



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 16, 1997

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87143
Attention: Robert L. Verquer

Administrative Order NSL-3917

Dear Mr. Verquer:

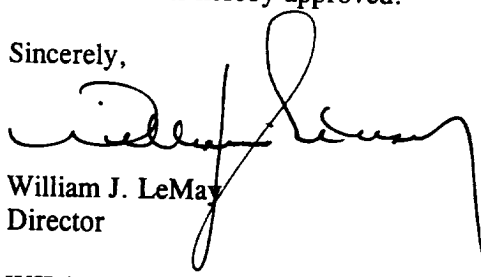
Reference is made to your application dated December 5, 1997 for a non-standard Tocito oil well location for your existing Breech "A" Well No. 136 (API No. 30-039-06629), located 890 feet from the North line and 990 feet from the East line (Unit A) of Section 10, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, which was drilled in 1963 and completed in the Basin-Dakota Pool at a standard gas well location for a standard 320-acre gas spacing and proration unit for said interval comprising the E/2 of said Section 10.

It is our understanding that the oil bearing Tocito interval was recently perforated and said well is to be recompleted such that production from both the Undesignated South Blanco-Tocito Oil Pool and the Basin-Dakota Pool will be commingled downhole. Pursuant to RULE 3 of the "*Special Rules and Regulations for the South Blanco-Tocito Oil Pool*," as promulgated by Division Order No. R-1191, as amended, this location is considered to be unorthodox. Further, the E/2 NE/4 of said Section 10 is to be dedicated to the Undesignated South Blanco-Tocito Oil Pool thereby forming a standard 80-acre oil spacing and proration unit for said pool.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provision of said "*Special Rules and Regulations for the South Blanco-Tocito Oil Pool*" and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington

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OIL CON. DIV.
DIST. 3