

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

800 South First St., Artesia, NM 88210

DISTRICT III

1000 Pto Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☒ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease Breach "E" Well No. 50-E Unit Ltr. - Sec. - Twp. - Rge D - 5 - 26N - 6W County Rio Arriba

OGRID NO. 003824 Property Code 02459 API NO. 30-039-22908 Spacing Unit Lease Types: (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Blanco Mesa Verde		Basin Dakota
2. Top and Bottom of Pay Section (Perforations)	4573' to 5426'		7262' to 7452'
3. Type of production (Oil or Gas)	Gas and Condensate		Gas and Condensate
4. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
5. Bottomhole Pressure a. (Current) 6-24-98 493 psia Estimated Current Measured Current b. (Original)		a. b.	a. 6-24-98 446 psia b.
6. Oil Gravity (°API) or Gas BTU Content	1253 BTU		1162 BTU
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	Yes		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach	Date: Rates:	Date: Rates:	Date: Rates:

District I
PO Box 1980, Hobbs, NM 88241-1980
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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
2040 South Pacheco
Santa Fe, NM 87505

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 30-039-22908		² Pool Code 71599		³ Pool Name BASIN DAKOTA	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 50-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6572 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
D	5	36N	6W		990'	North	1120'	West	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.
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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

¹⁶ 					¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i> Signature Printed Name Robert L. Verquer Title Superintendent Date July 7, 1998
					¹⁸ SURVEYOR CERTIFICATION <i>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.</i> 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 30-039-22908		² Pool Code 72319		³ Pool Name MESA VERDE	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 50-E
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6572 GR

¹⁰ Surface Location

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FAC

2030 1st ton Place
Farmington, N.M. 87401
(505) 325-6622

Analysis No. CAU80008
Cust. No. 17000-10050

WELL/LEASE INFORMATION

Company	: CAULKINS OIL COMPANY	Source	:
Well Name	: BREECH E 50-E	Pressure	: 88 PSIG
County	:	Sample Temp.	: N/A DEG.F
State	:	Well Flowing	: YES
Location	:	Date Sampled	: 02/03/98
Fld/Formation	: DAKOTA	Sampled By	: RG
Cust.Stn.No.	:	Foreman/Engr	:

Remarks:

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR.*
NITROGEN	0.248	0.0000	0.00	0.0024
CO2	1.244	0.0000	0.00	0.0189
METHANE	85.949	0.0000	870.06	0.4761
ETHANE	7.559	2.0220	134.07	0.0785
PROPANE	2.651	0.7306	66.86	0.0404
I-BUTANE	0.508	0.1662	16.56	0.0102
N-BUTANE	0.763	0.2406	24.95	0.0153
I-PENTANE	0.323	0.1182	12.95	0.0080
N-PENTANE	0.227	0.0822	9.12	0.0057
HEXANES	0.528	0.2303	27.15	0.0170
TOTAL	100.000	3.5901	1161.72	0.6725

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 & 60 DEG. F

COMPRESSIBILITY FACTOR	(1/Z)	1.0030
BTU/CU.FT. (DRY) CORRECTED FOR	(1/Z)	1165.2
BTU/CU.FT. (WET) CORRECTED FOR	(1/Z)	1144.9
REAL SPECIFIC GRAVITY		0.6742

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

CYLINDER #	: AO37
CYLINDER PRESSURE	: 86 PSIG
DATE RUN	: 02/04/98
ANALYSIS RUN BY	: DAVE MARTIN



2030 Teton Place
Farmington, N.M. 87401
(505) 325-6622

Analysis No. CAU80009
Cust. No. 17000-10055

WELL/LEASE INFORMATION

Company	: CAULKINS OIL COMPANY	Source	:
Well Name	: BREECH E 50-E	Pressure	: 262 PSIG
County	:	Sample Temp.	: N/A DEG.F
State	:	Well Flowing	: NO
Location	:	Date Sampled	: 02/03/98
Fld/Formation	: MESA VERDE	Sampled By	: RG
Cust.Stn.No.	:	Foreman/Engr	:

