5. Lease UNITED STATES NMSF-079304 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6. If Indian, Allottee or Tribe Name SUNDRY NOTICES AND REPORTS ON WELLS. 7. Unit Agreement Name (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) 1. Oil Well [] Gas Well [] Other [] 8. Well Name and No. GAS WELL SANCHEZ 4-E 2. Name of Operator 9. API Well No **Caulkins Oil Company** 30-039-22912-00D1 3. Address of Operator: (505) 632-1544 10. Field and Pool. Exploratory Area P.O. Box 340, Bloomfield, NM 87413 DAKOTA, MESA VERDE 4. Location of Well (Foolage, Sec., Twp., Rge.) 11. Country or Parish, State 890' F/S 990' F/W SEC. 25-26N-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 []Recompletion [] New Construction [] Subsequent Report [] Plugging Back [] Non-Routine Fracturing [] Casing Repair [] Water Shut-Off [] Final Abandonment Notice [] Altering Casing [] Conversion to Injection [X] Other <u>Downhole Commingle</u> Dispose Water 17. Describe Proposed or Completed Operations: 7-23-99 Approval to downhole commingle this well has been submitted to the NMOCD. Commingling documents attached. Pending approval, commingling will be done by the following procedure. Rig up. T.O.H. with 2 1/16" Mesa Verde production tubing form 5272'. T.O.H. with 2 1/16" Dakota production string with seal assembly from model "D" packer set at 5346'. T.I.H. with 2 3/8" work string with packer plucker mill to drill out model "D" packer. T.O.H. with 2 3/8" tubing, mill and packer. T.I.H. with 2 1/16" Dakota - Mesa Verde production string. Clean out well with air package to PBTD at 7489'. Land tubing on doughnut at approximately 7400'. OIL CON. DIV. Rig down and move. No new surface will be disturbed, location area will be cleaned up when workover operations are completed. Estimated starting date, August 30, 1999 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: Roler TITLE: Superintendent DATE: July 23, 1999 ROBERT L. VERQUER APPROVED BY: /S/ Duane W. Spencer AUG - 2 1999 CONDITIONS OF APPROVAL, IF ANY

CAULKINS OIL COMPANY

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

FAX 505-632-1471

SDUL 27 FN 1:35

REVENUEL

070 F. ... J. G.N., NM

July 23, 1999

State of New Mexico Oil Conservation Division ATTN: Lori Wrotenberry 2040 South Pacheco Santa Fe, NM 87504

Re:

Administrative Approval to Downhole Commingle

Sanchez 4-E

890' F/S 990' F/W Sec. 25-T26N-R6W Rio Arriba County, New Mexico

Dear Ms Wrotenberry:

Caulkins Oil Company requests approval to downhole commingle this well in the Dakota -- Mesa Verde formations.

Please find enclosed:

- A. Form C-107-A
- B. Form C-102 for each zone
- C. BLM sundry notice of intent
- D. One year production volumes
- E. Notification list of offset operators

Robert I Vergue

F. Vicinity Map

If you have any questions, please contact me at 505-632-1544. Thank you.

Sincerely,

Robert L. Verquer Superintendent

DISTRICT II

P.O. Box 1980, hobbs, NM 88240

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

APPROVAL PROCESS:

811 South First St., Artesia, NM 88210

DISTRICT III

Santa Fe, New Mexico 87505-6429 111 27 PM 1: 35X Administrative Hearing
ON FOR DOMANTO:

