

2005 JUN 28 PM 1:38

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMNM-03553

RECEIVED

070 FARMINGTON NM

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)

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 "D" 685-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-22911-00C1

3. Address of Operator:

(505) 334-4323

10. Field and Pool, Exploratory Area

1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410

DAKOTA, MESA VERDE

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

858' F/S 927' F/E

SEC. 11-26N-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

☒ Recompletion

☐ New Construction

☐ Subsequent Report

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Final Abandonment Notice

☐ Altering Casing

☐ Conversion to Injection

☒ Other Downhole Commingle

☐ Dispose Water

17. Describe Proposed or Completed Operations:

5-13-05

We request approval to recomple this well in the South Blanco Tocito formation by the following procedure:

Rig up. T. O. H. standing back 2 3/8" tubing with R-3 packer.

Run wireline set retrievable bridge plug to 7000'.

Run gas spectrum log through Tocito & Gallup formations, 6800' to 6400'.

Perforate Tocito zone, 6748' to 6736' with 4 shots per foot.

T. I. H. with 2 7/8" tubing with fullbore packer to approximately 6000'.

Frac Tocito zone with 20,000# 20/40 sand and N2 foam.

Flow well back to clean up and test.

T. O. H. laying down 2 7/8" tubing with packer.

T. I. H. with 2 3/8" tubing with retrieving head.

T. O. H. with retrievable bridge plug from 7000'.

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

Clean out to PBTD with air foam unit.

CONDITIONS OF APPROVAL

Land tubing on downhole approximately 7340'.

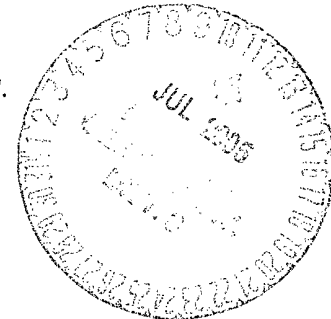
Adhere to previously issued stipulations

Comminglel Dakota - Tocito - Mesa Verde.

Rig down and move.

NOTE: The format is issued in lieu of U.S. BLM Form 3160-5

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



D/H/C 3493

18. I HEREBY CERTIFY THE FOREGOING IS TRUE AND CORRECT

SIGNED:

Robert L. Verquer

TITLE: Superintendent

DATE: May 13, 2005

ROBERT L. VERQUER

APPROVED BY:

Jim Lohr

TITLE: Petr. Eng.

DATE: 7/7/05

CONDITIONS OF APPROVAL, IF ANY

NMOCD

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

Operator Caulkins Oil Company Address 1409 W. Aztec, Blvd., Suite B7, Aztec NM 87410
Lease BREECH "D" Well No. 685-E Unit Letter-Section-Township-Range UNIT P - SEC. 11-26N-6W County Rio Arriba
OGRID No. 003824 Property Code 2458 API No. 30-039-22911 Lease Type: X Federal State Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|---|---|--|---|
| Pool Name | Mesa Verde | South Blanco Tocito | Basin Dakota |
| Pool Code | 72319 | 06460 | 71599 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 5090' - 5430' | 6748' - 6736' | 7260' - 7470' |
| 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) | 1211 | Estimated: 1286 | 1211 |
| Producing, Shut-In or New Zone | New Zone | 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: 12 month average Rate: Gas Oil Water 8 .227 .041 MCF/D Bbl Bbl | Date: Estimated Rate: Gas Oil Water 175 4 .10 MCF/D Bbl Bbl | Date: 12 month average Rate: Gas Oil Water 109 .558 .085 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.) | Oil Gas 6 % 3 % | Oil Gas 83 % 60 % | Oil Gas 11 % 37 % |

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 No
NMOCD Reference Case No. applicable to this well: DHC-1868-A, DHC-2069-A, DHC - 3187, DHC-2248, DHC-2102

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 15, 2005
TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505) 334-4323

