

CAULKINS OIL COMPANY

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

August 8, 2000

State of New Mexico
Oil Conservation Division
ATTN: Mr. Frank Chavez
1000 Rio Brazos Road
Aztec, NM 87410



Re: Allocation for Downhole Commingle
Blanco Mesa Verde (72319) – Basin Dakota (71599)
Breach 755
API# 30-039-26350
Sec. 13-26N-7W, Unit Letter G
Rio Arriba, New Mexico

Dear Frank:

The above well was approved for downhole commingling by administrative order number DHC-2653 prior to being completed. Fixed allocations were to be submitted for approval to the Aztec district supervisor following initial completion and testing.

Pressure tested 5 1/2" casing to 4000#.

Dakota and Mesa Verde zones were perforated and fractured on June 29, 2000. Well was cleaned out to top of retrievable bridge plug set at 5161'. Flowed Mesa Verde through tubing to clean up. Tested Mesa Verde zone on July 5, 2000.

Pulled retrievable bridge plug, tripped out of hole with tubing, cleaned out to 7302' and landed 2 3/8" tubing at 7165'. Flowed Dakota – Mesa Verde combined to clean up. Tested Dakota – Mesa Verde commingled on July 10, 2000.

Subtracted Mesa Verde test from Dakota – Mesa Verde commingled test for the following allocation results:

	<u>BOP/D</u>	<u>Gas MCF/D</u>	<u>Oil %</u>	<u>Gas %</u>
Mesa Verde	1.0	580	80%	45%
Basin Dakota	.25	722	20%	55%

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

Sincerely,

A handwritten signature in cursive script that reads "Robert L. Verquer".

Robert L. Verquer
Superintendent