



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2031-B

Caulkins Oil Company
P.O. Box 340
Bloomfield, New Mexico 87413

Attention: Mr. Robert L. Verquer

*Breach No. 377
API No. 30-039-25690
Unit M, Section 23, Township 26 North, Range 7 West, NMPM,
Rio Arriba County, New Mexico.
Ice Canyon-Gallup (Gas 93235),
Basin-Dakota (Prorated Gas 71599), and
~~Blanco-Mesaverde (Prorated Gas 72319) and,~~
South Blanco-Pictured Cliffs (Prorated Gas 72439) Pools*

Dear Mr. Verquer:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis.

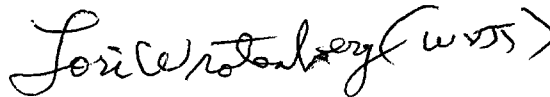
Basin-Dakota Prorated Gas Pool	Oil-80%	Gas-50%
Ice Canyon-Gallup Gas Pool	Oil-20%	Gas-30%
South Blanco-Pictured Cliffs Prorated Gas Pool	Oil-0%	Gas-20%

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

This amendment approved at Santa Fe, New Mexico on the 20th day of June 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/wvjj

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Albuquerque