APPLICATION FOR DOWNHOLE COMMINGLING 1000 Rio Brazos Rd., Aztec, NM 87410

YES NO

CAULKINS OIL COMPANY		P.O. BOX 340; BLOOMFIELD, NM 87413							
SANCHEZ	4-E	M - SEC. 25-26N-6W	RIO ARRIBA						
LEASE	WELL NO.	UNITETR Sec TWP RGE.	Spacing Unit Lease types: (check f or more)						
OGRID NO. <u>003824</u> Prope	erty Code <u>2463</u> API NO. <u>30-039</u>	9-22912 Federal	(, State, (and/or) Fee						
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone						
1. Pool Name and Pool Code	Mesa Verde		Basin Dakota						
2. Top and Bottom of Pay Section (Perforations)	5030' – 5312'		7159' – 7410'						
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 Zones – Artificial Lift: Estimated Current Gas & Oil – Flowing:	a. (Current) Calculated 506 (Original)	a.	a. Calculated 561						
Measured Current All Gas Zones: Estimated or Measured Original	b. (515)	b.	b. 1903						
Oil Gravity (° API) or Gas BTU Content	Gas 1320 BTU		Gas 1222 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 production estimates and	Date:	Date:	Date:						
supporting data	Date: 7-20-99	Date:	Date: 7-20-99						
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Gas Oil Water Rates: 149 2.43 .95 MCF/D Bbl Bbl	Rates:	Gas Oil Water Rates: 90 .61 .23 MCF/D Bbl Bbl						
8. Fixed Percentage Allocation Formula - % for each zone	I year average DPA Oil 81 % Gas 65 %	Oil Gas %	l year average DPA Oil 19 % Gas 35 %						
	pon something other than current or pa plaining method and providing rte proje		other method, submit attachments						
	d royalty interests identical in all comn	•	s No						
	ling, and royalty interests been notified		s No						
•	given written notice of the proposed do		es No						
11. Will cross-flow occur?		ds compatible, will the formations not	be damaged, will any cross-flowed						
	commingled zones compatible with e		•						
13. Will the value of production be	decreased by commingling?	Yes X No (If Yes, attac	h explanation)						
14. If this well is on, or communitize Management has been notified	zed with, state or federal lands, either t in writing of this application.	the Commissioner or Public Lands or t X Yes No	he United States Bureau of Land						
15. NMOCD Reference Cases of R	ule 303© Exceptions: ORE	DER NO(S). DHC – 659, R-10239)						
16. ATTACHMENTS: C-102 for each zone to be commingled sowing 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 all offset operators. Notification list of working, overriding, and royalty interests for uncommon interest cases. Any additional statements, data, or documents required to support commingling.									
•	rmation above is true and com	plete to the best of by knowle	dge and belief.						
SIGNATURE Robert 29		PERINTENDENT DATE Jul	ly 23, 1999						
TYPE OR PRINT NAME	ROBERT L. VERQUER		NE NO. (505) 6\$2-1544						

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 Fc, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies
1: 3 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22912	² Pool Code 72319	Pool Name MESA VERDE
Property Code 2463	⁵ Property Name SANCHEZ	vven Number
¹ OGRID No. 003824	¹ Operator Nam Caulkins Oil Cor	e Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	D			
				2301 24111	rect is only the	North/South line	Feet from the	East/West line	County	l
M	25	26N	6W		890'	South	990'	Wast	D	l
			<u> </u>		4, 0	L	J 220	West	Rio Arriba	Ĺ

11 Bottom Hole Location If Different From Surface

Till and had are	UL or lot no. Section Township Pages Let Har Exception II Different From Surface									
OL OF IOU NO.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
12 Dedicated Acre	s ¹³ Joint o	r Infill 14 C	onsolidation	Code 15 Oi	rder No.					
80										

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 hereby certify that the information contained herein is true and							
		complete to the best of my knowledge and belief							
		Signature Role I Z Verquer Printed Name Robert L. Verquer							
and the second s		Title Superintendent Date July 23, 1999							
		18SURVEYOR 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							
990'		Signature and Seal of Professional Surveyor:							
A September 19 A Sept		Certificate Number							

District I

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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994