Remarks:

ANALYSIS

COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR.*
NITROGEN	0.513	0.0000	0.00	0.0050
CO2	0.493	0.0000	0.00	0.0075
METHANE	79.469	0.0000	804.47	0.4402
ETHANE	10.335	2.7646	183.31	0.1073
PROPANE	5.932	1.6349	149.60	0.0903
I-BUTANE	0.981	0.3209	31.98	0.0197
N-BUTANE	1.411	0.4449	46.14	0.0283
I-PENTANE	0.353	0.1292	14.16	0.0088
N-PENTANE	0.235	0.0851	9.44	0.0059
HEXANES	0.278	0.1213	14.29	0.0089
TOTAL	100.000	5.5009	1253.38	0.7218

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

** @ 14.730 & 60 DEG. F

COMPRESSIBILITY FACTOR	(1/Z)	1.0036
BTU/CU.FT. (DRY) CORRECTED FOR	(1/Z)	1257.9
BTU/CU.FT. (WET) CORRECTED FOR	(1/Z)	1236.0
REAL SPECIFIC GRAVITY		0.7241

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

CYLINDER #	: AZT-014
CYLINDER PRESSURE	: 268 PSIG
DATE RUN	: 02/04/98
ANALYSIS RUN BY	: DAVE MARTIN

Company: CAULKINS OIL CO.
Well: BREECH #50-E
Field: DAKOTA FORMATION
Engineer:
Gauge Type: AMERADA
Gauge Range: 0-3000
Gauge Depth: 7350 ft
Serial No.: 44537

County: RIO ARRIBA
State: NEW MEXICO
Date: 06/24/1998
Well Type:
Test Type: STATIC GRADIENT
Status: SHUT-IN
File Name: 32090-1

Tubing: 2 1/16" TO 7400
Tubing: TO
Casing: TO
Perfs.: 7266-7452
Shut-in Time 216 hrs

Oil Level
H2O Level

Shut-in BHP 446 @ 7350 ft Shut-in BHT 0 F @ 0 ft
Shut-in WHP 373 Shut-in WHT 0 F

[Tefteller Incorporated]

#	MD	TVD	PRESSURE	PSI/ft
1	0	0	373.00	
2	2000	2000	391.00	0.009
3	4000	4000	411.00	0.010
4	6000	6000	432.00	0.010
5	6950	6950	441.00	0.009
6	7150	7150	443.00	0.010
7	7350	7350	446.00	0.015

[Tefteller Incorporated]

Company: CAULKINS OIL CO.

Well: BREECH #50-E

Field: DAKOTA FORMATION

Date: 06/24/1998

[STATIC GRADIENT SURVEY]

DEPTH (feet)

2000

4000

6000

PRESSURE (psia)

