#### 5. Lease UNITED STATES NMNM-03554 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name 7 Unit Agreement Name 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) RECEIVE) 8. Well Name and No. 1. Oil Well [] Gas Well [] Other [] 070 FARMINGTON NM **GAS WELL** BREECH "C" 244-E 2. Name of Operator: 9. API Well No 30-039-23428-00C1 **Caulkins Oil Company** 3. Address of Operator: 10. Field and Pool, Exploratory Area (505) 334-4323 DAKOTA, MESA VERDE 1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410 4. Location of Well (Footage, Sec., Twp., Rge.) 11. Country or Parish, State 1520' F/N 1090' F/W SEC. 14-26N-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 [X] Notice of Intent [ ] Abandonment [ ] Change of Plans [X] Recompletion New Construction [ ] Subsequent Report [ ] Plugging Back 1 Non-Routine Fracturing [ ] Water Shut-Off [ ] Casing Repair [ ] Final Abandonment Notice [ ] Altering Casing [ ] Conversion to Injection [X] Other Downhole Commingle [ ] Dispose Water 17. Describe Proposed or Completed Operations: 5-13-05 We request approval to recomplete this well in the South Blanco Tocito formation by the following procedure: Rig up. T. O. H. with 2 3/8" tubing from 7455'. Run wireline set retrievable bridge plug to 7000'. Run gas spectrum log through Tocito & Gallup formations, 6900' to 6400". Perforate Tocito zone, 6772' to 6751', with 4 shots per foot. T. I. H. with 2 7/8" tubing with fullbore packer to approximately 6500'. 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' CONDITIONS OF APPROVAL Adhere to previously issued stipulations. SEE ATTACHED FOR Clean out to PBTD with air foam unit. CONDITIONS OF APPROVAL Land tubing on doughnut at approximately 7450'. Commingled Dakota - Tocito - Mesa Verde DHC 3490 Rig down and move. 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: Toke TITLE: Superintendent DATE: May 13, 2005 ROBERT L. VEROUER et. Eng DATE APPROVED BY: CONDITIONS OF APPROVAL, IF ANY

MAROCE

District I \*
1629 N. French Dive, Hobbs, NM 88240

District II

1301 W. Grand Aver

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

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

Revised May 15, 2000 APPLICATION TYPE

Form C-107A

## APPLICATION FOR DOWNHOLE COMMINGLING

\_\_\_\_Single Well \_Establish Pre-Approved Pools EXISTING WELLBORE X Yes No

Caulkins Oil Company	141	09 W. Aztec, Blvd., Suite B7, Az	tec NM 87410						
Operator	Add	iress							
BREECH "C" Lease		SEC. 14-26N-6W Section-Township-Range	Rio Arriba County						
OGRID No. 003824 Property Co	ode <u>2457</u> API No. <u>30-039-</u>	23428 Lease Type: X Fede	•						
DATA ELEMENT	UPPER ZONE	UPPER ZONE INTERMEDIATE 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)	5444' - 4824'	6772' – 6751'	7296' - 7539'						
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)	1292	Estimated: 1286	1292						
Producing, Shut-In or New Zone	Producing	New Zone	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 28 .443 .06 MCF/D Bbl Bbl	Date: Estimated  Rate: Gas Oil Water 200 5 .10 MCF/D Bbl Bbl	Date: 12 month average  Rate: Gas Oil Water 173 1.776 .249 MCF/D Bbl Bbl						
Fixed Allocation Percentage									
(Note: If allocation is based upon something other than current or past production, supporting data or	Oil Gas	Oil Gas	Oil Gas						
explanation will be required.)	6 % 7 %	70 % 50 %	24 % 43 %						
	ADDITION	NAL DATA	•						
Are all working, royalty and overriding If not, have all working, royalty and over			Yes X No						
Are all produced fluids from all commit	ngled zones compatible with each o	other?	YesX No						
Will commingling decrease the value of	f production?		Yes NoX						
If this well is on, or communitized with or the United States Bureau of Land Ma			Yes No						
NMOCD Reference Case No. applicable	e to this well: <u>DHC-1868-A, DHC-</u>	2069-A, DHC – 3187, DHC-2248, <u>C</u>	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-APPRO	VED POOLS							
If application is	to establish Pre-Approved Pools, th	e following additional information w	vill 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 t	he best of my knowledge and bel	lief.						
SIGNATURE Robert Z Van TYPE OR PRINT NAME RO	pert L. VerquerTELEPH	TITLESuperintendent ONE NO(505) 334-4323	_ DATE <u>June 15, 2005</u>						

