

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
		e-mail Address	

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
X Yes No

2007 SEP 7 PM 12:07
APPLICATION FOR DOWNHOLE COMMINGLING

Caulkins Oil Company Operator 1409 W. Aztec, Blvd., Suite 7, Aztec, NM 87410 Address

BREECH "E" Lease 65 Well No. UNIT G - SEC. 5-26N-6W Unit Letter-Section-Township-Range Rio Arriba County

OGRID No. 003824 Property Code 2459 API No. 30-039-2941 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Blanco Tocito Oil		Basin Dakota
Pool Code	06460		71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6748 - 6741'		7432' - 7346'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Estimated 1248		1124
Producing, Shut-In or New Zone	New zone		Producing
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: Estimated Rate: Gas Oil Water 200 3.0 .10 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water MCF/D Bbl Bbl	Date: 12 month average Rate: Gas Oil Water 193 .34 1.67 MCF/D Bbl Bbl
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Gas 51 % Oil 90 %	Gas % Oil %	Gas 49 % Oil 10 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

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

NMOCD Reference Case No. applicable to this well: DHC-3334, DHC-3546, DHC-3118, DHC-3333

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 working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 September 6, 2007

TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505)-334-4323
EMAIL ADDRESS: caulkinsoil@qwest.net

PO Box 1980, Hobbs, NM 88241-1980

Energy, Minerals & Natural Resources Department

Revised October 18, 1994

District II

Instructions on back

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

District III

1220 South St. Francis Drive

State Lease - 4 Copies

1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, NM 87504

Fee Lease - 3 Copies

District IV

2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-29414		² Pool Code 06460		³ Pool Name South Blanco Tocito <i>OL</i>	
⁴ Property Code 2457		⁵ Property Name BREECH "E"			⁶ Well Number 65
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6555'

¹⁰ Surface Location

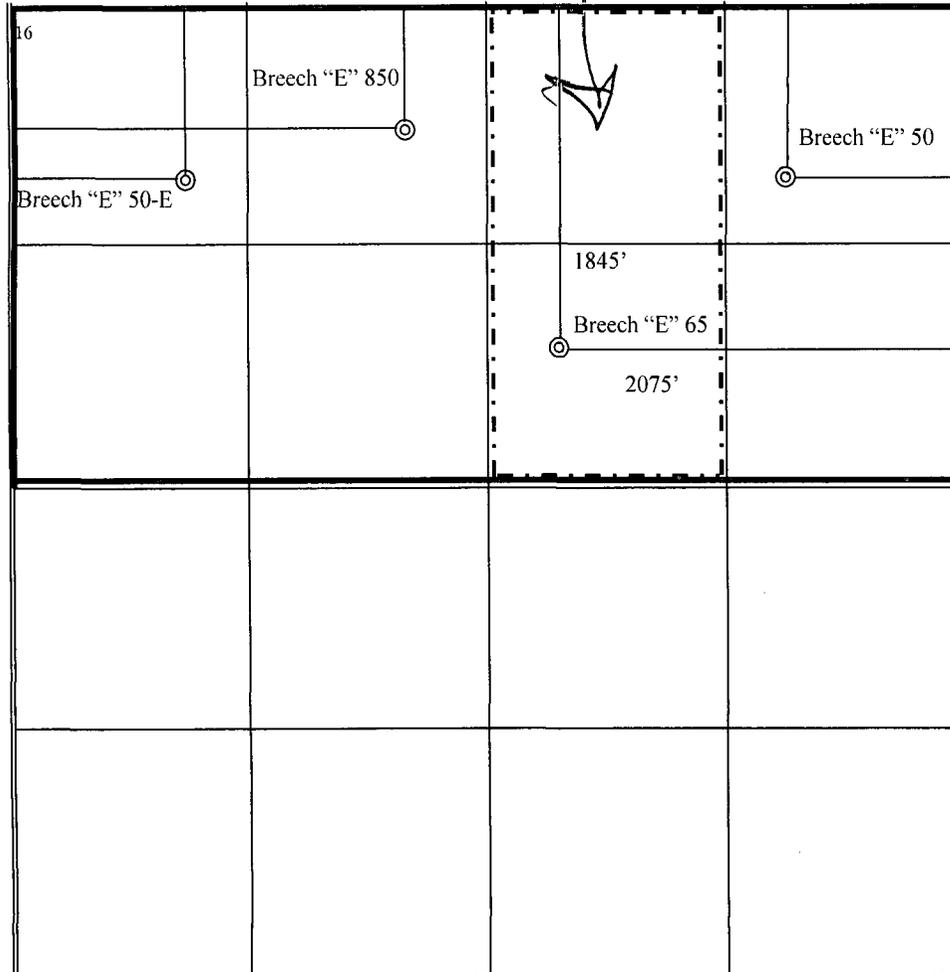
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	5	26N	6W		1845'	NORTH	2075'	EAST	Rio Arriba

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 <i>80</i> 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling under heretofore entered by the division.