-200

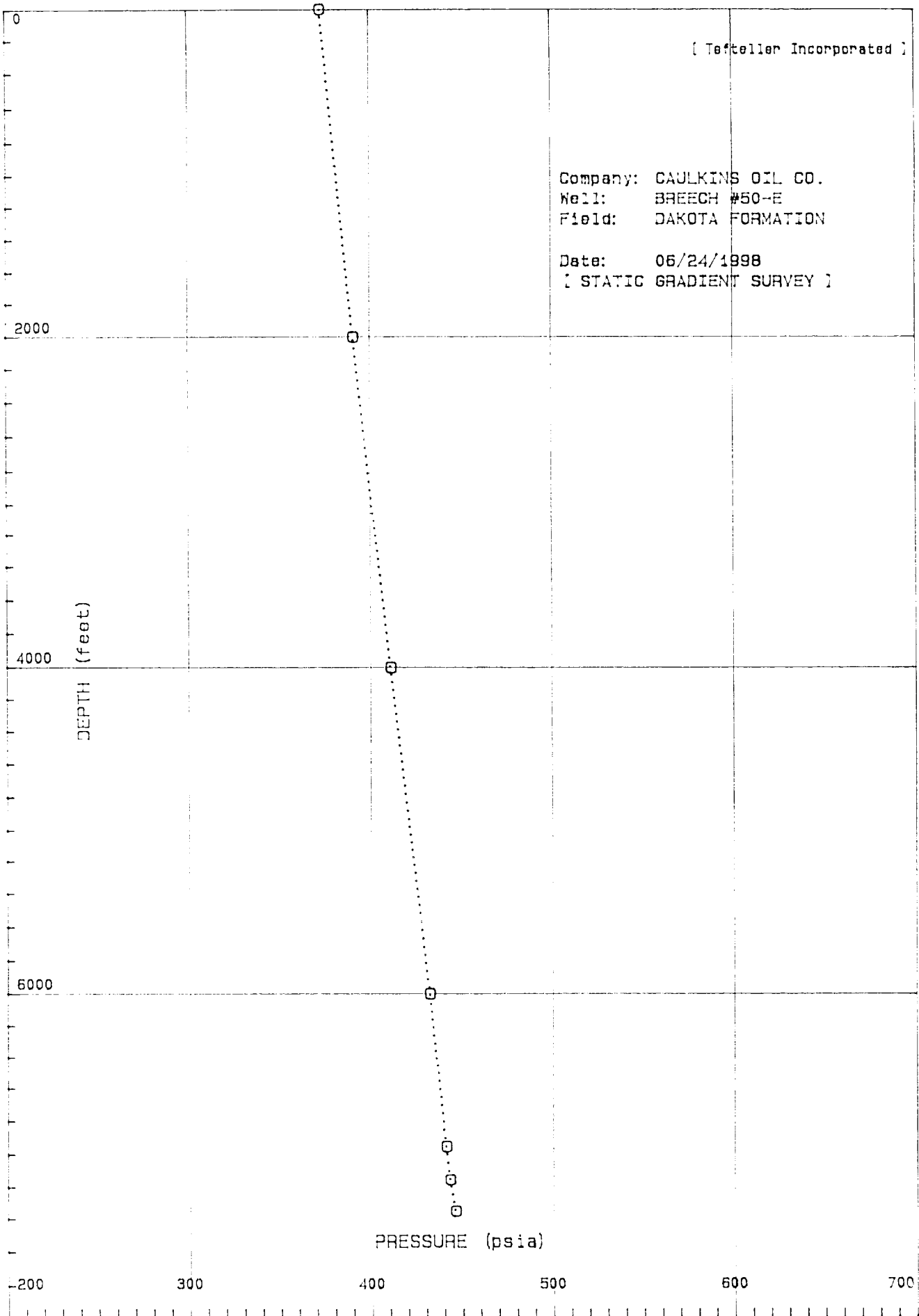
300

400

500

600

700



Company: CAULKINS OIL CO.
Well: BREECH #50-E
Field: MESA VERDE FORMATION
Engineer:
Gauge Type: AMERADA
Gauge Range: 0-3000
Gauge Depth: 5400 ft
Serial No.: 44537

County: RIO ARRIBA
State: NEW MEXICO
Date: 06/24/1998
Well Type:
Test Type: STATIC GRADIENT
Status: SHUT-IN
File Name: 32090-2

Tubing: 2 1/16" TO 5503
Tubing: TO
Casing: TO
Perfs.: 4573-5426
Shut-in Time 216 hrs

Oil Level
H2O Level 4936 ft

Shut-in BHP 493 @ 5400 ft Shut-in BHT 0 F @ 0 ft
Shut-in WHP 263 Shut-in WHT 0 F

[Tefteller Incorporated]

