

CASE 6121: CASPER OIL COMPANY FOR  
DOWNHOLE COMINGLING, RIO ARriba COUNTY,  
NEW MEXICO

Cont'd  
Jan 18

Case Number

6121

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 18, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company for  
downhole commingling, Rio Arriba County,  
New Mexico.

CASE  
6121

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:	Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico
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For the Applicant:	Jason W. Kellahin, Esq. KELLAHIN & FOX Attorneys at Law 500 Don Gaspar Santa Fe, New Mexico
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General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 962-9212

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I N D E X

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CHARLES VERQUER

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EXHIBIT INDEX

Offered    Admitted

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1 MR. STAMETS: We will call next Case 6121.

2 MS. TESCHENDORF: Case 6121, application of Caulkins  
3 Oil Company for downhole commingling, Rio Arriba County,  
4 New Mexico.

5 MR. KELLAHIN: Let the record show the same appear-  
6 ances and that the witness has been sworn.

7 MR. STAMETS: The record will so show.

8

9 CHARLES VERQUER

10 Called as a witness, having been previously sworn, was  
11 examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Mr. Verquer, are you familiar with the application  
15 in Case 6121?

16 A I am.

17 Q What does the applicant propose in this case?

18 A To commingle the Pictured Cliffs-Chacra in all  
19 present Pictured Cliffs-Chacra wells owned by Caulkins Oil  
20 Company and any future wells drilled or deepened in the Chacra  
21 in that area defined in the red outline on Exhibit Number One.

22 Q That would be as to substantially all of the Caulkins  
23 operated properties, is that right?

24 A Nearly all of it. I have eliminated some of it  
25 where there is no chance of Chacra whatsoever.

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1 Q When you say commingled Caulkins Pictured Cliffs-  
2 Chacra production you are talking about the dually completed  
3 wells that presently exist?

4 A Yes, the ones that are presently drilled and any  
5 that we might drill in the future on some of that acreage up  
6 there.

7 Q Now referring to what has been marked as the  
8 Applicant's Exhibit Number One, would you identify that  
9 exhibit?

10 A That's the same map with the Caulkins' shaded area  
11 with the area outlined in red that we are asking for this  
12 commingling, generally the area from Section 14 going across  
13 to Section 4. Anything north or east of that, there just is  
14 very little Chacra. I did add those sections to it just to  
15 get the outside.

16 Q In the event there is Chacra there?

17 A Yes.

18 Q Now referring to Exhibit Number Two, would you  
19 identify that exhibit, please?

20 A May I say, are you sure you want me to identify  
21 that?

22 Q Well, let's just go through the group and identify  
23 it as the same as in the previous cases.

24 A This is a tabulation of all of the Pictured Cliffs  
25 and Chacra pressures.

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1 Q And Exhibit Number Three?

2 A This is for the Chacra pressures.

3 Q And Exhibit Number Four?

4 A Is a tabulation of the average pressures of the  
5 Pictured Cliffs and Chacra.

6 Q And that is similar to the exhibits offered in the  
7 other cases?

8 A Yes, and that is from the tabulations on Exhibits  
9 Two and Three.

10 Q And Exhibit Number Five?

11 A Exhibit Number Five is a pressure decline curve for  
12 the Pictured Cliffs and Chacra.

13 Q Now they are substantially the same, aren't they?

14 A Yes.

15 Q Now Exhibits Number Six and Seven?

16 A Those are the production information from all of the  
17 Pictured Cliffs-Chacra duals of Caulkins Oil Company, one of  
18 the Pictured Cliffs and one of the Chacra for the thirty-one  
19 month period.

20 Q And that is the same as the exhibits in the others?

21 A Yes.

22 Q Now your Exhibit Number Eight, would you discuss  
23 that information?

24 A From those tabulations I come up with these  
25 averages and they are also the same figures used in the

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1 previous hearings and I used them and totaled them and come  
2 out with a breakdown for the Pictured Cliffs and for the  
3 Chacra, the average breakdown for the total.

4 MR. STAMETS: The left-hand figure is the Pictured  
5 Cliffs and the right-hand is the Chacra?

6 A Yes.

7 Q (Mr. Kellahin continuing.) And so you arrived at  
8 sixty-nine percent Pictured Cliffs and thirty-one percent  
9 Chacra?

10 A Yes.

11 Q And would you recommend in the event this applica-  
12 tion is approved that the allocation be either made on that  
13 basis or seventy percent, thirty percent?

14 A Yes, sir. I would for the sake of record keeping,  
15 seventy, thirty would be --

16 Q And there could be a one percent variation one way  
17 or the other, could there not?

18 A Yes, sir.

19 Q Now Exhibit Number Nine, if you will identify that  
20 exhibit?

21 A That is a production decline curve for the thirty-  
22 one months for the Chacra and Pictured Cliffs, the upper or  
23 solid line being the Pictured Cliffs and the broken line the  
24 Chacra.

25 Q Now Exhibit Number Ten?



1 A Number Ten is the Pictured Cliffs-Chacra that was  
2 commingled in 1977, in August.

3 Q That is the Breech 368 to which you referred?

4 A Breech 368 that I referred to. It is in the south-  
5 east quarter of Section 23, 26, 7 West, 26 North, 7 West, yes.

6 Q Now does this indicate that by commingling it im-  
7 proves the production from these two zones?

8 A Yes, it does. The third month after commingling the  
9 production went back up to what it essentially was before  
10 we commingled and then the November production which was the  
11 fourth was up a million and a half over which is more than  
12 it had made.

13 Q By that you mean more than the combined production  
14 from the Pictured Cliffs and Chacra?

15 A Yes, sir.

16 Q So actually you are producing more gas commingled  
17 than you could from the two zones separately?

18 A That's right.

19 Q Does that indicate to you that you will have a  
20 greater ultimate recovery from these zones?

21 A Right.

22 Q Does that result in producing gas that would not  
23 otherwise be recovered?

24 A It sure will.

25 Q Again is the ownership on these wells common

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1 throughout in each instance?

