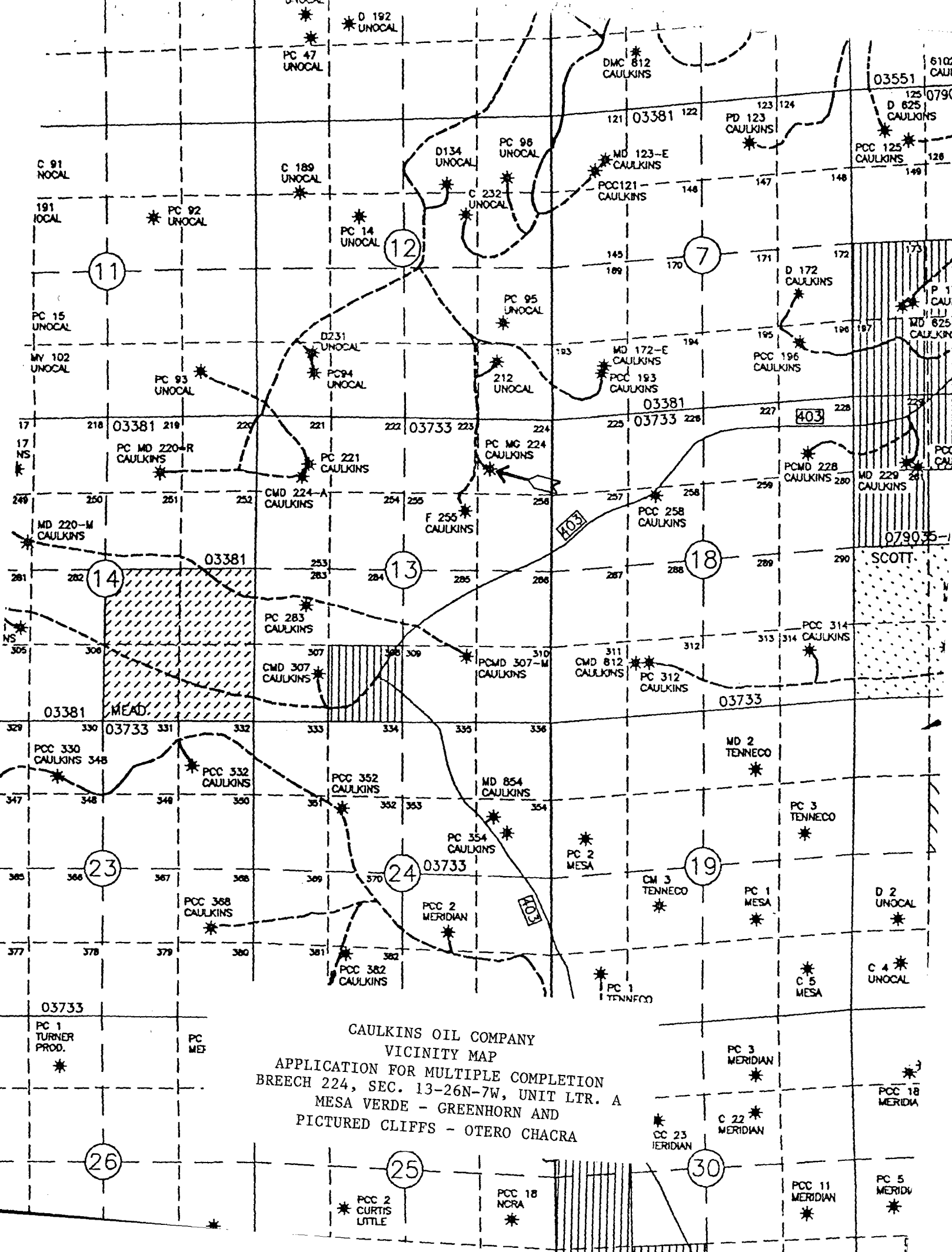
OIL CONSERVATION DIVISION

Approved by: _____
Title: _____
Date: _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval - See rule 112-A-B - Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval - See Rule 112C - Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

