

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



3118

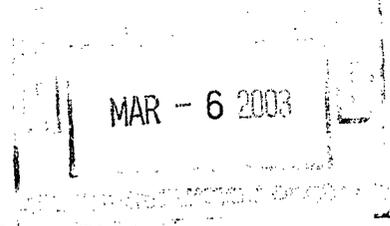
ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 ___ NSL ___ NSP ___ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
X DHC ___ CTB ___ PLC ___ PC ___ OLS ___ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 ___ WFX ___ PMX ___ SWD ___ IPI ___ EOR ___ PPR
- [D] Other: Specify _____



- [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] X 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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Robert L. Verquer
 Print or Type Name

Robert L. Verquer
 Signature

Superintendent
 Title

March 4, 2003
 Date

caulkins@direcway.com
 e-mail Address

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 March 4, 2003

TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505)-632-1544

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
X Yes ___ No

APPLICATION FOR DOWNHOLE COMMINGLING

Caulkins Oil Company Operator P. O. Box 340, Bloomfield, NM 87413 Address

BREECH "E" Lease 89-E Well No. UNIT E - SEC. 3-26N-6W Unit Letter-Section-Township-Range Rio Arriba County

OGRID No. 003824 Property Code 2459 API No. 30-039-23634 Lease Type: X Federal ___ State ___ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Blanco Tocito		Basin Dakota
Pool Code	06460		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6790' - 6802'		7271' - 7496'
Method of Production (Flowing or Artificial Lift)	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)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1283 BTU		1234 BTU
Producing, Shut-In or New Zone	Producing		Shut-in
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: December 2002 - Avg. Rate: Gas Oil Water 75 1.15 .01 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water MCF/D Bbl Bbl	Date: December 2002 - Avg. Rate: Gas Oil Water 77 .34 .06 MCF/D Bbl Bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Gas 49% Oil 77%	Gas % Oil %	Gas 51% Oil 23%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X 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 X No ___

Will commingling decrease the value of production? Yes ___ No X

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 X No ___

NMOCD Reference Case No. applicable to this well: DHC-3029, DHC-1780, DHC-2102, DHC-2248, DHC1868-A, DHC-659-B

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 March 4, 2003

TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505)-632-1544

All distances must be from the outer boundaries of the Section.

Operator Caulkins Oil Company		Lease Breach "E"		Well No. 89-E
Unit Letter E	Section 3	Township 26 North	Range 6 West	County Rio Arriba

Actual Footage Location of Well:
1625 feet from the **North** line and **790** feet from the **West** line

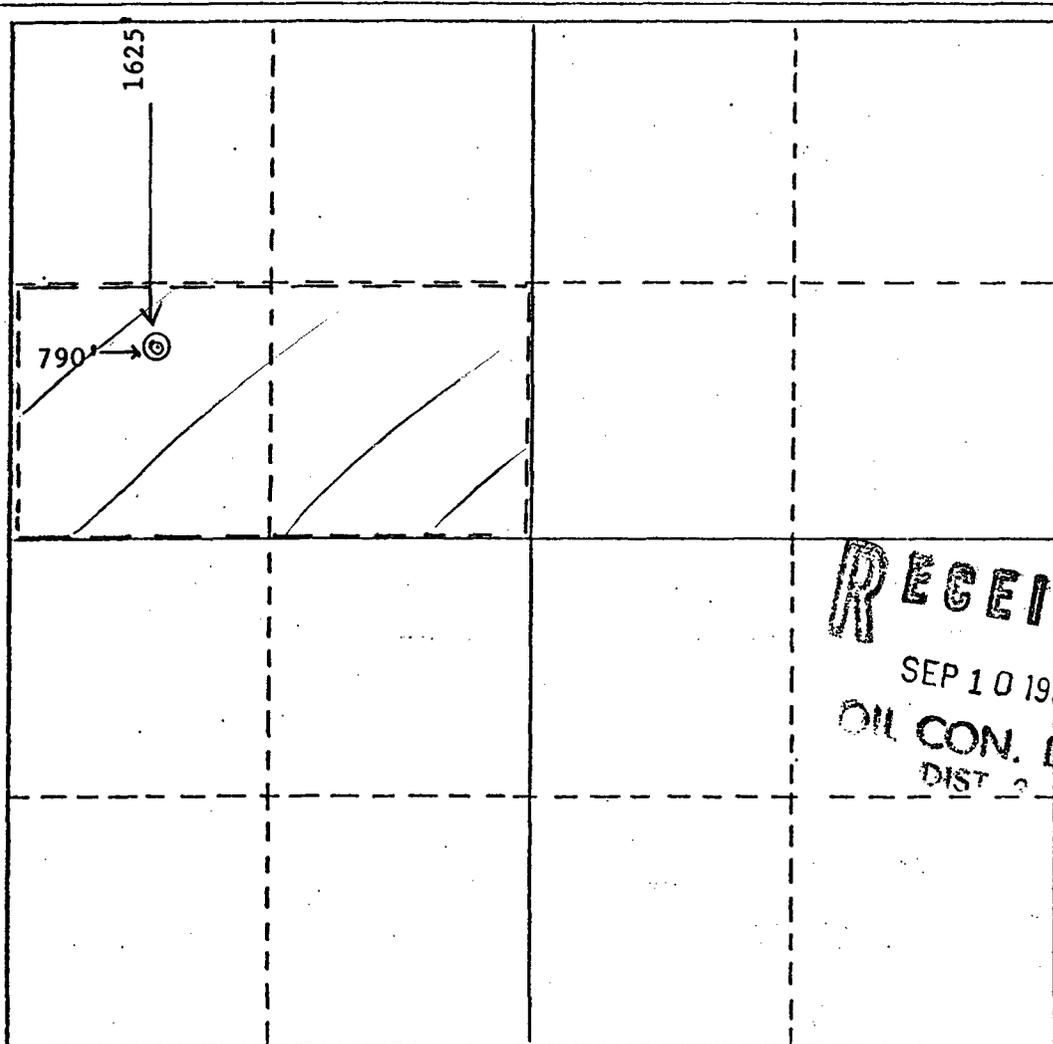
Ground Level Elev. 6532' GR	Producing Formation Tocito	Pool South Blanco Tocito	Dedicated Acreage: 80 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division