2 A Yes, under every one hundred and sixty acres the  
3 proration unit is common.

4 Q Whether it be State or Federal acreage?

5 A Yes.

6 Q There is no fee acreage in here, is there?

7 A The only fee acreage in there and I do not have it  
8 listed, is down in Section 20.

9 Q So there is no fee acreage affected?

10 A No.

11 Q Now Exhibit Number Eleven, would you identify that  
12 exhibit?

13 A Exhibit Number Eleven is just the mechanics. All  
14 of the wells are equipped with two strings of tubing for the  
15 Chacra, set in a Baker Model D or F packer. The tubing will  
16 be pulled and the inch and a quarter tubing and the seal  
17 assembly will be salvaged and then one inch tubing will be  
18 run to the Chacra perforations.

19 Q Do either one of these zones make any fluids?

20 A The Chacra will make approximately two barrels a  
21 month.

22 Q And none from the Pictured Cliffs?

23 A None from the Pictured Cliffs. All new wells will  
24 make water, frac water, until it is dissipated and that  
25 generally takes about two years to completely--

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1 Q Now you are asking for authority not only to re-  
2 complete the existing dually completed wells but to complete  
3 all future Pictured Cliffs-Chacra wells for commingling in the  
4 two zones?

5 A That's right.

6 Q Do you anticipate that there will be a large number  
7 of those?

8 A No, sir. May I state that not until the spacing is  
9 changed to eighty acres.

10 Q At the present time the spacing is one hundred and  
11 sixty acres?

12 A The spacing is one hundred and sixty acres.

13 Q And you wouldn't anticipate a great number of  
14 additional wells?

15 A No, we probably have six or seven more wells that  
16 would be completed and dually completed.

17 Q In your opinion will completing the wells in this  
18 manner cause any damage to either formation?

19 A No, sir.

20 Q Any loss of gas or fluids?

21 A No, sir.

22 Q Were Exhibits One through Eleven prepared by you or  
23 under your supervision?

24 A They were.

25 MR. KELLAHIN: At this time I would like to offer

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1 Exhibits One through Eleven, inclusive.

2 MR. STAMETS: These exhibits will be admitted.

3 (THEREUPON, Applicant's Exhibits One through  
4 Eleven were admitted into evidence.)

5 MR. KELLAHIN: That's all we have in this case,  
6 Mr. Stamets.

7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Could you tell me one more time what the red line  
10 constitutes on Exhibit Number One?

11 A That is the acreage that I'm asking for any wells  
12 that are in it presently or deepened to.

13 MR. STAMETS: Thank you, that clarifies that. Are  
14 there any other questions of the witness? He may be excused.

15 (THEREUPON, the witness was excused.)

16 MR. STAMETS: If there is nothing further in this  
17 case we will take it under advisement.

18

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# REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

*Sidney F. Morrish*  
Sidney F. Morrish, C.S.R.

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I hereby certify that the foregoing is  
a correct record of the proceedings in  
the Examiner hearing of Case No. 6121-  
heard by me on 1-18, 1978.  
*Richard L. Hunt* Examiner  
New Mexico Oil Conservation Commission

**OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
February 27, 1978

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 6121  
ORDER NO. R-5648

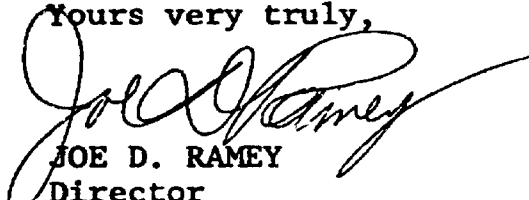
Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC x

Other \_\_\_\_\_  
\_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6121  
Order No. R-5648

APPLICATION OF CAULKINS OIL COMPANY  
FOR DOWNHOLE COMMINGLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of February, 1978, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caulkins Oil Company, seeks authority to commingle, within the wellbore, Pictured Cliffs and Chacra production in its wells located in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West and Sections 13, 14, 23, and 24 in Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

(3) That from the Pictured Cliffs zone, the subject wells are, or may be expected to be, capable of low rates of production only.

(4) That from the Chacra zone, the subject wells, are or may be expected to be, capable of low rates of production only.

(5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(6) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the wells are not shut-in for an extended period.

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Case No. 6121  
Order No. R-5648

(7) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Commission any time any of the subject wells are shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject wells, 70 percent of the commingled production should be allocated to the Pictured Cliffs zone, and 30 percent of the commingled production to the Chacra zone.

(9) That if the pressure in either of the zones to be commingled under provisions of this order in any well be less than 50 percent of the pressure in the other zone in such well, or in the event that a producing potential of more than 200 MCF/day be established for each zone in any such well, the operator should notify the Secretary-Director of the Commission of such fact, and the Secretary-Director should order such action taken as he deems advisable, including the requirement for separation of the zones by dual completion equipment.

(10) That the downhole commingling of Pictured Cliffs and Chacra production in wells located on the above-described lands and subject to the above conditions will not cause but may prevent waste, and will not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle Pictured Cliffs and Chacra production within the wellbores of its wells in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24 in Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

(2) That 70 percent of the commingled production shall be allocated to the Pictured Cliffs zone and 30 percent of the commingled production shall be allocated to the Chacra zone.

(3) That the operator of the subject wells shall immediately notify the Commission's Aztec district office any time any of the wells have been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That should the formation pressure in either the Pictured Cliffs zone or the Chacra zone in any well commingled pursuant to Order No. (1) above be less than 50 percent of the formation pressure in the other zone, or should both zones in any such well be calculated to have a producing potential in excess of 200 MCF per day, the operator shall notify the



-3-

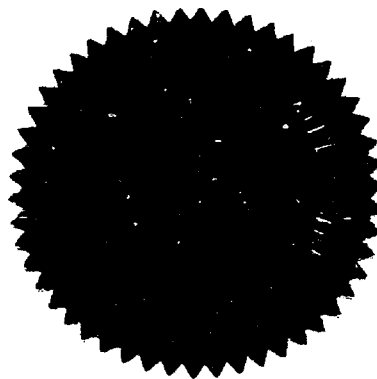
Case No. 6121  
Order No. R-5648

Secretary-Director of the Commission of such fact, and the Secretary-Director shall order such action taken as he may deem advisable, including the requirement for separation of the zones by conventional dual completion equipment.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/

CAULKINS OIL COMPANY  
Commingle Pictured Cliffs-Chacra  
Case No. 6121

Proposal

Commingle Pictured Cliffs-Chacra in wellbore on all existing Company wells and any future wells drilled or deepened to Chacra Zone.

Ownership and all working interests are common for each well.

Exhibit # 1

Section map showing all Caulkins wells and offset wells.

