

27134242

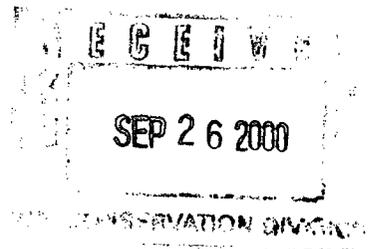
DHC

10/16/00

CAULKINS OIL COMPANY

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

2848



September 25, 2000

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

Re: Administrative Approval to Downhole Commingle
State "B" Com 233-E, Sec. 16-T26N-R6W, Unit Letter K
Basin Dakota and Blanco Mesa Verde Formations
Rio Arriba County, New Mexico

Dear Ms. Wrotenberry:

This well is currently completed in Dakota – Mesa Verde and Chacra zones. Well was produced as a dual Dakota – Mesa Verde with the Chacra isolated above a packer since May 1983.

The Mesa Verde was disconnected from pipeline and Chacra first delivered through Mesa Verde meter on May 18, 2000. Gas production from the Chacra zone has leveled off at approximately 80 MCF/D with less than 1 BBL/D water.

Caulkins Oil Company now requests approval to downhole commingle Dakota – Mesa Verde below a packer and dual complete with Chacra zone above packer.

Please find the enclosed:

- A. Form C-107-A
- B. Form C-102 for each zone
- C. Sundry dated February 18, 2000
- D. One year production volumes
- E. Notification list of offset operators
- F. Vicinity map

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". The signature is written in black ink and is followed by a horizontal line.

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

STATE "B" COM

233-E

K - SEC. 16-26N-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 2465

API NO. 30-039-22952

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)	5164' - 5376'		7266' - 7424'
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) 570	a.	a. 654
	b. (Original)	b.	b.
Oil Gravity (° API) or Gas BTU Content	1291		1182
7. Producing or Shut-In	Shut-in		Producing
Production Marginal? (yes or no)	Yes		Yes
* 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: May 2000	Date:	Date: July 2000
	Rates: Gas 43 Oil .19 MCF/D Bbl	Rates:	Rates: Gas 105 Oil .375 MCF/D Bbl
8. Fixed Percentage Allocation Formula - % for each zone	Oil 34 % Gas 29 %	Oil % Gas %	Oil 66 % Gas 71 %

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 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 of 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 and R-7980

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 September 25, 2000

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-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

¹ API Number 30-039-22952		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2465		⁵ Property Name STATE "B" COM			⁶ Well Number 233-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6669 GR

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
K	16	26N	6W		1740'	South	1715'	West	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 320		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

	¹⁷ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and	
	Signature <i>Robert L. Verquer</i>	Printed Name Robert L. Verquer
	Title Superintendent	Date February 18, 2000
	¹⁸ SURVEYOR CERTIFICATION	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 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-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

¹ API Number 30-039-22952		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2465		⁵ Property Name STATE "B" COM			⁶ Well Number 233-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6669 GR

¹⁰ Surface Location

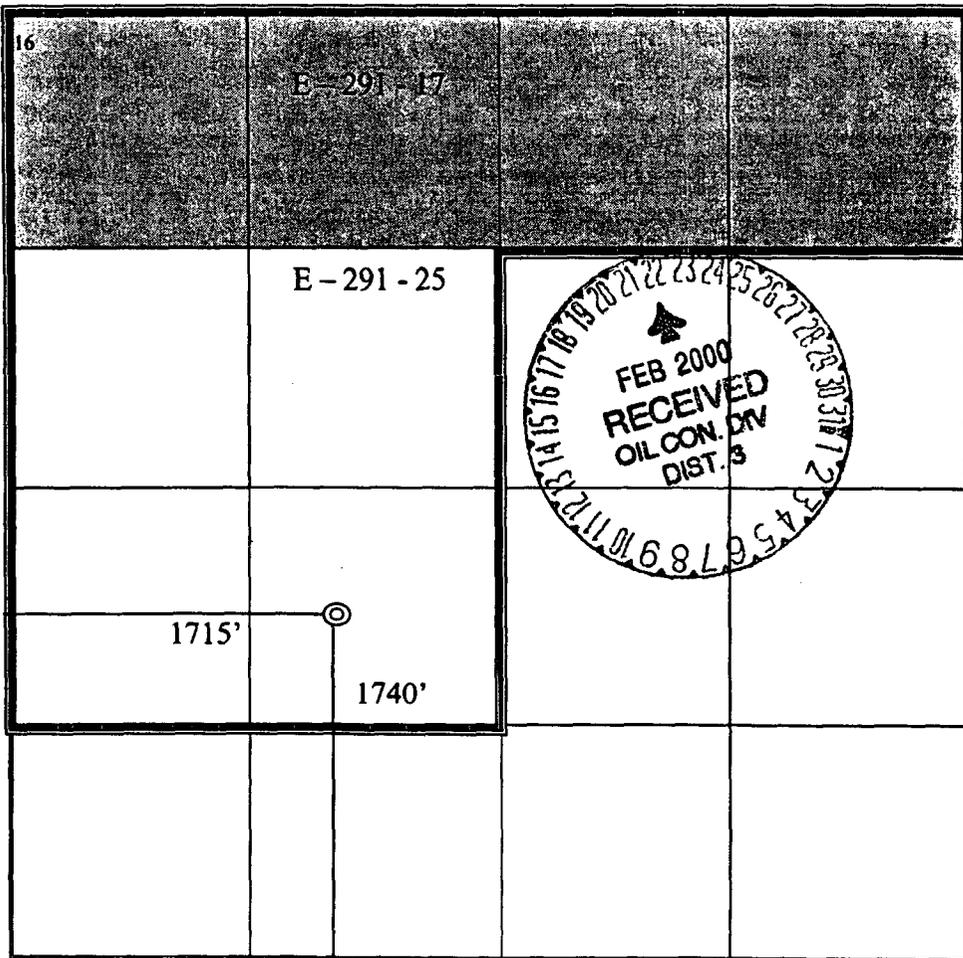
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	16	26N	6W		1740'	South	1715'	West	Rio Arriba