811 South First, a District III 1000 Rio Brazos District IV			OIL CONSERVATION DIVISION Submit to 2040 South Pacheco Santa Fe, NM 87505 JUL 27 DIV 1: 35						Appropr Stai	nstructions on back iate District Office e Lease - 4 Copies e Lease - 3 Copies
2040 South Pache	co, Santa F	WELL LOCATION AND ACREAGE DEDICATION PLAT							AM	ENDED REPORT
	4 DV 31 -	<u>w</u>	ELL L	<u>JCATIC</u>	ON AND	ACREAGE DED	ICATION F	PLAT		
	API Numb			¹ Pool Co			3 Pool	Name		
	-039-229	12		71599	9		BASIN I	DAKOTA		
Property					⁵ Pro	perty Name			Г	Well Number
2463					SA	NCHEZ			4-E	
'OGRID	No.				* Ope	8 Ongotton N				
00382	4				Caulkins Oil Company					Elevation
			· - · · · ·							6628 GR
UL or lot no.	Section	1	T		Suri	ace Location				
l .		Township	Range	Lot Idn	Feet from the	e North/South line	Feet from the	East/West	line	County
M	25	26N	6W_		890'	South	990'	We	est	Rio Arriba
			11 Bc	ttom Ho	ole Locatio	on If Different Fro	om Surface		_ -	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	F. 403		T
						, with bottom inc	reet iroin the	East/West	line	County
12 Dedicated Acres	13 Joint o	r Infill 14 C	onsolidation	Code 15 C	Order No.					
320										
520										İ

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS REEN APPROVED BY THE

The state of the s	THE PERSON THE POST OF STREET STREET	DARD UNIT HAS BEE	MATROVED BY II	IE DIVISION
16	- Same Committee of the			¹⁷ OPERATOR CERTIFICATION
3				I hereby certify that the information contained herein is true and
			1	complete to the best of my knowledge and belief
		9 3 3		
				Signature Robert I Verguer
				Printed Name Robert L. Verquer
				Title Superintendent
				Date July 23, 1999
				18SURVEYOR CERTIFICATION
	}		1	hereby certify that the well location shown on this plat was
	1		,	plotted from field notes of actual surveys made by me or under ny supervision, and that the same is true and correct to the best
			c	of my knowledge and belief.
				Date of Survey
990'			S	Signature and Seal of Professional Surveyor:
\				
. 300	-			
	: <u> </u>			
V			-	
And the second of the control of the	and a serial to the second of the second second by		<u> </u>	Certificate Number

LAST 12-MONTHS PRODUCTION FOR SANCHEZ 4-E

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
06/98	2,724	16	2	30	91	0.533
07/98	2,460	10	2	30		0.333
08/98	1,999	9	1	24	83	0.375
09/98	2,130	9	1	30	71	0.300
10/98	3,612	21	3	31	117	0.677
11/98	2,414	15	2	27	89	0.556
12/98	2,588	13	2	31	83	0.419
01/99	2,901	16	2	28	104	0.571
02/99	2,886	19	3	28	103	0.679
03/99	2,768	18	3	30	92	0.600
05/99	3,129	12	2	31	101	0.387
06/99	2,846	18	3	30	95	0.600
	32,457	176	26		93	0.503

MESA VERDE

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
05/98	5,530	72	11	31	178	2.323
06/98	4,982	53	8	30	166	1.767
07/98	5,210	63	9	30	174	2.100
08/98	3,845	41	6	24	160	1.708
09/98	3,928	47	7	30	131	1.567
11/98	5,134	87	13	27	190	3.222
12/98	6,413	86	13	31	207	2.774
01/99	5,147	51	8	26	198	1.962
02/99	4,620	74	11	28	165	2.643
03/99	4,787	54	8	30	160	1.800
05/99	5,855	75	11	28	209	2.679
06/99	4,574	73	11	30	152	2.433
	60,025	776	116		174	2.248

CAULKINS OIL COMPANY

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

July 23, 1999

The following list is all the offset operators to Caulkins Oil Company well Sanchez 4-E, section 25, township 26N, range 6W

