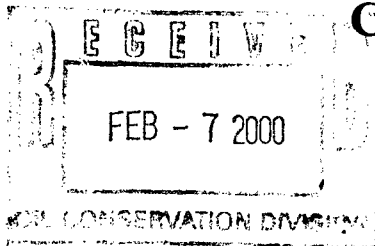


DHC 2/28/00



## CAULKINS OIL COMPANY

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

2652

February 3, 2000

State of New Mexico  
Oil Conservation Division  
ATTN: Lori Wrotenberry  
2040 South Pacheco  
Santa Fe, NM 87504

Re: Administrative Approval to Downhole Commingle  
Reuter 344-E, Sec. 22-T26N-R6W, Unit Letter K  
Basin Dakota and Blanco Mesa Verde Formations  
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

This well is waiting on APD approval. Caulkins Oil Company requests approval to commingle well by following procedure:

- Move in workover rig.
- Drill out stage tools.
- Run correlation collar log.
- Perforate and frac Dakota.
- Set retrievable bridge plug between Dakota and Mesa Verde zones.
- Perforate and frac Mesa Verde zone.
- Clean out and test Mesa Verde zone.
- Pull retrievable bridge plug.
- Clean out and test Dakota - Mesa Verde combined.
- Subtract Mesa Verde test from combined test for percentage allocations.
- Land tubing.
- Move rig.
- Submit test results to NMOCD for final percentage allocation approvals.

All Caulkins Oil Company's and offset operators' wells immediately surrounding this well are currently commingled in these formations. The most recent commingles being Caulkins Oil Company Breech 228-M, Conoco Reams Com #3Y and Reams Com #2-M. Please reference DHC #2494, DHC #1646 and #1647.

Please find the enclosed:  
Form C-107-A  
Form C-102 for each zone  
Vicinity map  
Notification list of offset operators  
Sundry notice notifying BLM of intentions to commingle

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

Sincerely,

A handwritten signature in cursive script that reads "Robert L. Verquer".

Robert L. Verquer  
Superintendent

## 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

## APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A

New 3-12-96

APPROVAL PROCESS :

\_\_\_\_ Administrative \_\_\_\_ Hearing

EXISTING WELLBORE

YES NO

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

REUTER

344-E

K - SEC. 22-26N-6W

RIO ARRIBA

LEASE

WELL NO.

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

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824

Property Code 2462

API NO. 30-039-27235

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		Basin Dakota
2. Top and Bottom of Pay Section (Perforations)	Approx. 4681' - 5499'		Approx. 7239' - 7476
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) Not completed	a.	a. Not completed
	b. (Original) 1215 Estimated	b.	b. 1731 Estimated
Oil Gravity (° API) or Gas BTU Content	1240 BTU Estimated		1189 BTU Estimated
7. Producing or Shut-In	Not completed		Not completed
Production Marginal? (yes or no)	Anticipated to be		Anticipated to be
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date:	Date:	Date:
	Rates:	Rates:	Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: To be determined from	Date:	Date: To be determined from
	Rates: tests upon completion	Rates: tests upon completion	Rates: tests upon completion
8. Fixed Percentage Allocation Formula - % for each zone	Oil                      Gas %                      %	Oil                      Gas %                      %	Oil                      Gas %                      %

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 rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ NoIf not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ NoHave all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. 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 ☐ No13. 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 of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOC Reference Cases of Rule 303© Exceptions: ORDER NO(S). DHC-2494; DHC-1646; DHC-1647

## 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 2, 2000TYPE OR PRINT NAME ROBERT L. VERQUERTELEPHONE NO. (505) 632-1544

## EXHIBIT "H"

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-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-27235	<sup>2</sup> Pool Code 72319	<sup>3</sup> Pool Name MESA VERDE
<sup>4</sup> Property Code 2462	<sup>5</sup> Property Name Reuter	<sup>6</sup> Well Number 344-E
<sup>7</sup> OGRID No. 003824	<sup>8</sup> Operator Name Caulkins Oil Company	<sup>9</sup> Elevation 6694 GL

<sup>10</sup> Surface Location

UL or lot no. K	Section 22	Township 26N	Range 6W	Lot Idn	Feet from the 1650'	North/South line South	Feet from the 1650'	East/West line West	County Rio Arriba
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
	Signature	<i>Robert L. Verquer</i>
	Printed Name	Robert L. Verquer
	Title	Superintendent
	Date	December 7, 1999
	<sup>18</sup> 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	

## EXHIBIT "H"

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-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-039-27235		<sup>2</sup> Pool Code 71599		<sup>3</sup> Pool Name BASIN DAKOTA	
<sup>4</sup> Property Code 2462		<sup>5</sup> Property Name Reuter			<sup>6</sup> Well Number 344-E
<sup>7</sup> OGRID No. 003824		<sup>8</sup> Operator Name Caulkins Oil Company			<sup>9</sup> Elevation 6694 GL

