

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Robert L. Verquer
Print or Type Name

Robert L. Verquer
Signature

Superintendent
Title

June 21, 2002
Date

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

June 21, 2002

State of New Mexico
Oil Conservation Division
ATTN: Mr. David Catanach
1220 S. St. Francis Dr.
Santa Fe, NM 87504

Re: Approval to Downhole Commingle
Sanchez 1-E, Sec. 24-T26N-R6W, Unit Letter K
API # 30-039-22604
Basin Dakota, Mesa Verde, and Otero Chacra Formations
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Caulkins Oil Company requests approval to downhole commingle this well in the Basin Dakota, Mesa Verde and Otero Chacra formations.

Allocations are calculated using 31 day data from May 2002 volume statement.

Please find enclosed:
NMOCD form C-107-A
NMOCD form C-102 for each zone
BLM sundry notice of intent
One year production history

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

Sincerely,



Robert L. Verquer
Superintendent

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

CAULKINS OIL COMPANY P. O. BOX 340, BLOOMFIELD, NM 87413
Operator Address

SANCHEZ 1-E K 24-26N-6W RIO ARRIBA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 003824 Property Code 2463 API No. 30-039-22604 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---|--|--|
| Pool Name | Otero Chacra | Mesa Verde | Basin Dakota |
| Pool Code | 82329 | 72319 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 3940' - 3962' | 5286' - 5466' | 7282' - 7496 |
| Method of Production (Flowing or Artificial Lift) | Flowing | Flowing | Flowing |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone) | | | |
| Oil Gravity or Gas BTU (Degree API or Gas BTU) | 1256 BTU | 1256 BTU / 58.2 Gravity | 1240 BTU / 58.2 Gravity |
| Producing, Shut-In or New Zone | Producing | Producing | Producing |
| 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: May 2002 Oil Gas Water Rates: 0 20 0 Bbl MCF/D Bbl | Date: May 2002 Oil Gas Water Rates: 1.13 24 .16 Bbl MCF/D Bbl | Date: May 2002 Oil Gas Water Rates: .74 156 .10 Bbl MCF/D Bbl |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.) | Oil Gas 0 % 10 % | Oil Gas 60 % 12 % | Oil Gas 40 % 78 % |

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

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

Will commingling decrease the value of production? Yes ☐ No ☒

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

NMOCD Reference Case No. applicable to this well: ~~DHC - 1781~~ DHC - 660

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 June 21, 2002

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

District I

State of New Mexico

Form C-102

PO Box 1980, Hobbs, NM 88241-1980

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

District II

Instructions on back

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III

1220 South St. Francis Drive

State Lease - 4 Copies

1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, NM 87504

Fee Lease - 3 Copies

District IV

2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 30-039-22604 | ² Pool Code 82329 | ³ Pool Name OTERO CHACRA |
| ⁴ Property Code 2463 | ⁵ Property Name SANCHEZ | ⁶ Well Number 1-E |
| ⁷ OGRID No. 003824 | ⁸ Operator Name Caulkins Oil Company | ⁹ Elevation 6676 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 | 24 | 26N | 6W | | 1715' | South | 1825' | 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 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 | 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 June 21, 2002 | | | |
| | 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

State of New Mexico

Form C-102

PO Box 1980, Hobbs, NM 88241-1980

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

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District IV

2040 South Pacheco, Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 30-039-22604 | ² Pool Code 71599 | ³ Pool Name BASIN DAKOTA |
| ⁴ Property Code 2463 | ⁵ Property Name SANCHEZ | |
| ⁷ OGRID No. 003824 | ⁸ Operator Name Caulkins Oil Company | |
| | | ⁶ Well Number 1-E |
| | | ⁹ Elevation 6676 GR |

¹⁰ Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|------------------------|--------------------|---------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|-----------------------------|
| UL or lot no. K | Section 24 | Township 26N | Range 6W | Lot Idn | Feet from the 1715' | North/South line South | Feet from the 1825' | East/West line West | County 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 80 | 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

| | | | | |
|---|--|--|--|--|
| ⁶ | 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 June 21, 2002 | | | | |
| 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 | | | | |

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State of New Mexico

Form C-102

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|---|
| ¹ API Number 30-039-22604 | ² Pool Code 72319 | ³ Pool Name MESA VERDE |
| ⁴ Property Code 2463 | ⁵ Property Name SANCHEZ | ⁶ Well Number 1-E |
| ⁷ OGRID No. 003824 | ⁸ Operator Name Caulkins Oil Company | ⁹ Elevation 6676 GR |

¹⁰ Surface Location

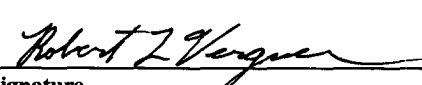
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| K | 24 | 26N | 6W | | 1715' | South | 1825' | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
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| | | |
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| | 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 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 | |
| | | |

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

NMSF-079304

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

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

8. Well Name and No.

SANCHEZ 1-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-22604-00D1

3. Address of Operator:

(505) 632-1544

10. Field and Pool, Exploratory Area

P.O. Box 340, Bloomfield, NM 87413

DAKOTA, MESA VERDE, CHACRA

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

11. Country or Parish, State

1715' F/S 1825' F/W

SEC. 24-26N-6W

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 Commingling

☐ Dispose Water

17. Describe Proposed or Completed Operations:

6/21/02

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

Commingling documents attached.