Exhibit # 2

Pictured Cliffs pressure tabulation to show average initial pressure and each year average decline.

Exhibit # 3

Chacra pressure tabulation to show average initial pressure and each year average decline.

Exhibit # 4

Tabulation of yearly average pressure from exhibits 2 and 3.

Exhibit # 5

Pressure decline curves from tabulations exhibit # 4

Exhibit # 6

Tabulation of monthly Pictured Cliffs production from Caulkins Oil Company Pictured Cliffs - Chacra Dual wells.

Exhibit # 7

Tabulations of monthly Chacra production from Caulkins Oil Co. Pictured Cliffs Chacra Dual wells.

Exhibit # 8

Tabulation of monthly average production per well for Pictured Cliffs and Chacra zones with percentage breakdown and proposed split.

Exhibit # 9

Decline curves for production tabulations exhibit # 8.

Exhibit # 10

368 Production Records.

Pictured Cliffs - Chacra commingled 7-26-77, Order No. R-5479.

Exhibit # 11

Mechanic's

Well Name	No.	Location	Initial Pressure	1st Year	2nd	3rd	4th	5th
Breech D	383	SE $\frac{1}{4}$ Sec. 21 26N 6W	945	655	492	488		
Breech D	342	NE $\frac{1}{4}$ Sec. 21 26N 6W	1118	795	574	542		
Breech D	358	NW $\frac{1}{4}$ Sec. 21 26N 6W	925					
Scott Fed.	5	SW $\frac{1}{4}$ Sec. 21 26N 6W	852	472	407	374		
Breech D	385	SW $\frac{1}{4}$ Sec. 22 26N 6W	815	555	412	418		
Breech D	387	SE $\frac{1}{4}$ Sec. 22 26N 6W	930	510	464	350		
Jic Gas Comm B	1	NE $\frac{1}{4}$ Sec. 31 26N 5W	1041	590	671	446	410	395
Jicarilla 155	24	SW $\frac{1}{4}$ Sec. 31 26N 5W	833	660	430	382	258	
Jicarilla 155	18	SE $\frac{1}{4}$ Sec. 31 26N 5W	824	750	546	464	545	445
Sanchez	4	NW $\frac{1}{4}$ Sec. 25 26N 6W	977	773	509			
Sanchez	5	SW $\frac{1}{4}$ Sec. 25 26N 6W	860	599	297	327		
Vaughn	26	NW $\frac{1}{4}$ Sec. 26 26N 6W	947	718	537	477		
Vaughn	9	SW $\frac{1}{4}$ Sec. 26 26N 6W	928	757	483	419	403	394
Vaughn	21	SE $\frac{1}{4}$ Sec. 26 26N 6W	870	741	405	377	361	
Vaughn	27	NW $\frac{1}{4}$ Sec. 27 26N 6W	909	632	568	518	448	
Vaughn	19	NE $\frac{1}{4}$ Sec. 27 26N 6W	952	662	462	446		
Vaughn	20	SW $\frac{1}{4}$ Sec. 27 26N 6W	889	593	481	439	406	
Johnson A	14	SW $\frac{1}{4}$ Sec. 36 26N 6W	811	644	479	452	219	
Johnson A	15	SE $\frac{1}{4}$ Sec. 36 26N 6W	854	623	431	412	347	
Johnson A Com F	16	NE $\frac{1}{4}$ Sec. 36 26N 6W	934	762	572	521	484	
Carter Mesa Com	1	NW $\frac{1}{4}$ Sec. 36 26N 6W		721	553	492	442	405
Klein	14	SE $\frac{1}{4}$ Sec. 35 26N 6W	830	528	484	358	308	267
Kline	13	SW $\frac{1}{4}$ Sec. 35 26N 6W	840	573	496	377	331	304
Skelly	2	NE $\frac{1}{4}$ Sec. 35 26N 6W	947	734	373	346	290	285
Skelly	1	NW $\frac{1}{4}$ Sec. 35 26N 6W	936	717	452	385	293	347
Vaughn	24	SE $\frac{1}{4}$ Sec. 27 26N 6W	850	575	553	494	428	
Vaughn	16	SW $\frac{1}{4}$ Sec. 28 26N 6W	540	647	414	408	369	
Vaughn	10	SE $\frac{1}{4}$ Sec. 28 26N 6W	930	589	524	447	427	428
Vaughn	11	NW $\frac{1}{4}$ Sec. 28 26N 6W	777	456	428	406	260	
Vaughn	25	NE $\frac{1}{4}$ Sec. 28 26N 6W	833	573	482	475		
Vaughn	4	SE $\frac{1}{4}$ Sec. 29 26N 6W	890	636	576	529	524	525
Vaughn	17	SW $\frac{1}{4}$ Sec. 29 26N 6W	781	622	339	324	353	
Vaughn	22	NE $\frac{1}{4}$ Sec. 29 26N 6W	791	559	414			
Vaughn	18	NW $\frac{1}{4}$ Sec. 29 26N 6W	849	452	464	544	505	447
Klein	20	SW $\frac{1}{4}$ Sec. 30 26N 6W	681	623	569	434	400	
Klein	11	SE $\frac{1}{4}$ Sec. 30 26N 6W	846	502	520	444	412	408
Klein	22	NE $\frac{1}{4}$ Sec. 30 26N 6W	767	657	524	480	408	
Klein	23	NW $\frac{1}{4}$ Sec. 30 26N 6W	830	655	310	412	360	334
Batttram	5	SE $\frac{1}{4}$ Sec. 19 26N 6W	855	499	409	338	328	
Sanchez A	4	SW $\frac{1}{4}$ Sec. 20 26N 6W	908	562	496	445		
Sanchez A	3	SE $\frac{1}{4}$ Sec. 20 26N 6W	929	709	539	472	444	391
Breech A	291	SE $\frac{1}{4}$ Sec. 17 26N 6W	970					
Breech A	264	NE $\frac{1}{4}$ Sec. 17 26N 6W	975					
Breech	314	SE $\frac{1}{4}$ Sec. 18 26N 6W	1003					
Breech	258	NW $\frac{1}{4}$ Sec. 18 26N 6W	895	641	487			
Breech B	193	SW $\frac{1}{4}$ Sec. 7 26N 6W	1005					
Breech B	121	NW $\frac{1}{4}$ Sec. 7 26N 6W	954					
Breech E	581	SW $\frac{1}{4}$ Sec. 5 26N 6W	1060	657	488			
Breech E	51	NW $\frac{1}{4}$ Sec. 4 26N 6W	1040	846	717			
Breech	307	SW $\frac{1}{4}$ Sec. 13 26N 7W	858	807				
Breech	330	NW $\frac{1}{4}$ Sec. 23 26N 7W	1080	679	591			
Breech	332	NE $\frac{1}{4}$ Sec. 23 26N 7W	831	707	813			
Breech	368	SE $\frac{1}{4}$ Sec. 23 26N 7W	982	708	551	445	Chacra-Pic	
Breech	352	NW $\frac{1}{4}$ Sec. 24 26N 7W	1196	800	606	595		
Breech	354	NE $\frac{1}{4}$ Sec. 24 26N 7W	955	657	416	403		
Breech	382	SW $\frac{1}{4}$ Sec. 24 26N 7W	990	510	517	455		
Breech	217	NW $\frac{1}{4}$ Sec. 14 26N 7W	1150	734	467			
Scott A	2	SE $\frac{1}{4}$ Sec. 24 26N 7W	835	606	484			
Candado	16	NE $\frac{1}{4}$ Sec. 25 26N 7W	951	705				
Candado	15	NW $\frac{1}{4}$ Sec. 25 26N 7W	1041	915	515			
Candado	18	SE $\frac{1}{4}$ Sec. 25 26N 7W	860	687				
Candado	17	NE $\frac{1}{4}$ Sec. 10 26N 7W	915	622				
Candado	17 A	SE $\frac{1}{4}$ Sec. 10 26N 7W	952	563				
Rincon	191	NW $\frac{1}{4}$ Sec. 11 26N 7W	1017	643	412	357	348	322
Rincon	189	NW $\frac{1}{4}$ Sec. 12 26N 7W	1003	547	396	346	364	370
Average Pressures			912#	646#	494#	433#	382#	379