CERTIFICATION

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

Charles E. Verquer
Name

Charles E. Verquer

Position
Superintendent

Company
Caulkins Oil Company

Date
9-9-85

RECEIVED
SEP 10 1985
OIL CON. DIV.
DIST. 2

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.

11 2-84

Date Surveyed **C002009**

Registered Professional Engineer and/or Land Surveyor

Curtis Stocking

Certificate No.
5980



Operator CAULKINS OIL COMPANY		Lease BREECH "E"		Well No. 89-M
Unit Letter E	Section 3	Township 26 NORTH	Range 6 WEST	County RIO ARRIBA

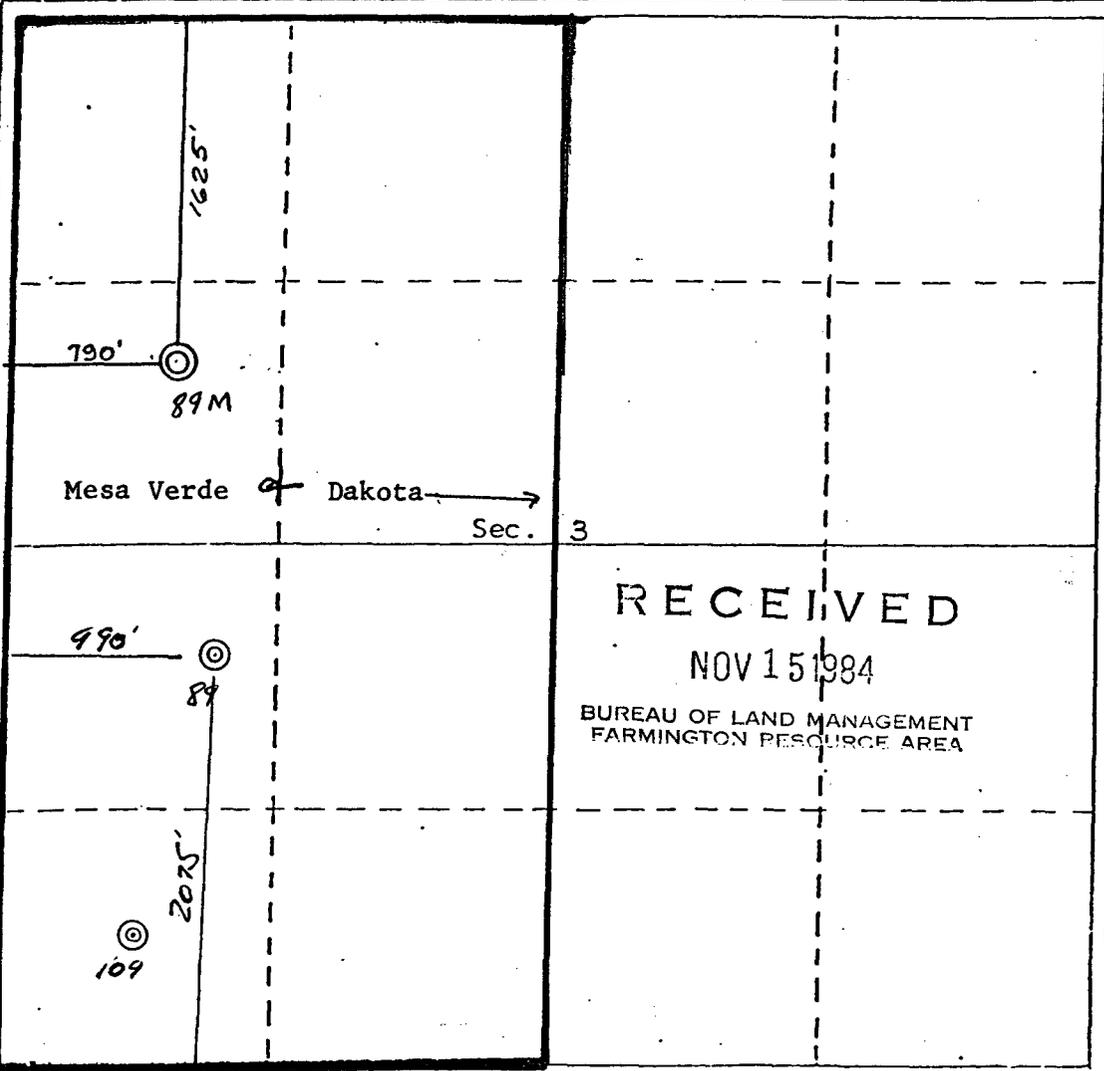
Actual Well Location of Well:
1625 feet from the **NORTH** line and **790** feet from the **WEST** line

