

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.

Robert L. Verquer _____ Superintendent _____ 12-15-03
 Print or Type Name Signature Title Date

 e-mail Address

CAULKINS OIL COMPANY

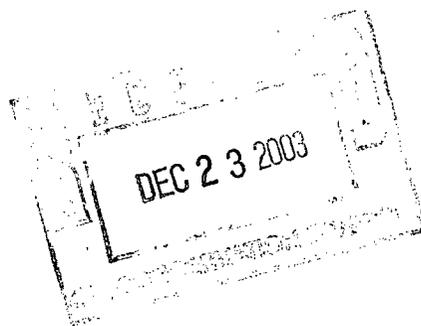
1409 W. AZTEC BLVD., SUITE B7

AZTEC, NEW MEXICO 87410

PHONE: 505-334-4323

FAX 505-334-9622

December 19, 2003



State of New Mexico
Oil Conservation Division
ATTN: Mr. David Catanach
1220 S. St. Frances Drive
Santa Fe, NM 87504

Re: Recompletion in South Blanco Tocito Zone
Breach "E" 50
Section 5, Township 26N, Range 6W, Unit Letter A
Rio Arriba County, New Mexico

Dear Mr. Catanach:

Following recompletion, estimated allocations for the South Blanco Tocito will be evaluated and changed if necessary.

If you have any questions, please contact me at 505-334-4323.

Sincerely,

Robert L. Verquer
Superintendent

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

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

Caulkins Oil Company 1409 W. Aztec Blvd, Suite B7, Aztec, NM 87410
Operator Address

BREECH "E" 50 UNIT A - SEC. 5-26N-6W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 003824 Property Code 2459 API No. 30-039-06723 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	South Blanco Tocito <input checked="" type="checkbox"/>		Basin Dakota <input checked="" type="checkbox"/>
Pool Code	06460 <input checked="" type="checkbox"/>		71599 <input checked="" type="checkbox"/>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6744' - 6756		7210' - 7574'
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)	N/A		N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Est. 1280		1128
Producing, Shut-In or New Zone	Shut-in		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 160 1.5 .6 MCF/D Bbl Bbl	Date: Rate: Gas Oil Water	Date: 12 month average Rate: Gas Oil Water 116 .282 .82 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 Oil 60 % 84 %	Gas Oil % %	Gas Oil 40 % 16 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes 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 No

Will commingling decrease the value of production? Yes No

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 No

NMOCD Reference Case No. applicable to this well: ~~DHC-2118, DHC-2118, DHC-3029~~

- 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 December 19, 2003

TYPE OR PRINT NAME Robert L. Verquer TELEPHONE NO. (505)-334-4323

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

1220 South St. Francis Drive

Santa Fe, NM 87504

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 30-039-06723		² Pool Code 06460		³ Pool Name SOUTH BLANCO TOCITO	
⁴ Property Code 2459		⁵ Property Name BREECH "E"			⁶ Well Number 50
⁷ OGRID No. 003824		⁸ Operator Name Caulkins Oil Company			⁹ Elevation 6561 DF

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	5	26N	6W		990'	North	990'	East	Rio Arriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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.
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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

6 Breech "E" 50-E ⊙		¹⁷ OPERATOR CERTIFICATION
		<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and</i></p> <p><i>Robert L. Verquer</i></p> <p>Signature</p> <p>Printed Name Robert L. Verquer</p> <p>Title Superintendent</p> <p>Date December 1, 2003</p>
		¹⁸ SURVEYOR CERTIFICATION
		<p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by my supervision, and that the same is true and correct to the best of my knowledge and belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		Certificate Number