3ULATIONS

6th 7th 8th 9th 10th 11th 12th 13th 14th 15th

379 346 327 321 321 299 289  
412 422 431 416 354 367 379

381

387 386 306  
224  
245  
257  
327

497 531 520 448 463 447 398 343 312 318

369

380 397 394

tured Cliffs Commingled 7-26-77 (Commission Order # 5479)

351# 416# 395# 395# 379# 371# 355#

DEPOSE EXAMINER STAMETS	
OIL CONTROL COMMISSION	
Caulkins	3
6121	
Varguer	
1-18-78	

Caulkins Oil Company

Case No. 6121

Yearly Pressure Tabulations

Pictured Cliffs

892  
645  
568  
542  
540  
534  
512  
497  
485  
474  
462  
442  
421  
397  
379  
358  
347  
338  
324  
318  
303

Chacra

912  
646  
494  
433  
382  
379  
351  
416  
395  
395  
371  
355

BEFORE EXAMINER STAMETS	
OIL COMPTONAL COMMISSION	
Caulkins	LOT NO. 4
CASE NO.	6121
SIGNATURE	Vargner
DATE	1-18-78

Caulkins

5

6121

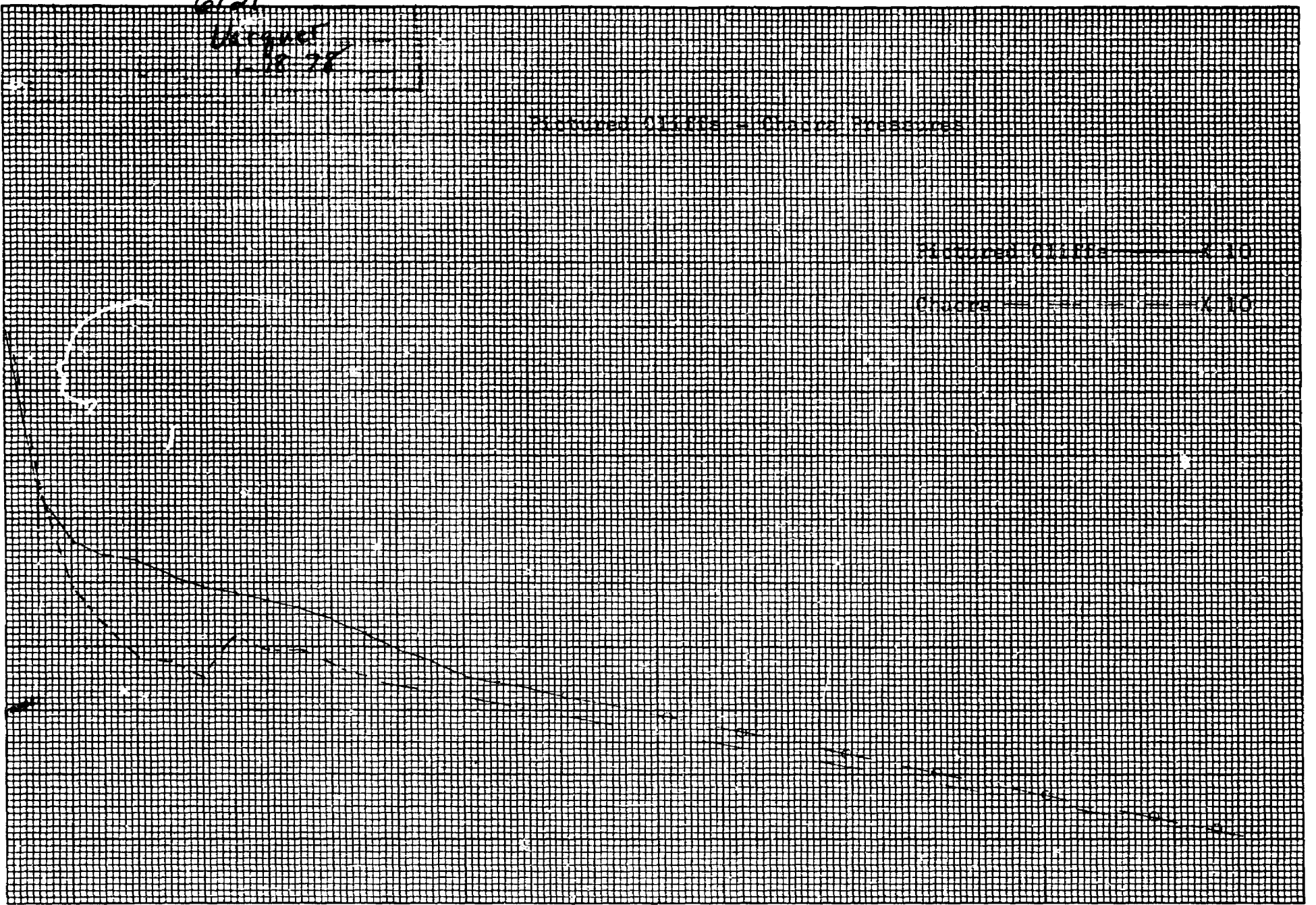
Verquet

1-18-78

Plotted 0.1405 = 14.05 Percentages

Plotted 0.1405 = 14.05 Percentages

Plotted 0.1405 = 14.05 Percentages



r. 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9 0

CAULKINS OIL COMPANY  
Pictured Cliffs Prod.  
Monthly

		1	2	3	4	5	6	7	8	9	10
Sanchez	5	5920	7258	3696	4021	3980	3254	3567	2177	3139	2992
Breech E	51	200	16307	13849	10590	10098	9114	8416	7268	6610	6827
Breech	217	9405	8983	8452	7227	6362	6284	5085	6204	5080	3697
Breech	258	2469	5361	6292	5310	5800	5276	4423	4029	3943	4347
Breech	330	12781	13635	11363	11289	10064	8602	7277	8000	7365	5181
Breech	332	14427	13631	12358	12936	11841	10423	8682	9982	9141	7473
Breech D	342	617	7650	4917	5214	4621	4091	3725	3579	3484	2969
Breech	352	23438	18752	17631	15292	15330	14552	14500	10673	13154	11557
Breech	354	13917	9237	8798	7698	7884	6895	5037	6080	6717	5954
Breech	368	7447	7164	7464	3514	4431	4716	4526	5450	4424	4181
Breech	382	12532	13137	13102	5951	7414	8400	7633	8886	7176	7792
Breech D	383	6995	4013	3368	2280	—	2742	3654	3518	3070	2988
Breech D	385	9901	6717	7126	4060	—	3782	6715	6094	5329	5157
Breech D	387	18678	14652	19236	10411	—	7479	17061	15677	13434	13402
		138,727	146,497	137,652	105,793	87,825	95,610	100,301	97,617	92,066	84,617
	Avg.	9909	10464	9832	7557	6273	6829	7164	6973	6576	6044
11	12	13	14	15	16	17	18	19	20	21	22
2792	2628	1840	2377	2508	2187	2046	1597	1904	1935	2045	1975
6998	4680	6994									
1363	2798	3799	5151	1546	4278	5098	4748	4304	5093	5008	3194
4238	3126	3963									
7733											
9497											