#	MD	TVD	PRESSURE	PSI/ft
1	0	0	263.00	
2	1000	1000	270.00	0.007
3	2000	2000	278.00	0.008
4	3000	3000	286.00	0.008
5	4000	4000	292.00	0.006
6	5000	5000	324.00	0.032
7	5200	5200	406.00	0.410
8	5400	5400	493.00	0.435

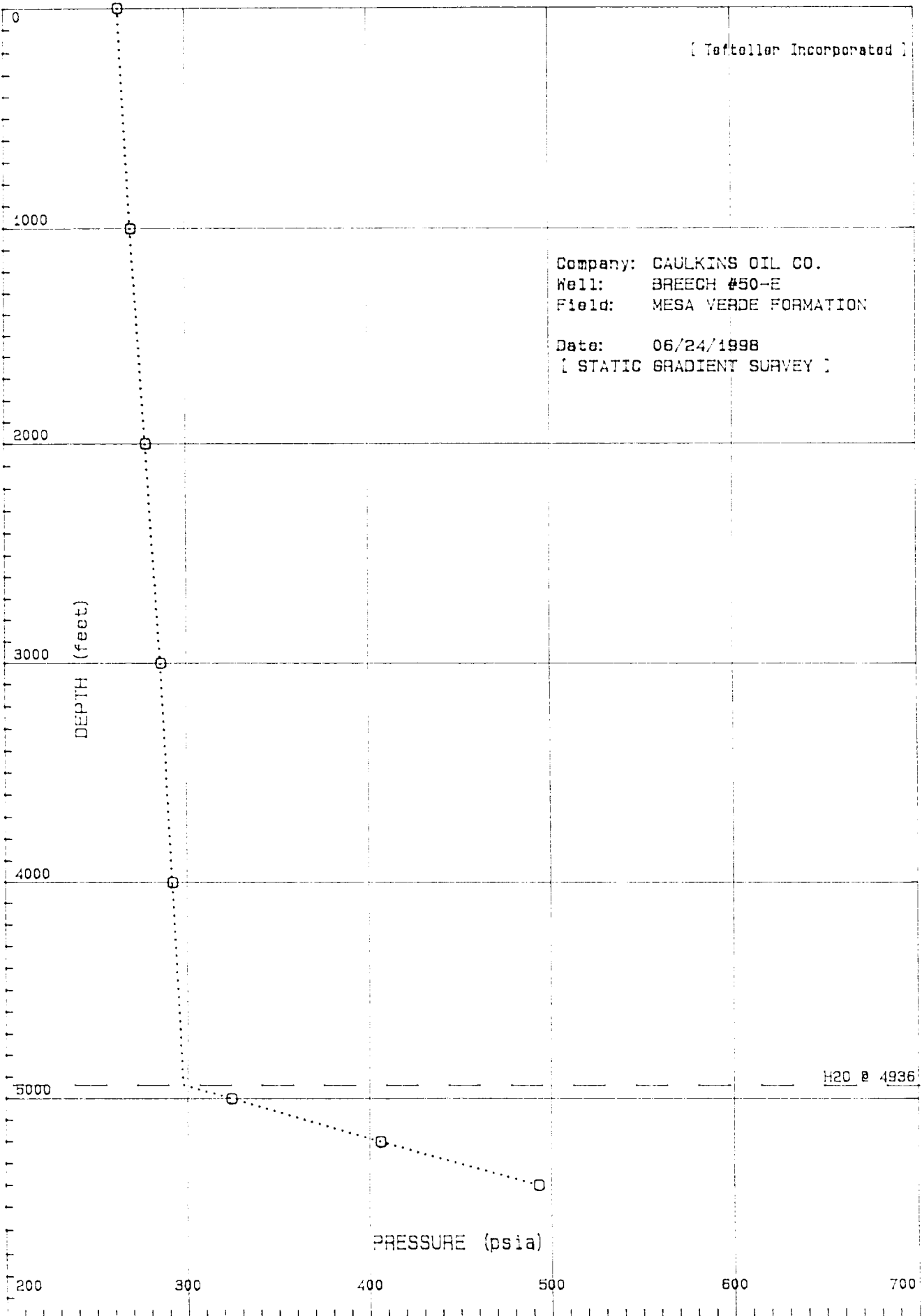
[Testtoller Incorporated]