Robert L. Verquer

Signature
Name **Robert L. Verquer**
Title **Superintendent**
Date **September 6, 2007**

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 belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

EXHIBIT "H"

State of New Mexico

Form C-102

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210

Energy, Minerals & Natural Resources Department

Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office

District III
 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
 Santa Fe, NM 87504

State Lease - 4 Copies
 Fee Lease - 3 Copies

District IV
 2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 71599		³ Pool Name Basin Dakota	
⁴ Property Code 2457		⁵ Property Name BREECH "E"			⁶ Well Number 65
⁷ GRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6555'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	5	26N	6W		1845'	NORTH	2075'	EAST	Rio Arriba

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.
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¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <i>Robert L. Verquer</i> Signature Printed Name Robert L. Verquer Title Superintendent Date January 10, 2005	
	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
1625 N. French Dr., Hobbs, N.M. 88240

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1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

04-361

JAN 13 2005
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name
*Property Code	*Property Name BREECH "E"		*Well Number 65
*GRID No.	*Operator Name CAULKINS OIL COMPANY		*Elevation 6555

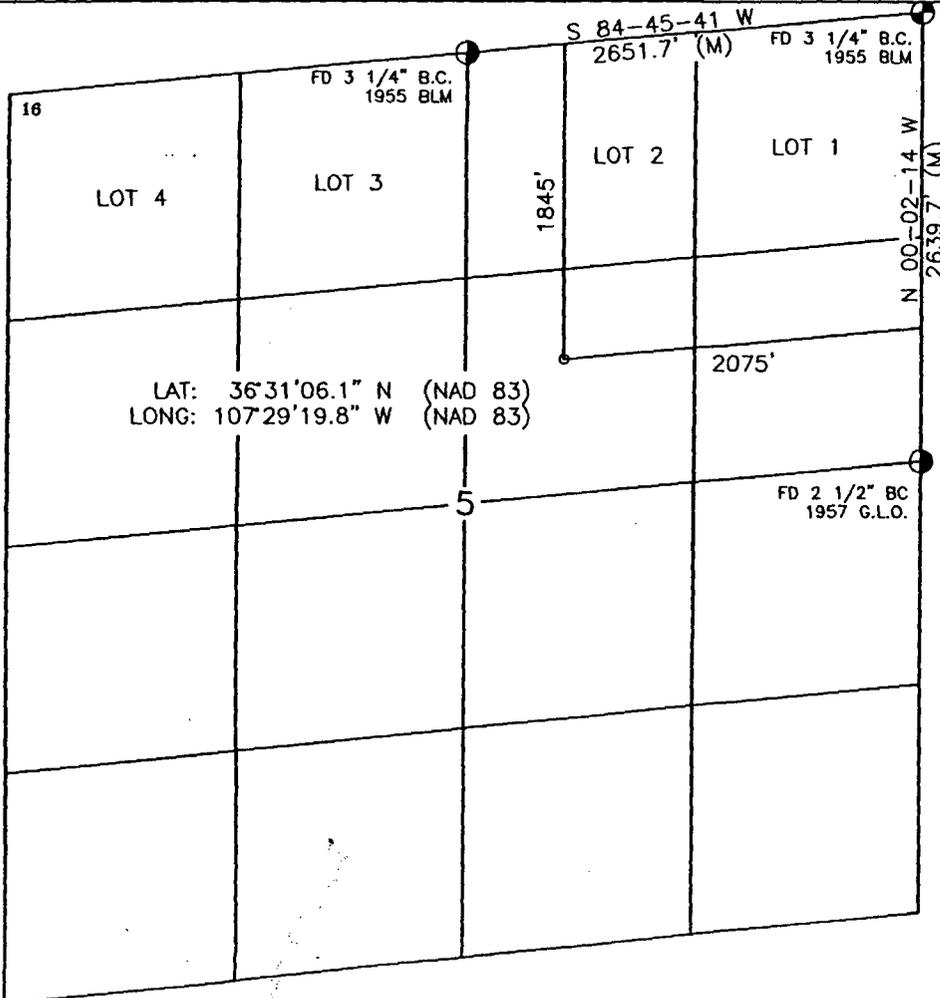
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	5	26-N	6-W		1845	NORTH	2075	EAST	RIO ARRIBA

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
*Dedicated Acres		*Joint or Infill		*Consolidation Code		*Order No.			

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17 OPERATOR CERTIFICATION

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

Robert L. Verquer
Signature

Robert L. Verquer
Printed Name

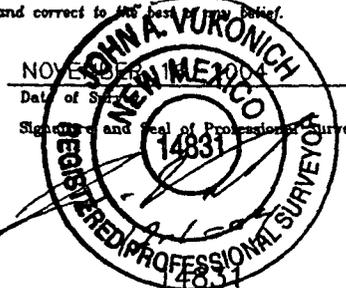
Superintendent
Title

January 19, 2005
Date

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 belief.

NOV 13 2004
Date of Survey
Signature and Seal of Professional Surveyor



Certificate Number

**LAST 12-MONTHS PRODUCTION
FOR
BREECH E 65**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
07/06	6,716	8	1	31	217	0.258
08/06	6,569	6	1	31	212	0.194
09/06	6,402	12	2	30	213	0.400
10/06	6,678	12	2	31	215	0.387
11/06	6,457	13	2	30	215	0.433
12/06	6,149	6	1	31	198	0.194
01/07	6,054	10	2	31	195	0.323
02/07	5,422	13	2	28	194	0.464
03/07	5,229	10	2	31	169	0.323
04/07	5,059	13	2	30	169	0.433
05/07	5,013	11	2	31	162	0.355
06/07	4,801	9	1	30	160	0.300
	70,549	123	20		193	0.339

CAULKINS OIL COMPANY
VICINITY MAP
BREECH "E" 65