## LAST 12-MONTHS PRODUCTION FOR BREECH C 244-E

## **DAKOTA**

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	6,179	56	8	31	194	1.806
06/04	5,991	57	9	30	194	1.900
07/04	· 6,403	67	10	31	201	2.161
08/04	6,198	56	8	31	195	1.806
09/04	5,419	64	10	30	175	2.133
10/04	5,512	52	8	31	172	1.677
11/04	2,997	35	5	17	171	2.059
12/04	4,789	32	5	31	149	1.032
01/05	5,436	63	9	31	170	2.032
02/05	4,881	51	8	28	169	1.821
03/05	3,855	42	6	25	149	1.680
04/05	4,090	36	5	30	131	1.200
	61,750	611	91		173	1.776

## **MESA VERDE**

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/04	1,061	15	2	31	32	0.484
06/04	1,029	14	2	30	32	0.467
07/04	1,098	17	3	31	33	0.548
08/04	1,065	14	2	31	32	0.452
09/04	936	16	2	30	29	0.533
10/04	953	13	2	31	28	0.419
11/04	518	8	1	17	28	0.471
12/04	835	8	1	31	24	0.258
01/05	941	16	2	31	28	0.516
02/05	845	13	2	28	28	0.464
03/05	672	10	2	25	24	0.400
04/05	720	9	1	30	21	0.300
	10,673	153	22		28	0.443

### State of New Mexico

Form C-102

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

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

Instructions on back Submit to Appropriate District Office

## **OIL CONSERVATION DIVISION**

1220 South St. Francis Drive Santa Fe, NM 87504

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
30-039-23428	71599	BASIN DAKOTA
<sup>4</sup> Property Code	<sup>5</sup> Property Nam	<sup>6</sup> Well Number
2457	BREECH "C	244-E
OGRID No.	<sup>a</sup> Operator Nam	* Elevation
003824	Caulkins Oil Co	npany 6605 GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Е	14	26N	6W		1520'	North	1090'	West	Rio Arriba

<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
12 Dedicated Acro	S Joint o	r Infill 14 C	Consolidation	Code 15 Or	der 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

1520'		990'	<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
1090'		Breech C 244 990'	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

State of New Mexico

Form C-102

PO Box 1980, Hobbs, NM 88241-1980 District II

Energy, Minerals & Natural Resources Department

Revised October 18, 1994 Instructions on back Submit to Appropriate District Office

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87504

State Lease - 4 Copies

District III

1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED	REPORT

Fee Lease - 3 Copies

#### District IV 2040 South Pacheco, Santa Fe, NM 87505 WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name 30-039-23428 72319 **MESA VERDE** <sup>4</sup> Property Code 5 Property Name Well Number 2457 BREECH "C" 244-E 7 OGRID No. \* Operator Name ' Elevation 003824 Caulkins Oil Company 6605 GR <sup>10</sup> Surface Location Range Feet from the North/South line UL or lot no. Section Township Lot Idn East/West line Feet from the County 6W E 14 26N 1520' North 10901 West Rio Arriba 11 Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County 12 Dedicated Acres 13 Joint or Infill Consolidation Code <sup>15</sup> Order No. 320 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 **OPERATOR CERTIFICATION** I hereby certify that the information contained herein is true and 1520' 990' complete to the best of my knowledge and belief Breech C 244 990' 1090' Printed Name Robert L. Verquer Title Superintendent Date May 20, 2005 <sup>18</sup>SURVEYOR CERTIFICATION 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

## State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

**OIL CONSERVATION DIVISION** 

Revised October 18, 1994 Instructions on back

Submit to Appropriate District Office

District III 1000 Rio Brazos Rd., Aztec, NM 87410 1220 South St. Francis Drive Santa Fe: 3950 8750420

State Lease - 4 Copies Fee Lease - 3 Copies

District IV

2040 South Pacheco, Santa Fe, NM 87505

RECEIVED

PM 1 39

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-039-23428	<sup>1</sup> Pool Code <b>06460</b>	<sup>3</sup> Pool Name SOUTH BLANCO TOCITO	
<sup>4</sup> Property Code	5 Property N	ame Weli Nui	mber
2457	BREECH	"C" 244-]	E
OGRID No.	Operator N	ame 'Elevati	ion
003824	Caulkins Oil (	ompany 6605 (	<b>GR</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	l
Е	14	26N	6W		1520'	North	1090'	West	Rio Arriba	

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lo	t no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicat	ed Acres	13 Joint or	r Infill MC	l Consolidation	Code 15 Or	der No.	<u> </u>	I		<u></u>

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

1520°		990' ©————————————————————————————————————	17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
1090'			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 <u>seasonal closure</u> 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 4<sup>th</sup> 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.