Amoco Production Company 200 Amoco Court Farmington, NM 87401

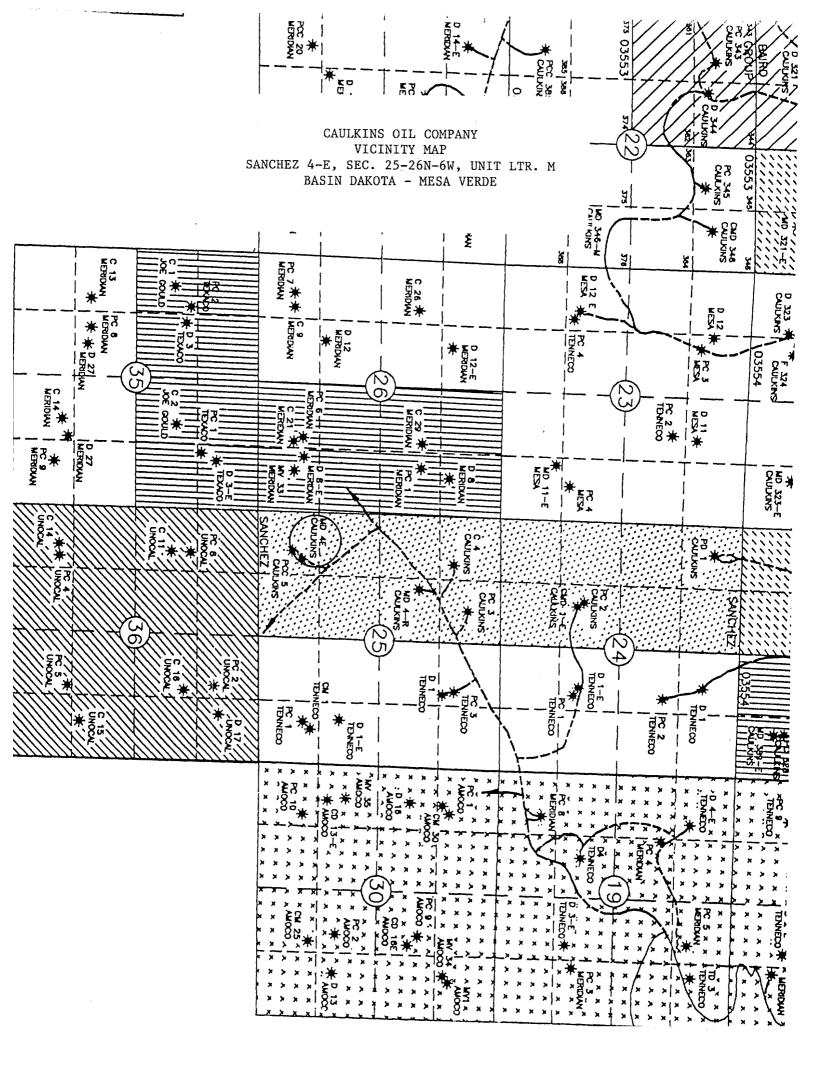
Burlington Resources P.O. Box 4289 Farmington, NM 87499

Conoco, Inc. 3315 Bloomfield Highway Farmington, NM 87401

Four Star Oil & Gas Company 3300 N. Butler Suite 100 Farmington, NM 87401 Joseph B. Gould 4430 South 3rd Las Vegas, NV 89101-6225

Merrion Oil & Gas Corp. 610 Reilly Ave. Farmington, NM 87401

Taurus Exploraation USA, Inc. 2198 Bloomfield Highway Farmington, NM 87402



CAULKINS OIL COMPANY

DATE July 22, 1999 LEASE SANCHEZ WELL NO. 4-E FIELD BASIN DAKOTA - MESA VERDE M SEC. 25 TWP. 26N RGE. 5/4/82 Cemented 320' 9 5/8" 32.30# H-40 with 250 sacks class "B" cement - (cement circulated) - DV tool set at 3263' Mesa Verde perforations 5030' to 5312' - DV tool set at 5363' - 2 1/16" tubing set at approximately 7400' Dakota perforations 7159' to 7410' 5/20/82 Cemented 5 1/5" casing 15.5# & 17# K-55 to 7489' — (cement circulated) --- PBTD 7489'