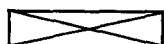
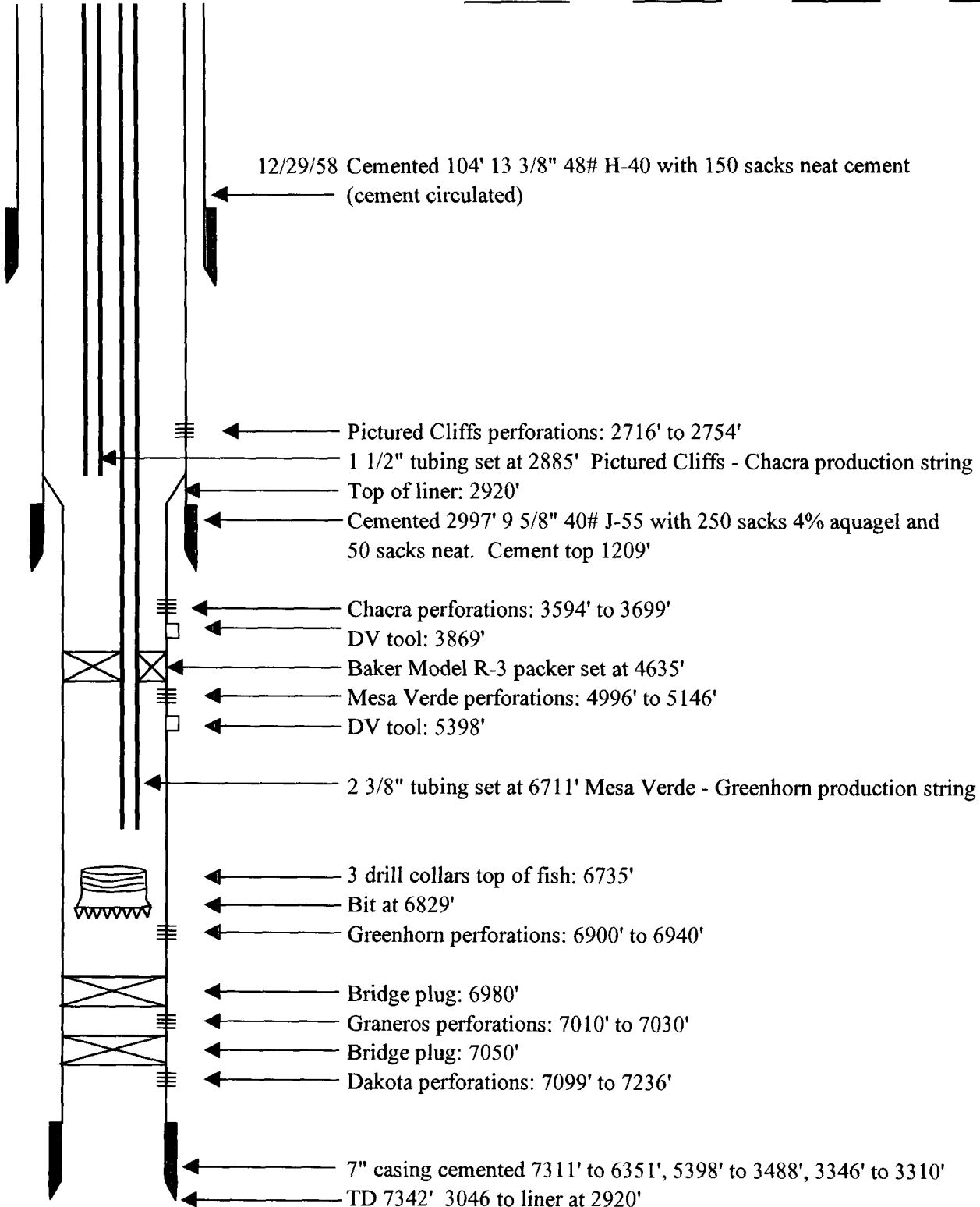


CAULKINS OIL COMPANY
VICINITY MAP
APPLICATION FOR MULTIPLE COMPLETION
BREECH 224, SEC. 13-26N-7W, UNIT LTR. A
MESA VERDE - GREENHORN AND
PICTURED CLIFFS - OTERO CHACRA

CAULKINS OIL COMPANY

REMARKS

DATE _____ LEASE _____ BREECH _____ WELL NO. 224
 FIELD MESA VERDE - GREENHORN & PICTURED CLIFFS - OTERO CHACRA
 UNIT LTR. A SEC. 13 TWP. 26N RGE. 7W



BRIDGE PLUG



PACKER



PERFORATIONS

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

February 15, 1999

The following list is all the offset operators that Caulkins Oil Company has notified by certified mail of the application to downhole commingle and dual complete our Breech 224, section 13, township 26N, range 7W.

Unocal
ATTN: Heather Dahlgren
1004 Big Spring
Midland, TX 79702

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. 6444
Order No. R-5927

APPLICATION OF CAULKINS OIL COMPANY
FOR 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, is the owner and operator of the Breech Well No. 224 located in Unit A of Section 13, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Pictured Cliffs, Chacra, Mesaverde and Greenhorn production within the wellbore of the above-described well.
- (4) That from the Pictured Cliffs zone, the subject well is capable of low marginal production only.
- (5) That from the Chacra zone, the subject well is expected to be capable of low marginal production only.
- (6) That from the Mesaverde zone, the subject well is capable of low marginal production only.

(7) That from the Greenhorn zone, the subject well is capable of low marginal production only.

(8) 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.

(9) 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.

(10) 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 further notify said district office any time the subject well is shut-in for 7 consecutive days.

(11) That in order to allocate the commingled production to each of the commingled zones in the well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

(12) 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.

(13) That Division Order No. R-1457, which authorized the triple completion of the subject well, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs, Chacra, Mesaverde and Greenhorn production within the wellbore of the Breech Well No. 224, located in Unit A of Section 13, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well following completion of such well and submittal of pressure and productivity data.

(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.

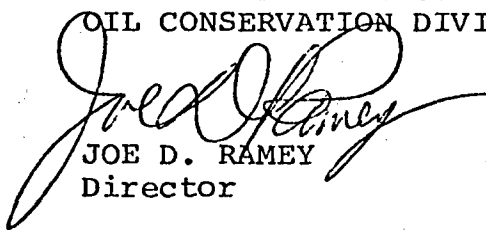
(4) That the Director of the Division may rescind the authority to commingle production granted by this order if it appears that waste will be prevented thereby.

(5) That Division Order No. R-1457 is hereby superseded.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/