

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

BOX 2088 SANTA FE, NEW MEXICO 87501
RE: Proposed MC Proposed DHC Proposed NSL Proposed SWD Proposed WFX Proposed PMX
Gentlemen: I have examined the application dated for the Caulhui Oil B. See attachs lik 14-36N 6W Operator Lease and Well No. Unit, S-T-R and my recommendations are as follows: Approx
Yours truly,
Zur)

CAULKINS OIL COMPANY

P. O. BOX 780 FARMINGTON, NEW MEXICO 87401

June 4, 1987

Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501



Gentlemen:

As set forth in rule 303-C of New Mexico Oil Conservation Division Rules and Regulations, we hereby request administrative approvual for downhole commingling of following Duel completed Mesa Verde - Dakota wells:

Reuter 321-E 934 F/S 1022 F/E Sec. 15 - 26N - 6W Rio Arriba County, N.M.

Breech "B" 220-M 2056 F/N 1197 F/W Sec. 24 - 26N - 7W Rio Arriba County, N.M.

Breech "F" 45-M 990 F/N 990 F/W Sec. 35 - 27N - 6W Rio Arriba County, N.M.

Breech "D" 346-M 1520 F/S 990 F/E Sec. 22 - 26N - 6W Rio Arriba County, N.M.

Breech "D" 140 990 F/N 990 F/E Sec. 11 - 26N - 6W Rio Arriba County, N.M.

Breech "F" 11-M 890 F/S 1120 F/E Sec. 35 - 27N - 6W Rio Arriba County, N.M. Breech 854 980 F/E 1618 F/N Sec. 24 - 26N - 7W Rio Arriba County, N.M.

Breech "A" 132-E 660 F/N 760 F/W Sec. 9 - 26N - 6W Rio Arriba County, N.M.

State "A" 62-M 1040 F/N 1120 F/W Sec. 2 - 26N - 6W Rio Arriba County, N.M.

Breech "D" 140-M 1028 F/W 880 F/N Sec. 11 - 26N - 6W Rio Arriba County, N.M.

Breech "E" 58-M 1545 F/E 990 F/S Sec. 3 - 26N - 6W Rio Arriba County, N.M.

Breech "F" 4-M 1520 F/S 1070 F/E Sec. 33 - 27N - 6W Rio Arriba County, N.M.

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Breech "B" 123-E 830 F/N 960 F/W Sec. 7 - 26N - 6W Rio Arriba County, N.M. Breech "D" 240-E 1733 F/N 1795 F/W Sec. 15 - 26N - 6W Rio Arriba County, N.M.

Breech "C" 244-E 1520 F/N 1090 F/W Sec. 14 - 26N - 6W Rio Arriba County, N.M.

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Breech "C" 323-E 1120 F/S 1020 F/E Sec. 14 - 26N - 6W Rio Arriba County, N.M.

Breech "E" 64-M 1555 F/S 1770 F/E Sec. 1 - 26N - 6W Rio Arriba County, N.M. OIL CON. DIV.

Breech "C" 389-E 864 F/S 1010 F/E Sec. 13 - 26N - 6W Rio Arriba County, N.M.

Commingling of the above wells will result in the production of hydrocarbons that would not otherwise be economical to produce, thereby preventing waste.

In support of commingling we offer the following:

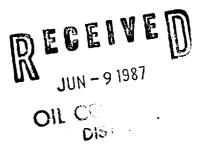
- (1) Commingling of wells as approved on Commission Order No. 7980, Dated July 11, 1985 has resulted in better operation of wells.
- (2) These wells are in same area as wells approved on Order # 7980.
- (3) As shown on attached schematic, Packer will be set between zones with reverse flow check valve installed to prevent higher pressure Dakota Zone below from commingling with Mesa Verde Zone.
- (4) Production will be commingled downhole in production tubing only.
- (5) Fluids from both Zones compatible.
- (6) Ownership Common, including working interests and royalty interests.
- (7) Bottomhole pressures taken on wells in this area have shown Mesa Verde pressure to be 70% of Dakota pressure.
- (8) Nine section plat attached, showing all offset acreage ownership, also shows all wells now commingled in Mesa Verde and Dakota Zones.
- (9) Well to be commingled identified by circle, all other commingled wells by arrow and Division Order Number.
- (10) Caulkins Oil Company will consult with Supervisor of Aztec District Office to determine allocation formula for each of the wells as they are commingled.
- (11) All offset operators have been furnished with Copy of this Application. Reciept for Certified Mail attached.

- (12) Copy of Sundry Notice to BLM on Federal wells attached.
- (13) Copy of Sundry Notice to State of New Mexico on State wells attached.

Yours very truly,

Charles E. Verquer, Supt. Caulkins Oil Company

Copy: Caulkins Oil Company, Denver Colorado
OCD, Aztec, New Mexico
Merridian Oil Inc., Farmington, New Mexico
National Co-Op Ref. Assoc., Midland, Texas
Union of Calif., Midland, Texas
Depco, Inc., Denver, Colorado
Ladd Petro, Denver, Colorado
Columbus Energy Corp., Midland, Texas
Curtis J. Little, Farmington, New Mexico
Turner Prod. Co., Dallas, Texas
El Paso Natural Gas Company, Farmington, New Mexico
Mesa Operator Imtd Part., Amarillo, Texas
Tenneco Oil Company, Englewood, Colorado
Occidental Petroleum, Inc., Bakersville, Calif.



of proposed downhole commingling all Mesa Verde Dakota dual wells DECENVE [

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DIST. 3 Reverse flow check valve Baker Model D or R-3 Packer Dakota perforations check valve

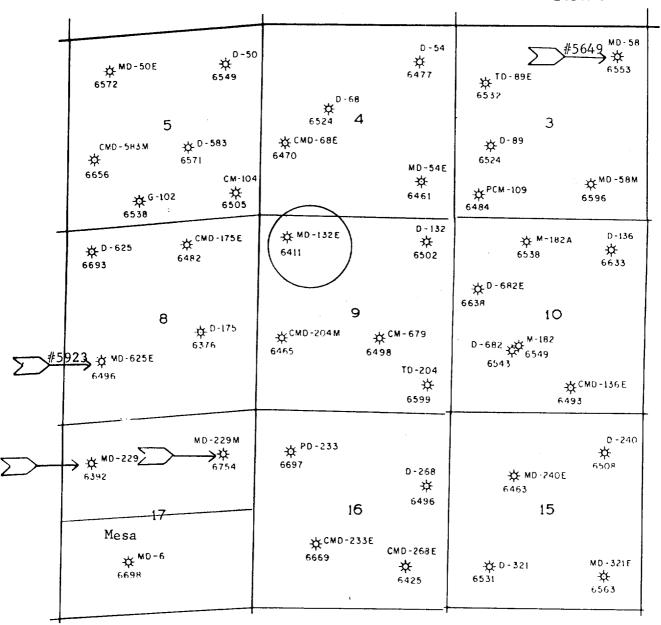
CAULKINS OIL COMPANY

P. O. BOX 780 FARMINGTON, NEW MEXICO 87401

Breech "A" 132-E 660' F/N and 760' F/W Sec. 9, 26N, 6W Rio Arriba County, New Mexico



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All aceage not otherwise identified, operated by Caulkins Oil Company in Mesa Verde Dakota Zones.

Offset operators: Mesa

Mesa Operations Ltd Part.

South half Section 17, 26N, 6W