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

Rig up.

T. O. H. laying down 1 1/4" Mesa Verde - Chacra production tubing from 5427'.

T. O. H. laying down 2 1/16" Dakota production tubing from 7433' and packer set at 5640'.

T. I. H. with new 2 3/8" production tubing, clean out to PBTD with air package.

Land tubing on doughnut at approximately 7400'.

Rig down and move.

No new surface will be disturbed and location area will be cleaned up following operations.

Estimated starting date, August 1, 2002

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: June 21, 2002
ROBERT L. VERQUER

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

**LAST 12-MONTHS PRODUCTION
FOR
SANCHEZ 1-E**

DAKOTA

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|-------|---------------|------------|-----------|------|------------|--------------|
| 06/01 | 4,543 | 18 | 3 | 24 | 189 | 0.750 |
| 07/01 | 5,106 | 18 | 3 | 31 | 165 | 0.581 |
| 08/01 | 4,968 | 22 | 3 | 31 | 160 | 0.710 |
| 09/01 | 4,635 | 17 | 3 | 30 | 155 | 0.567 |
| 10/01 | 4,936 | 19 | 3 | 31 | 159 | 0.613 |
| 11/01 | 4,773 | 24 | 4 | 30 | 159 | 0.800 |
| 12/01 | 4,665 | 25 | 4 | 29 | 161 | 0.862 |
| 01/02 | 4,083 | 21 | 3 | 31 | 132 | 0.677 |
| 02/02 | 4,359 | 19 | 3 | 27 | 161 | 0.704 |
| 03/02 | 206 | 23 | 3 | 31 | 7 | 0.742 |
| 04/02 | 4,389 | 22 | 3 | 30 | 146 | 0.733 |
| 05/02 | 4,830 | 23 | 3 | 31 | 156 | 0.742 |
| | 51,493 | 251 | 38 | | 146 | 0.707 |

MESA VERDE

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|-------|--------------|------------|-----------|------|-----------|--------------|
| 06/01 | 620 | 26 | 4 | 27 | 23 | 0.963 |
| 07/01 | 784 | 27 | 4 | 31 | 25 | 0.871 |
| 08/01 | 789 | 34 | 5 | 31 | 25 | 1.097 |
| 09/01 | 742 | 25 | 4 | 30 | 25 | 0.833 |
| 10/01 | 821 | 29 | 4 | 31 | 26 | 0.935 |
| 11/01 | 810 | 36 | 5 | 30 | 27 | 1.200 |
| 12/01 | 765 | 36 | 5 | 29 | 26 | 1.241 |
| 01/02 | 704 | 32 | 5 | 31 | 23 | 1.032 |
| 02/02 | 674 | 29 | 4 | 27 | 25 | 1.074 |
| 03/02 | 165 | 35 | 5 | 31 | 5 | 1.129 |
| 04/02 | 782 | 32 | 5 | 30 | 26 | 1.067 |
| 05/02 | 825 | 35 | 5 | 31 | 27 | 1.129 |
| | 8,481 | 376 | 55 | | 24 | 1.048 |

OTERO CHACRA

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|-------|--------------|----------|----------|------|-----------|--------------|
| 06/01 | 458 | 0 | 0 | 27 | 17 | 0.000 |
| 07/01 | 590 | 0 | 0 | 31 | 19 | 0.000 |
| 08/01 | 595 | 0 | 0 | 31 | 19 | 0.000 |
| 09/01 | 556 | 0 | 0 | 30 | 19 | 0.000 |
| 10/01 | 623 | 0 | 0 | 31 | 20 | 0.000 |
| 11/01 | 616 | 0 | 0 | 30 | 21 | 0.000 |
| 12/01 | 580 | 0 | 0 | 29 | 20 | 0.000 |
| 01/02 | 519 | 0 | 0 | 31 | 17 | 0.000 |
| 02/02 | 506 | 0 | 0 | 27 | 19 | 0.000 |
| 03/02 | 41 | 0 | 0 | 31 | 1 | 0.000 |
| 04/02 | 591 | 0 | 0 | 30 | 20 | 0.000 |
| 05/02 | 626 | 0 | 0 | 31 | 20 | 0.000 |
| | 6,301 | 0 | 0 | | 18 | 0.000 |