

DHC 8/16/99

CAULKINS OIL COMPANY

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

glar

July 23, 1999

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

JUL 27 1999

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
- F. Vicinity Map

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

Sincerely,



Robert L. Verquer
Superintendent

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South 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

CAULKINS OIL COMPANY

P.O. BOX 340, BLOOMFIELD, NM 87413

OPERATOR

ADDRESS

SANCHEZ

4-E

M - SEC. 25-26N-6W

RIO ARRIBA

LEASE

WELL NO.

UNIT LTR. - SEC. - TWP. - RGE.

COUNTY

Spacing Unit Lease types: (check 1 or more)

OGRID NO. 003824

Property Code 2463

API NO. 30-039-22912

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: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) Calculated 506	a.	a. Calculated 561
	b. (Original) 1595	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 supporting data	Date:	Date:	Date:
	Rates:	Rates:	Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 7-20-99 Gas Oil Water Rates: 149 2.43 .95 MCF/D Bbl Bbl	Date: Rates:	Date: 7-20-99 Gas Oil Water Rates: 90 .61 .23 MCF/D Bbl Bbl
8. Fixed Percentage Allocation Formula - % for each zone	1 year average DPA Oil 81 % Gas 65 %	Oil % Gas %	1 year average DPA Oil 19 % Gas 35 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No

If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No

Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No

11. Will cross-flow occur? ☒ Yes ☐ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☒ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner or Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases of Rule 303© Exceptions: ORDER NO(S). DHC - 659, R-10239

16. ATTACHMENTS:

- C-102 for each zone to be commingled showing 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.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Robert L. Verquer TITLE SUPERINTENDENT DATE July 23, 1999

TYPE OR PRINT NAME ROBERT L. VERQUER TELEPHONE NO. (505) 692-1544

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 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 30-039-22912	² Pool Code 72319	³ Pool Name MESA VERDE
⁴ Property Code 2463	⁵ Property Name SANCHEZ	⁶ Well Number 4-E
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company	⁹ Elevation 6628 GR

¹⁰ Surface Location

UL or lot no. M	Section 25	Township 26N	Range 6W	Lot Idn	Feet from the 890'	North/South line South	Feet from the 990'	East/West line West	County Rio Arriba
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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 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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 <i>Robert L. Verguer</i> Printed Name Robert L. Verguer Title Superintendent Date July 23, 1999			
	¹⁸ SURVEYOR 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			
	Signature and Seal of Professional Surveyor:			
	Certificate Number			

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 Fe, NM 87505

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Santa Fe, NM 87505

Form C-102
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Instructions on back
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-22912		² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code 2463	⁵ Property Name SANCHEZ		⁶ Well Number 4-E
⁷ OGRID No. 003824	⁸ Operator Name Caulkins Oil Company		⁹ Elevation 6628 GR

¹⁰ Surface Location

UL or lot no. M	Section 25	Township 26N	Range 6W	Lot Idn	Feet from the 890'	North/South line South	Feet from the 990'	East/West line West	County Rio Arriba
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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.				

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 <i>Robert L. Verquer</i> Printed Name Robert L. Verquer Title Superintendent Date July 23, 1999
					¹⁸ SURVEYOR 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
					Signature and Seal of Professional Surveyor:
					Certificate Number

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

NMSF-079304

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well ☐ Gas Well ☐ Other ☐
GAS WELL

8. Well Name and No.

SANCHEZ 4-E

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-22912-00D1

3. Address of Operator:

(505) 632-1544

P.O. Box 340, Bloomfield, NM 87413

10. Field and Pool, Exploratory Area

DAKOTA, MESA VERDE

4. Location of Well (Footage, Sec., Twp., Rge.)

890' F/S 990' F/W

SEC. 25-26N-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

☐ Abandonment

☐ Change of Plans

☐ Subsequent Report

☐ Recompletion

☐ New Construction

☐ Final Abandonment Notice

☐ Plugging Back

☐ Non-Routine Fracturing

☐ Casing Repair

☐ Water Shut-Off

☐ Altering Casing

☐ Conversion to Injection

☒ Other Downhole Commingle

☐ Dispose Water

17. Describe Proposed or Completed Operations:

7-23-99

Approval to downhole commingle this well has been submitted to the NMOCD.

Commingle 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'.