Ground Level Elev. 6532	Producing Formation Mesa Verde - Dakota	Pool Blanco Mesa Verde - Basin Dakota	Dedicated Acreage: 320 Infil
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Charles E. Verquer
 Name
Charles E. Verquer
 Position
Superintendent
 Company
Caulkins Oil Company
 Date
11-12-84

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.

11-2-1984
 Date Surveyed
Curtis G. Stocking
 Registered Professional Engineer
 and/or Land Surveyor
Curtis G. Stocking
 Certificate No. **5980**

**LAST 12-MONTHS PRODUCTION
FOR
BREECH "E" 89-E**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
01/02	2,332	10	2	31	75	0.323
02/02	1,877	6	1	24	78	0.250
03/02	2,432	14	2	31	78	0.452
04/02	2,344	10	2	30	78	0.333
05/02	2,421	13	2	30	81	0.433
06/02	2,335	13	2	30	78	0.433
07/02	2,412	10	2	31	78	0.323
08/02	2,412	7	1	31	78	0.226
09/02	2,246	16	2	29	77	0.552
10/02	2,412	7	1	31	78	0.226
11/02	2,136	5	1	30	71	0.167
12/02	2,337	10	2	31	75	0.323
	27,696	121	20		77	0.337

TOCITO

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
01/02	2,171	39	0	30	72	1.300
02/02	1,933	20	0	26	74	0.769
03/02	2,300	38	0	31	74	1.226
04/02	2,210	41	0	30	74	1.367
05/02	2,258	37	0	31	73	1.194
06/02	2,172	39	0	30	72	1.300
07/02	2,273	36	0	31	73	1.161
08/02	2,194	26	0	31	71	0.839
09/02	2,270	36	0	30	76	1.200
10/02	2,295	33	0	31	74	1.065
11/02	2,253	33	0	30	75	1.100
12/02	2,338	40	0	31	75	1.290
	26,667	418	0		74	1.151

CAULKINS OIL COMPANY

P. O. BOX 340

BLOOMFIELD, NEW MEXICO 87413

PHONE: 505-632-1544

FAX 505-632-1471

March 5, 2003

The following list is all the offset operators to Caulkins Oil Company well Breech "E" 89-E, section 3, township 26N, range 6W.

**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-03551

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 "E" 89-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-23634-00D1

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

DAKOTA, TOCITO

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

1625' F/N 790' F/W

SEC. 3-26N-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	
<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>Commingle Well</u>	<input type="checkbox"/> Dispose Water

17. Describe Proposed or Completed Operations:

2-11-03

We request approval to downhole commingle this well by the following procedure.

T. O. H. laying down 1 1/4" tubing with seal assembly from 6869'.

T. O. H. laying down 2 3/8" J & L slim hole tubing with seal assembly form 7389'.

T. I. H. with packer plucker on new 2 3/8" tubing.

Drill out and retrieve model "F" packer from 6869'. T. O. H.

T. I. H. with new 2 3/8" production tubing.

Clean out to TD, 7536', with air foam unit.

Land tubing on doughnut at approximately 7450'.

Basin Dakota (71599) and South Blanco Tocito (06460)

Perforations: Dakota (7271' - 7496'), Tocito (6790' - 6802')

<u>Allocations</u>	<u>Dakota</u>	<u>Tocito</u>
Oil	23%	77%
Gas	51%	49%

Attached is a copy of NMOCD C-107-A and supporting documents have been submitted to the state for your reference.

Commingling will not reduce the production value of this well.

Estimated starting date, May 1, 2003

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: March 4, 2003
ROBERT L. VERQUER

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