3233	2179	1249	1710	3275	3308	3160	2796	2827	2608	2374	2716
9003	4308	9529	11007	10687	10167	10165	10058	9801	8262	9971	9245
5927	4982	5950	5358	5082	4410	5088	4033	1997	1021	4235	4647
3872	4484	4172	4200	3364	3947	3095	2067	531	2455	3269	2750
5648	7139	6475	6500	4610	5721	4214	2813	818	3769	5335	4414
2839	2583	2599	2341	2424	2114	2111	1776	1363	2468	2541	2373
4930	4510	4451	4132	4321	3596	3802	3090	1665	2115	4058	3962
12855	11219	10746	10114	10405	8347	9599	7174	4207	5724	9609	10038
80928	54636	61,767	52,890	48,222	48,075	48,378	40,152	29,416	35,450	48,445	45,314
5811	4553	5147	5289	4822	4808	4838	4015	2942	3545	4845	4531
23	24	25	26	27	28	29	30	31	Cum. Total		
1453	1817								69,108		
									107,651		
5353									118,512		
									58,577		
									103,290		
									120,491		
2814	1900	2789							30,443		
7358	9816								284,256		
4601	4511	3653	3964	4220	3827	4340	4265	2222	170,804		
2208	3250	3228	3292	2908	1488	1500	2378	2997	114,772		
3964	4707	4640	4298	3871	4171	3942	2405	5055	184,331		
2228	1793	1891	1784	1607	1925	1910	1599	1910	76,806		
3779	3293	3449	3219	2975	3390	3516	2572	3498	129,204		
8128	8105	8598	7659	6657	7953	8203	5550	8248	309,218		
41886	39192	28,248	24,216	22,238	22,754	23,411	18,769	23,730	1,877,763		
4189	4354	4035	4036	3706	3792	3901	3128	3955			

CAULKINS OIL COMPANY  
Chacra Production  
Monthly

		1	2	3	4	5	6	7	8	9	10
Sanchez	5	9617	8587	5568	5216	5673	3254	4719	3600	4370	4156
Breech E	51	1120	785	226	430	371	465	457	566	396	439
Breech	217	14038	10172	8828	7113	5698	5111	4629	5061	4586	3823
Breech	258	173	2209	3366	2751	3177	2879	3300	2798	2032	2380
Breech	307	7144	2697	6370							
Breech	330	5820	6193	4491	4341	3488	2869	1798	2923	2832	634
Breech	332	56	640	411	819	918	1721	465	611	1255	313
Breech D	342	376	3985	2805	3079	2677	2316	2210	1982	1853	1661
Breech	352	3899	2886	2409	2807	2813	2353	2500	1812	1723	1614
Breech	354	13376	9392	8758	7656	7158	6505	5817	5881	6251	5432
Breech	368	3281	2646	2326	2323	1132	1308	1825	2360	1355	1215
Breech	382	4271	5011	4351	3189	3089	2261	2687	3096	2258	2477
Breech D	383	5243	3554	3641	2022	2128	2026	1354	2259	2044	2381
Breech D	385	7824	4106	3538	3452	2866	2699	2520	2475	2214	2053
Breech D	387	9904	5046	3803	2955	2357	2324	1879	1806	2039	1564
Breech E	581	3271	2135	1994	1457	1150	912	817	832	734	
		89,413	69,734	62,885	49,560	44,695	39,003	36,077	38,062	35,942	30,142
Average		5888	4358	3930	3304	2980	2602	2465	2537	2396	2153