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: Robert L. Verquer
ROBERT L. VERQUER

TITLE: Superintendent DATE: July 23, 1999

APPROVED BY: _____ TITLE: _____ DATE: _____
CONDITIONS OF APPROVAL, IF ANY

**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	82	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

Joseph B. Gould
4430 South 3rd
Las Vegas, NV 89101-6225

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

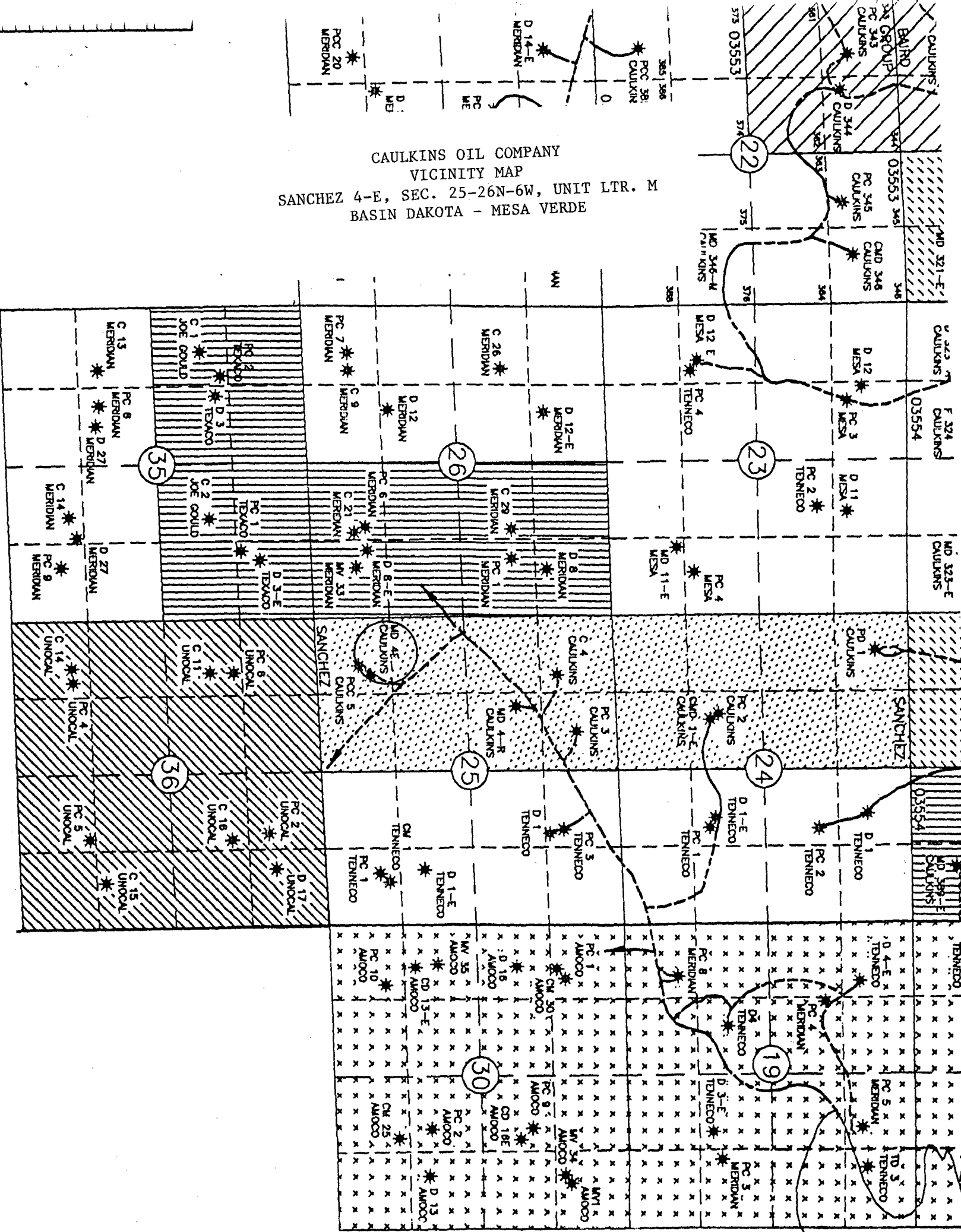
Merrion Oil & Gas Corp.
610 Reilly Ave.
Farmington, NM 87401

Conoco, Inc.
3315 Bloomfield Highway
Farmington, NM 87401

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

Four Star Oil & Gas Company
3300 N. Butler Suite 100
Farmington, NM 87401

CAULKINS OIL COMPANY
VICINITY MAP
SANCHEZ 4-E, SEC. 25-26N-6W, UNIT LTR. M
BASIN DAKOTA - MESA VERDE



CAULKINS OIL COMPANY

DATE July 22, 1999 LEASE SANCHEZ WELL NO. 4-E

FIELD BASIN DAKOTA - MESA VERDE

UNIT LTR. M SEC. 25 TWP. 26N RGE. 6E