**LAST 12-MONTHS PRODUCTION
FOR
BREECH D 685-E**

DAKOTA

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|--------------|---------------|------------|--------------|-------------|----------------|----------------|
| 04/04 | 3,486 | 13 | 2 | 30 | 111 | 0.433 |
| 05/04 | 3,795 | 18 | 3 | 31 | 117 | 0.581 |
| 06/04 | 3,712 | 15 | 2 | 30 | 118 | 0.500 |
| 07/04 | 4,067 | 27 | 4 | 31 | 126 | 0.871 |
| 08/04 | 3,940 | 18 | 3 | 31 | 122 | 0.581 |
| 09/04 | 2,716 | 13 | 2 | 30 | 85 | 0.433 |
| 11/04 | 3,983 | 18 | 3 | 30 | 127 | 0.600 |
| 12/04 | 3,756 | 19 | 3 | 31 | 116 | 0.613 |
| 01/05 | 3,400 | 16 | 2 | 31 | 104 | 0.516 |
| 02/05 | 3,340 | 21 | 3 | 28 | 114 | 0.750 |
| 03/05 | 3,104 | 15 | 2 | 31 | 95 | 0.484 |
| 04/05 | 2,513 | 10 | 2 | 30 | 78 | 0.333 |
| | 41,812 | 203 | 31 | | 109 | 0.558 |

MESA VERDE

| MONTH | GAS | OIL | WATER | DAYS | GAS DPA | OIL DPA |
|--------------|--------------|------------|--------------|-------------|----------------|----------------|
| 04/04 | 330 | 6 | 1 | 30 | 8 | 0.200 |
| 05/04 | 356 | 9 | 1 | 31 | 9 | 0.290 |
| 06/04 | 347 | 8 | 1 | 30 | 9 | 0.267 |
| 07/04 | 376 | 13 | 2 | 31 | 9 | 0.419 |
| 08/04 | 367 | 9 | 1 | 31 | 9 | 0.290 |
| 09/04 | 272 | 7 | 1 | 30 | 6 | 0.233 |
| 11/04 | 368 | 8 | 1 | 30 | 10 | 0.267 |
| 12/04 | 353 | 10 | 2 | 31 | 9 | 0.323 |
| 01/05 | 326 | 8 | 1 | 31 | 8 | 0.258 |
| 02/05 | 315 | 10 | 2 | 28 | 9 | 0.357 |
| 03/05 | 304 | 8 | 1 | 31 | 7 | 0.258 |
| 04/05 | 257 | 5 | 1 | 30 | 6 | 0.167 |
| | 3,971 | 101 | 15 | | 8 | 0.277 |

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

1220 South St. Francis Drive
Santa Fe, NM 87504

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 30-039-22911 | | ² Pool Code 72319 | ³ Pool Name MESA VERDE |
| ⁴ Property Code 2458 | ⁵ Property Name BREECH "D" | | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | ⁸ Operator Name Caulkins Oil Company | | ⁹ Elevation 6529 GR |

¹⁰ Surface Location



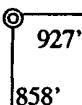
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 11 | 26N | 6W | | 858' | South | 927' | 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 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 belief  Signature Printed Name Robert L. Verquer Title Superintendent Date May 20, 2005 | |
| Breech D 685  | | | | | |
| | | | | 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

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Drive

Santa Fe, NM 87504 JUN 20 PM 1 39

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Revised October 18, 1994

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070 FARMINGTON NM



AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|---|--|
| ¹ API Number 30-039-22911 | ² Pool Code 06460 | ³ Pool Name SOUTH BLANCO TOCITO |
| ⁴ Property Code 2458 | ⁵ Property Name BREECH "D" | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | ⁸ Operator Name Caulkins Oil Company | ⁹ Elevation 6529 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 11 | 26N | 6W | | 858' | South | 927' | East | Rio Arriba |

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

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 80 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--|-------------------------------|----------------------------------|-------------------------|

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| | | | | | |
|--|--|--|--|--|---|
| | | | | | 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 May 20, 2005 |
| | | | | | 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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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--|--|---|--|---|--|
| ¹ API Number 30-039-22911 | | ² Pool Code 71599 | | ³ Pool Name BASIN DAKOTA | |
| ⁴ Property Code 2458 | | ⁵ Property Name BREECH "D" | | | ⁶ Well Number 685-E |
| ⁷ OGRID No. 003824 | | ⁸ Operator Name Caulkins Oil Company | | | ⁹ Elevation 6529 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 11 | 26N | 6W | | 858' | South | 927' | 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 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 belief | |
| | | | | | Signature | |
| | | | | | Printed Name Robert L. Verquer | |
| | | | | | Title Superintendent Date May 20, 2005 | |
| 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 | |

Bureau of Land Management Conditions of Approval:

- 1) If cement squeeze work is necessary, contact Matt Halbert of the BLM Farmington Field Office @ (505) 599-6350.**
- 2) If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.**
- 3) Pits must be lined with an impervious material at least 12 mils thick. The pit must be fenced on three (3) sides during workover operations and on the 4th side after the rig moves off location. Pits must be closed within 90 days of completion of the workover operations. Prior to closing the pit the liner must be cut off at mud level.**