11	12	13	14	15	16	17	18	19	20	21	22
3570	3503	2583	3454	2832	3054	3036	2390	3050	2378	3014	2969
493	186	358									
1381	4245	3778	3621	3602	2848	3099	2998	3151	3736	3182	3208
1994	1950	1913									

2012

1243											
1670	1572	1173	1570	1514	1574	1323	1193	1221	1189	1195	1336
692	358	636	1398	1665	1034	1356	1505	1582	977	1244	1509
4972	4379	3542	4619	4214	3883	4322	3275	3359	1638	3377	4663
930	1267	1654	1600	884	663	759	843	188	864	777	1051
2195	2528	2472	2500	1893	2074	1776	574		423	1971	1978
2294	2127	2249	2268	2331	2022	2128	2026	1354	2259	2044	2021
2035	1829	1878	2190	2069	1928	1863	1721	921	1938	1838	1660
1417	1772	1652	1577	1806	1321	1495	1296	532	1078	1811	1340

26898	25,721	23,898	24,797	22,810	20,401	21,157	17,821	15,358	16,470	20,453	21,735
1921	2143	1991	2480	2281	2040	2116	1782	1539	1647	2043	2174

23	24	25	26	27	28	29	30	31	Cum. Total		
2097	2804								95,499		
									6302		
2910									110,818		
									30,922		
									16,211		
									37,401		
									8,452		
1213	1190	1233							43,110		
532	1932								41,286		
4087	4174	3775	4312	3793	3699	4185	3596	3122	160,875		
917	935	1331	874	690	1071	840	1781	1054	50,744		
1323	1697	2045	2197	1463	1802	1980	946	2089	67,650		
1911	1735	1881	1889	1816	1829	1765	1530	1616	67,747		
1544	1367	1472	1400	1575	1529	1475	1380	1403	72,612		
1117	982	1059	1020	1059	1162	1112	1051	1035	60,472		
									13,302		
17,651	16,816	12,796	11,692	10,396	11,093	11,357	10,284	10,319	873,403 MCF		
1765	1868	1828	1949	1732	1849	1893	1714	1720			

BEFORE EXAMINER'S SIGNATURE  
OIL COMPANY REGISTRATION  
Caulkins \_\_\_\_\_ 7  
CASE NO. 6121  
SIGNED \_\_\_\_\_ Varguer  
Held by \_\_\_\_\_ 1-18-78



AVERAGE PRODUCTION TABULATIONS  
Monthly

Case No. 6121

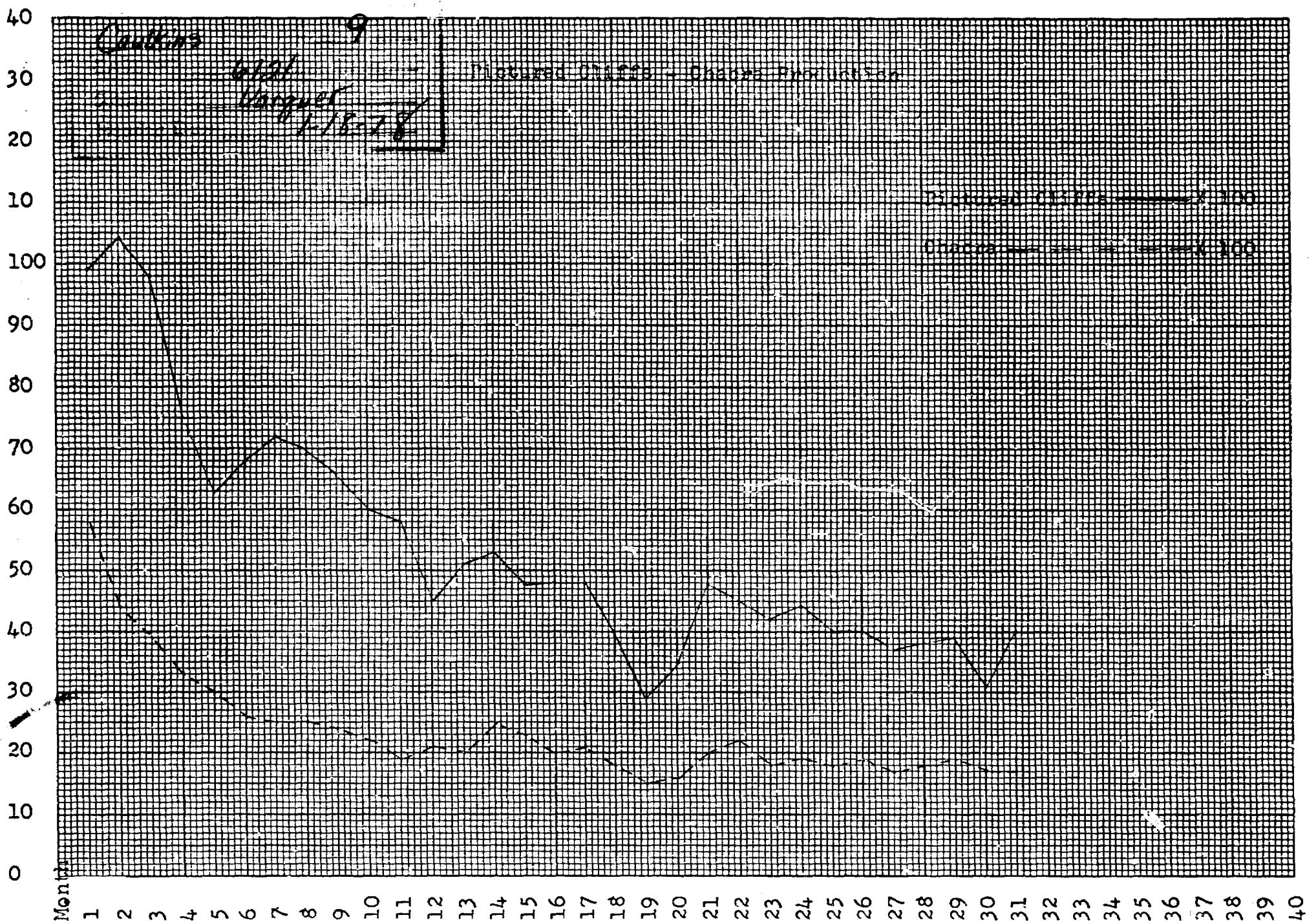
Pictured Cliffs	Chacra	Total	Breakdown	
			pc	ch
9909	5888	15797	62	38
10464	4358	14822	70	30
9832	3930	13762	71	29
7557	3304	10861	70	30
6273	2980	9253	68	32
6829	2602	9431	72	28
7164	2465	9629	74	26
6973	2537	9510	73	27
6576	2396	8972	73	27
6044	2153	8197	73	27
5811	1921	7732	75	25
4553	2143	6696	68	32
5147	1991	7138	72	28
5289	2480	7769	68	32
4822	2281	7103	68	32
4808	2040	6848	70	30
4838	2116	6954	70	30
4015	1782	5797	69	31
2942	1539	4481	66	34
3545	1647	5192	68	32
4845	2043	6888	70	30
4531	2174	6705	68	32
4189	1765	5954	70	30
4354	1868	6222	70	30
4035	1828	5863	69	31
4036	1949	5985	67	33
3706	1732	5438	68	32
3792	1849	5641	67	33
3901	1893	5794	67	33
3128	1714	4842	65	35
3955	1720	5675	70	30
		Avg.	69%	31%