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 320	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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and

Signature *Robert L. Verquer*
 Printed Name Robert L. Verquer
 Title Superintendent
 Date February 18, 2000

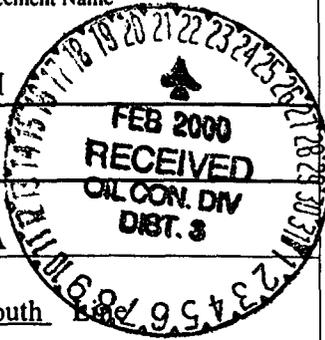
¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by 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

**State of New Mexico
Energy, Minerals and Natural Resources Department**

<p align="center">OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088</p>	WELL API NO. 30-039-22952 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No. E29125 7. Lease Name or Unit Agreement Name STATE "B" COM 8. Well No. 233-E Pool Name or Wildcat BASIN DAKOTA
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR TO PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator Caulkins Oil Company	
3. Address of Operator P.O. Box 340, Bloomfield, NM 87413	6. State Oil & Gas Lease No. (continued) E29125
4. Well Location Unit Letter <u>K</u> : <u>1715</u> Feet from the <u>West</u> Line and <u>1740</u> Feet from the <u>South</u> Line Section <u>16</u> Township <u>26N</u> Range <u>6W</u> NMPM Rio Arriba County	
10. Elevation (Show Whether D, RKB, RT, GR, etc.) 6669 GR	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: Temp. Disconnect Mesa Verde/Flow Chacra for Testing <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
12. Describe Proposed or Completed Operations 2/19/00 This well is currently completed as a dual Dakota and Mesa Verde completion with packers set in wellbore isolating Chacra zone. Chacra zone was perforated and frac'd during original completion of this well and was intended to be commingled with Mesa Verde for production. Due to accounting problems within Caulkins Oil Company, the Chacra zone was isolated and to-date has not produced to sales line. We now intend to temporarily disconnect Mesa Verde from sales line, tie-in Chacra to Mesa Verde sales meter and produce Chacra from annulus for test. If Chacra will produce marketable quantities of gas for 60 day test period then well will be commingled in Dakota - Mesa Verde zones and dual completed with Chacra. If tests indicate formation damage to Chacra zone, sundry to plug and abandon zone will be filed. In either case, commingling application will be filed for Dakota - Mesa Verde formations and no remedial action will commence prior to approvals. Attached: 1. Copy of original C-104 for Chacra 2. New C-104 with correct transporter 3. C-102s for Dakota, Mesa Verde and Chacra If you have any questions or need more information, please contact Robert L. Verquer, Superintendent. NOTE: This format is in lieu of State Form C-103.	
I hereby certify that the information above is true and complete to the best of my knowledge and belief.	
SIGNATURE <u>Robert L. Verquer</u> ROBERT L. VERQUER	TITLE <u>Superintendent</u> DATE <u>February 18, 2000</u> Ph. (505) 632-1544
(This space for State Use) APPROVED BY <u>[Signature]</u>	SUPERVISOR DISTRICT # <u>3</u> DATE <u>FEB 22 2000</u>
CONDITIONS OF APPROVAL, IF ANY:	

**LAST 12-MONTHS PRODUCTION
FOR
STATE B COM 233-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/99	2,856	12	2	29	98	0.414
07/99	2,773	5	1	31	89	0.161
08/99	2,054	4	1	28	73	0.143
09/99	2,940	7	1	30	98	0.233
10/99	3,074	9	1	31	99	0.290
11/99	3,066	8	1	30	102	0.267
12/99	3,051	4	1	31	98	0.129
01/00	3,094	15	2	31	100	0.484
02/00	2,549	14	2	24	106	0.583
03/00	3,515	9	1	29	121	0.310
04/00	2,943	9	1	28	105	0.321
05/00	1,684	6	1	16	105	0.375
	33,599	102	15		100	0.309

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/99	888	7	1	22	40	0.318
07/99	1,329	8	1	31	43	0.258
08/99	1,264	5	1	28	45	0.179
09/99	1,391	5	1	30	46	0.167
10/99	1,433	7	1	31	46	0.226
11/99	1,415	9	1	30	47	0.300
12/99	1,175	6	1	30	39	0.200
01/00	1,458	7	1	31	47	0.226
02/00	1,168	6	1	26	45	0.231
03/00	1,375	9	1	31	44	0.290
04/00	1,294	8	1	30	43	0.267
05/00	689	3	0	16	43	0.188
	14,879	80	11		44	0.237

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

September 25, 2000

The following list is all the offset operators to Caulkins Oil Company well State "B" Com 233-E, section 16, township 26N, range 6W

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

Conoco, Inc.
3315 Bloomfield Highway
Farmington, NM 87401

CAULKINS OIL COMPANY
VICINITY MAP
STATE "B" COM 233-E

SEC. 16-26N-6W, UNIT LTR. K
BASIN DAKOTA - MESA VERDE