Company: CAULKINS OIL CO.
Well: BREECH #50-E
Field: MESA VERDE FORMATION
Date: 06/24/1998
[STATIC GRADIENT SURVEY]

DEPTH (feet)

H2O @ 4936

PRESSURE (psia)



**LAST 12-MONTHS PRODUCTION
FOR
BREECH E 50-E**

BASIN DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
02/97	3,862	4	1	25	154	0.160
03/97	3,604	6	1	31	116	0.194
04/97	2,904	4	1	23	126	0.174
05/97	4,004	8	1	31	129	0.258
06/97	4,048	11	2	30	135	0.367
07/97	3,462	6	1	26	133	0.231
08/97	2,470	2	0	31	80	0.065
09/97	2,382	5	1	30	79	0.167
10/97	2,694	5	1	31	87	0.161
11/97	4,265	7	1	30	142	0.233
12/97	3,945	5	1	31	127	0.161
01/98	4,731	2	0	31	153	0.065
	42,371	65	11		122	0.186

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
04/96	731	7	1	30	24	0.233
05/96	739	8	1	31	24	0.258
10/96	737	4	1	29	25	0.138
11/96	597	4	1	30	20	0.133
12/96	645	5	1	31	21	0.161
01/97	718	2	0	25	29	0.080
02/97	324	2	0	22	15	0.091
03/97	469	5	1	31	15	0.161
04/97	437	2	0	24	18	0.083
05/97	681	4	1	31	22	0.129
06/97	586	5	1	30	20	0.167
07/97	307	0	0	26	12	0.000
	6,971	48	8		20	0.136

CAULKINS OIL COMPANY

P. O. BOX 340
BLOOMFIELD, NEW MEXICO 87413
PHONE: 505-632-1544
FAX 505-632-1471

July 7, 1998

The following list is all the offset operators that Caulkins Oil Company has notified by certified mail of the application to downhole commingle of Breech "E" 50-E, section 5, township 26N, range 6W.

Little Oil & Gas, Inc.
P.O. Box 1258
Farmington, NM 87499

Union Oil and Gas of CA
1004 Big Spring
Midland, TX 79702

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 SW48
		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" 50-E
2. Name of Operator: Caulkins Oil Company		9. API Well No. 30-039-22908-00-1D1
3. Address of Operator: (505) 632-1544 P.O. Box 340, Bloomfield, NM 87413		10. Field and Pool, Exploratory Area BASIN DAKOTA, MESA VERDE
4. Location of Well (Footage, Sec., Twp., Rge.) 990' F/N 1120' F/W SEC. 5-36N-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 ☐ Subsequent Report ☐ Final Abandonment Notice	☐ Abandonment ☐ Recompletion ☐ Plugging Back ☐ Casing Repair ☐ Altering Casing ☒ Other <u>Commingle well</u> ☐ Change of Plans ☐ New Construction ☐ Non-Routine Fracturing ☐ Water Shut-Off ☐ Conversion to Injection ☐ Dispose Water	
17. Describe Proposed or Completed Operations: 7-7-98 It is our intention to seek administrative approval for downhole commingling of the Mesa Verde and Basin Dakota zones in this well from New Mexico Oil Conservation Division.		
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: <u>Robert L. Verquer</u> TITLE: <u>Superintendent</u> DATE: <u>July 7, 1998</u> ROBERT L. VERQUER		
APPROVED BY: _____ TITLE: _____ DATE: _____ CONDITIONS OF APPROVAL, IF ANY		