Recommend gas production be split 69% Pictured Cliffs and 31% Chacra for all wells.

70

30

BEFORE EXAMINER STAMETS	
OIL COMPANY, NORTH DAKOTA COMMISSION	
Caulkins	EXH. NO. 8
CASE NO.	6121
REPORT BY	Vargner
REPORT DATE	1-18-78



Well: Breech 368

SE  $\frac{1}{4}$  Sec. 23 26N 7W

DATE	PC PRODUCTION	CHACRA PRODUCTION	TOTAL
May 1977	3,292	874	4,166
June 1977	2,908	690	3,598
July 1977	1,488	1,071	2,559
Cumulative Production			10,323 MCF

Commingled	7-26-1977	
August 1977	Commingled	3,231
Sept. 1977	Commingled	1,781
Oct. 1977	Commingled	4,051
Cumulative Production		9,063 MCF
November 1977	Commingled	5,538 MCF

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
Calkins EXHIBIT NO. 10  
CASE NO. 6121  
Signed By Vargues  
Hearing Date 1-18-78

CAULKINS OIL COMPANY

Case No. 6121

Exhibit # 11

Mechanic's

All wells equipped with 2 strings of tubing, with the Chacra string set in a Baker Model D or F Packer.

All tubing will be pulled, 1 1/4" tubing and Seal Assy. will be salvaged then 1" NU 10 rd thd. V-55 tubing will be run to Chacra Perforations.

BEFORE EXAMINER STATES	
OIL CONSERVATION COMMISSION	
Caulkins File No.	11
CASE NO.	6121
Submitted by	Vargues
Hearing Date	1-18-78

CASE 6119: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech Well No. 228, to be located in Unit A of Section 18, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Dakota formation in said well.

CASE 6120: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of its Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5 and its Breech A Wells Nos. 627 in Unit B of Section 8, 677 and 679 in Units L and J, respectively, of Section 9, and 207 in Unit A of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6121: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 6122: (Continued from January 4, 1978, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbores of its Breech E Wells Nos. 64 and 58 located in Unit A of Section 1 and Section 3, its State A Well No. 62 in Unit A of Section 2, and its Breech D Well No. 341 located in Unit B of Section 21, all in Township 26 North, Range 6 West; and its Breech F Wells Nos. 4 and 45 located in Unit A of Section 33, Unit M of Section 35, both in Township 27 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 6096: Continued from January 4, 1978, Examiner Hearing

Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6135: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the extension of the Wagon Mound Dakota-Morrison Gas Pool in Township 21 North, Range 21 East, Mora County, New Mexico.

CASE 6136: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation and extension of certain pools in Lea, Chaves, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Caprock-San Andres Pool. The discovery well is the Elk Oil Company State D.J. Well No. 1 located in Unit H of Section 2, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 2: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the West Scarborough-Yates Pool. The discovery well is the Gifford, Mitchell and Wisenbaker Horse Back Well No. 2 located in Unit G of Section 33, Township 26 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM  
Section 33: NE/4

Dockets Nos. 2-78 and 3-78 are tentatively set for hearing on January 18 and February 8, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 4, 1978

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6113: Application of Transocean Oil, Inc., for a unit agreement, Catron County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Cibola Unit Area comprising 30,733 acres, more or less, of Federal, State, and fee lands in Townships 1 and 2 North, Ranges 14 and 15 West, Catron County, New Mexico.
- CASE 6114: Application of Texas Oil and Gas Company for special pool rules or a spacing exception, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Shugart-Pennsylvanian Gas Pool, Eddy County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Wolfcamp and Pennsylvanian gas pools rather than the present 160-acre spacing. In the alternative applicant seeks the assignment of a 320-acre gas spacing and proration unit consisting of the E/2 of Section 33, Township 18 South, Range 31 East, Eddy County, New Mexico, to a well to be drilled to the Pennsylvanian formation at a standard location thereon.
- CASE 6096: (Continued from November 30, 1977, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 14, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to applicant's South Wilson State Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6115: Application of Merrion and Bayless for downhole commingling, Sandoval County, New Mexico. Applicants, in the above-styled cause, seek approval for the downhole commingling of Pictured Cliffs and Chacra production in their Jicarilla 428 Wells Nos. 3, 4, and 5, located respectively, in Unit M of Section 29 and Unit D of Section 32 and Section 31, Township 23 North, Range 4 West. Applicant further seeks blanket approval for downhole commingling of said formations in Sections 29 thru 32, Township 23 North, Range 4 West, and Sections 22 thru 26 and 35 and 36, Township 23 North, Range 5 West, all in Sandoval County, New Mexico.
- CASE 6116: Application of Merrion and Bayless for salt water disposal, San Juan County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Mesaverde formation thru the perforated interval from 3374 feet to 3395 feet in applicants' Hudson Well No. 1, located in Unit D of Section 26, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 6117: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its South Culebra Bluff Unit Area comprising 1280 acres, more or less, of Federal and fee lands in Township 23 South, Range 28 East, Eddy County, New Mexico.
- CASE 6118: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Long Box Unit Area comprising 3,808 acres, more or less, of Federal and State lands in Townships 20 and 20 1/2 South, Ranges 23 and 24 East, Eddy County, New Mexico.
- CASE 6119: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Pictured Cliffs, Chacra and Mesaverde production in the wellbore of its Breech Well No. 228, to be located in Unit A of Section 18, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and to dually complete the commingled formations and the Dakota formation in said well.
- CASE 6120: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of its Breech E Wells Nos. 109 in Unit M of Section 3 and 104 in Unit P of Section 5 and its Breech A Wells Nos. 627 in Unit B of Section 8, 677 and 679 in Units I and J, respectively, of Section 9, and 207 in Unit A of Section 10, all in Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 6121: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured

Cliffs and Chacra production in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 6122: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Mesaverde and Dakota production in the wellbores of its Breech E Wells Nos. 64 and 58 located in Unit A of Section 1 and Section 3, its State A Well No. 62 in Unit A of Section 2, and its Breech D Well No. 341 located in Unit B of Section 21, all in Township 26 North, Range 6 West; and its Breech F Wells Nos. 4 and 45 located in Unit A of Section 33, Unit M of Section 35, both in Township 27 North, Range 6 West, Rio Arriba County, New Mexico.