<sup>10</sup> Surface Location

UL or lot no. K	Section 22	Township 26N	Range 6W	Lot Idn	Feet from the 1650'	North/South line South	Feet from the 1650'	East/West line West	County Rio Arriba
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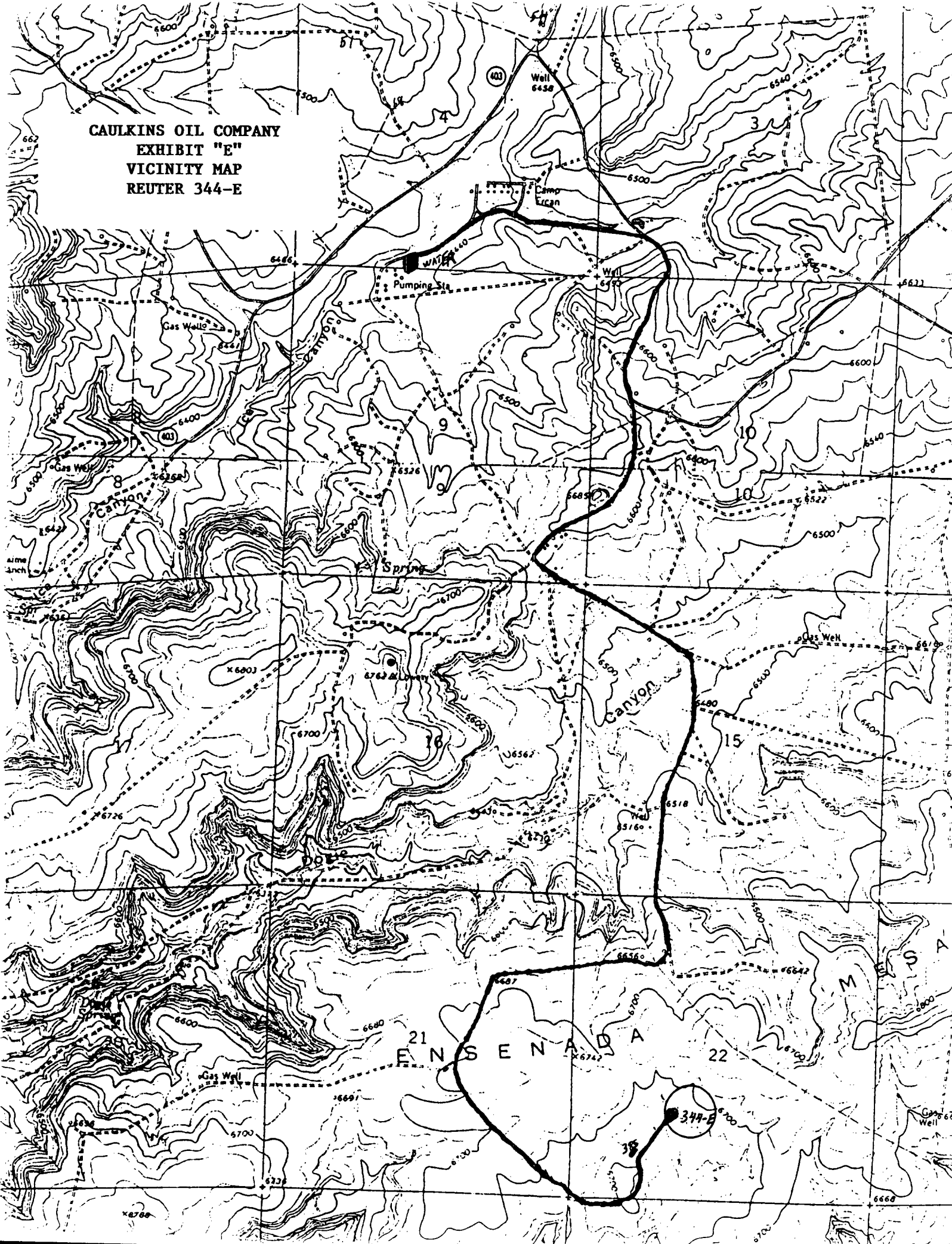
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