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CAULKINS OIL COMPANY FOR  
AUTHORITY TO COMMINGLE PRODUCTION  
FROM THE PICTURED CLIFF AND CHACRA  
FORMATIONS IN THE WELL BORE, RIO  
ARRIBA COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Caulkins Oil Company, and applies to the Oil  
Conservation Commission for an order permitting commingling  
of production from the Pictured Cliffs and the Chacra forma-  
tions in all wells presently completed, and any wells drilled,  
deepened or re-completed, on the following-described lands in  
Rio Arriba County, New Mexico:

Township 26 North, Range 7 West, N.M.P.M.

13 14  
23 24

Section 13✓ - All  
Section 23✓ - All  
Section 14✓ - NW/4, NE/4, SW/4  
Section 24✓ - NW/4, NE/4, SW/4

3 4 5  
7 8 9 10 11  
13 14 15 16 17 18  
21 22  
24 25

Township 26 North, Range 6 West, N.M.P.M.

Section 7 - All  
Section 18 - All  
Section 8 - All  
Section 5 - NE/4, SE/4, SW/4  
Section 17 - NW/4, NE/4, SE/4  
Section 4 - All  
Section 9 - All  
Section 16 - All  
Section 21 - NW/4, NE/4, SE/4  
Section 3 - All  
Section 10 - All  
Section 15 - NW/4, NE/4, SW/4  
Section 22 - All  
Section 11 - All  
Section 14 - All  
Section 13 - NW/4, NE/4, SE/4  
Section 24 - W/2  
Section 25 - W/2



In support thereof, applicant would show the Commission that production from the Pictured Cliffs formation under the above lands has declined to the point it is marginal in many cases, and production from the Chacra is likewise marginal. Commingling of production in the well bore from wells located on the above-described lands will prolong the productive life of the area, result in the recovery of hydrocarbons that would not otherwise be recovered thereby preventing waste, and will not cause damage or loss of production from either of the formation. Correlative rights of all interest owners will be fully protected.

WHEREFORE Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order authorizing commingling of production as requested.

Respectfully submitted,  
CAULKINS OIL COMPANY

By Jason Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 6121

Order No. R- 5648

APPLICATION OF CAULKINS OIL COMPANY  
FOR DOWNHOLE COMMINGLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this        day of January, 19 78, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Caulkins Oil Company, is the  
owner and operator of the        located  
in Unit        of Section       , Township       , Range  
      , NMPM,        County, New Mexico.

*The well bore,*  
(3) That the applicant, Caulkins Oil Company, seeks authority to commingle in this  
Pictured Cliffs and Chacra production  
in its wells located in  
Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in  
Township 26 North, Range 6 West and Sections 13, 14, 23, and 24 in  
Township 26 North, Range 7 West, Rio Arriba County, New Mexico.  
That from the Pictured Cliffs zone, the  
subject well is capable of low marginal production only.

(4) That from the Chacra zone, the  
subject wells are or may be expected to be, notes of  
are, or may be expected to be, capable of low marginal production only.

(5) That the proposed commingling may result in the recovery  
of additional hydrocarbons from each of the subject pools, thereby  
preventing waste, and will not violate correlative rights.

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(6) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well <sup>are</sup> is not shut-in for an extended period.

(7) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Commission any time <sup>any of</sup> the subject well is shut-in for 7 consecutive days.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 70 percent of the commingled 2 production should be allocated to the ~~zone~~ Pictured Cliffs zone, and 30 percent of the commingled 1 production to the ~~zone~~ Chacra zone.

(9) *The if the pressure in either of the zones to be commingled under provisions of this order ~~is~~ in any well be*

*in such* less than 50 percent of the pressure in the other zone of such well, or in the event that a producing potential of more than 200 MCF/day be established for each zone in any such well, the operator should notify the Secretary-Director of the Commission of such fact, and the Secretary-Director should order such action taken as he deems advisable, including the requirement for separation of the zones by dual completion equipment.

(10) ~~That~~ That the downhole commingling of Pictured Cliffs and Chacra production in wells located on the above-described lands and subject to the above conditions will not cause but may prevent waste, and will not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby authorized to commingle ~~the~~ Pictured Cliffs and ~~the~~ Chacra <sup>within the wellbore of its wells</sup> production in Sections 3, 4, 5, 7 thru 11, 13 thru 18, 21, 22, 24, and 25 in Township 26 North, Range 6 West, and Sections 13, 14, 23, and 24, Township 26 North, Range 6 West, Rio Arriba County, ~~New Mexico~~.

(2) That 70 percent of the commingled production shall be allocated to the ~~the~~ Pictured Cliffs zone and 30 percent of the commingled production shall be allocated to the ~~the~~ Chacra zone.

(3) That the operator of the subject well shall immediately notify the Commission's Aztec district office <sup>if</sup> any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That should the formation pressure in either the Pictured Cliffs zone or the Chacra zone in any well commingled pursuant to Order No. (1) above be less than 50 percent of the formation pressure in the other zone, or should both zones in any such well be calculated to have a producing potential in excess of 200 MCF per day, the operator shall notify the Secretary-Director of the Commission of such fact, and the Secretary-Director shall order such action taken as he may deem advisable, including the requirement for separation of the zones by conventional dual completion equipment.

(5) That the actual test production after fracture treatment of the zone shall be attributed to the Chacra formation in any well commingled pursuant to Order No. (3) above, and that the balance of the well's production shall be attributed to the Pictured Cliffs formation.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.