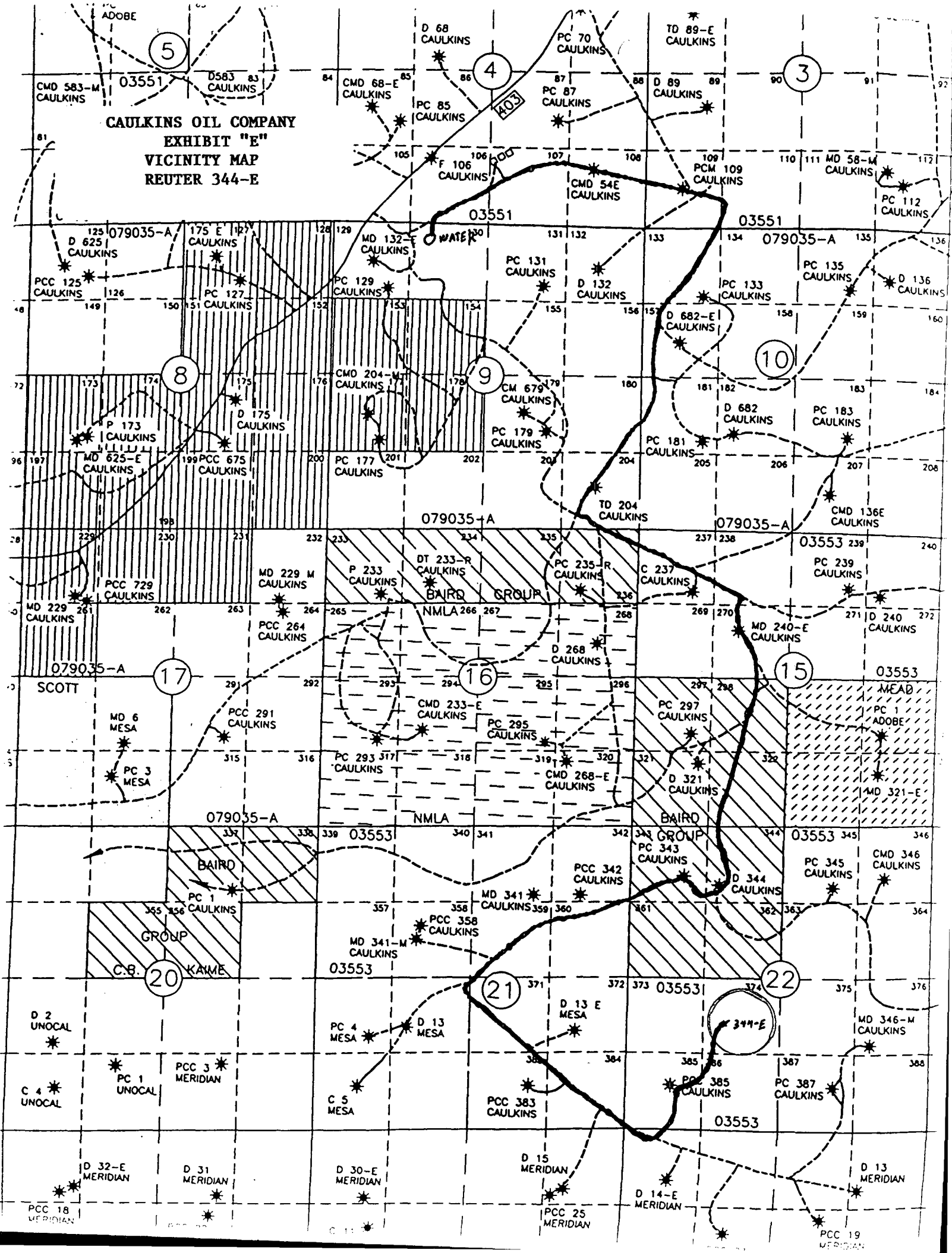
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup> 	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>Robert L. Verquer</u> Printed Name <u>Robert L. Verquer</u> Title <u>Superintendent</u> Date <u>December 7, 1999</u>			
	<sup>18</sup> 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 _____			

CAULKINS OIL COMPANY  
EXHIBIT "E"  
VICINITY MAP  
REUTER 344-E



CAULKINS OIL COMPANY  
EXHIBIT "E"  
VICINITY MAP  
REUTER 344-E



# **CAULKINS OIL COMPANY**

**P. O. BOX 340**

**BLOOMFIELD, NEW MEXICO 87413**

**PHONE: 505-632-1544**

**FAX 505-632-1471**

February 3, 2000

The following list is all the offset operators to Caulkins Oil Company well Reuter 344-E, section 22, township 26N, range 6W

Conoco, Inc.  
3315 Bloomfield Highway  
Farmington, NM 87401

Burlington Resources  
P.O. Box 4289  
Farmington, NM 87499

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-03553

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well ☐ Gas Well ☐ Other ☐  
GAS WELL

8. Well Name and No.

REUTER 344-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-27235

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

DAKOTA, MESA VERDE

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

1650' F/S 1650' F/W

SEC. 22-26N-6W

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 Downhole Commingle

☐ Dispose Water

17. Describe Proposed or Completed Operations:

2-2-00

Approval to downhole commingle this well has been submitted to the NMOCD.

Commingle documents attached.

Pending approval, commingling will be done by the following procedure.

Move in workover rig. Drill out stage tools.

Run correlation collar log.

Perforate and frac Dakota.

Set retrievable bridge plug between Dakota and Mesa Verde zones.

Perforate and frac Mesa Verde zone.

Clean out and test Mesa Verde zone.

Pull retrievable bridge plug.

Clean out and test Dakota - Mesa Verde combined.

Subtract Mesa Verde test from combined test for percentage allocations.

Land tubing. Move rig.

Submit test results to NMOCD for final percentage allocation approvals.

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 2, 2000

ROBERT L. VERQUER

APPROVED BY:

TITLE:

DATE:

CONDITIONS OF APPROVAL, IF ANY