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

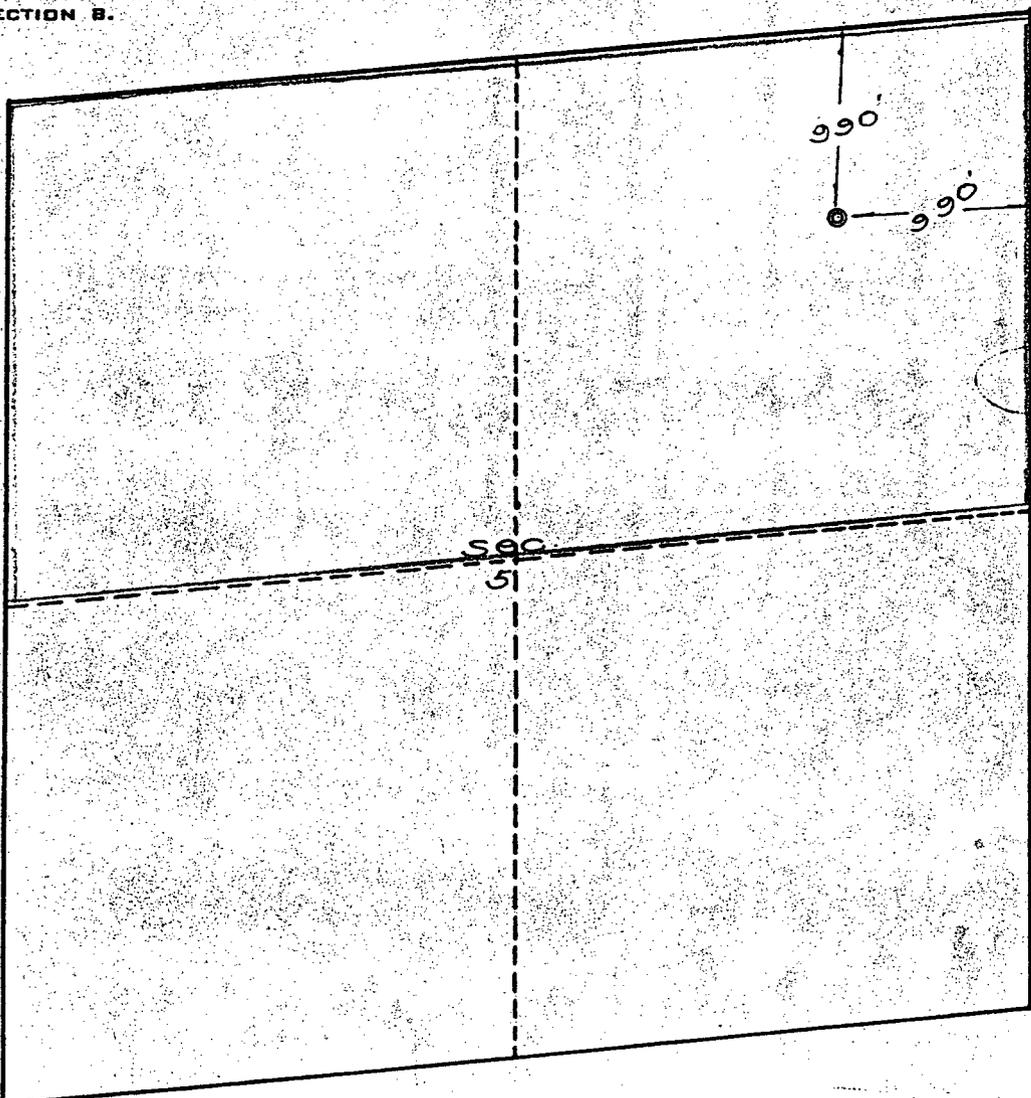
SECTION A. DATE _____
 OPERATOR Caulkins Oil Company LEASE Breech "E"
 WELL NO. D-50 UNIT LETTER A SECTION 5 TOWNSHIP 26 North RANGE 6 West NMPM
 LOCATED 990 FEET FROM North LINE, 990 FEET FROM East LINE
 COUNTY Rio Arriba G. L. ELEVATION 6549 DEDICATED ACREAGE 320 ACRES
 NAME OF PRODUCING FORMATION Dakota POOL Basin Dakota

1. IS THE OPERATOR THE ONLY OWNER* IN THE DEDICATED ACREAGE OUTLINED ON THE PLAT BELOW? YES _____ NO
2. IF THE ANSWER TO QUESTION ONE IS "NO," HAVE THE INTERESTS OF ALL THE OWNERS BEEN CONSOLIDATED BY COMMUNITIZATION AGREEMENT OR OTHERWISE? YES NO _____ IF ANSWER IS "YES," TYPE OF CONSOLIDATION _____

3. IF THE ANSWER TO QUESTION TWO IS "NO," LIST ALL THE OWNERS AND THEIR RESPECTIVE INTERESTS BELOW:

OWNER	LAND DESCRIPTION

SECTION B.



THIS IS TO CERTIFY THAT THE INFORMATION IN SECTION A ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Caulkins Oil Company
(OPERATOR)

Frank O. Gray
(REPRESENTATIVE)

Frank O. Gray
 Box 967, Farmington, N. M.
(ADDRESS)

THIS IS TO CERTIFY THAT THE WELL LOCATION SHOWN ON THE PLAT IN SECTION B 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 SURVEYED Sept. 8, 1962

FOUR STATES ENGINEERING CO.
 FARMINGTON, NEW MEXICO

Ernest V. Cook
 REGISTERED ENGINEER OR LAND SURVEYOR

CERTIFICATE NO. 3602

**LAST 12-MONTHS PRODUCTION
FOR
BREECH E 50**

DAKOTA

MONTH	GAS	OIL	WATER	DAYS	GAS DPA	OIL DPA
11/02	4,300	9	1	30	143	0.300
12/02	4,298	13	2	31	139	0.419
01/03	4,084	13	2	31	132	0.419
02/03	3,135	11	2	28	112	0.393
03/03	3,526	10	2	31	114	0.323
04/03	3,391	9	1	30	113	0.300
05/03	3,462	8	1	30	115	0.267
06/03	3,264	7	1	30	109	0.233
07/03	3,346	6	1	31	108	0.194
08/03	3,235	6	1	31	104	0.194
09/03	2,953	4	1	30	98	0.133
10/03	3,068	6	1	28	110	0.214
	42,062	102	16		116	0.282

CAULKINS OIL COMPANY

1409 W. AZTEC BLVD., SUITE B7

AZTEC, NEW MEXICO 87410

PH. 505-334-4323

FAX 505-334-9622

December 19, 2003

The following is a list of all the offset operators to Caulkins Oil Company well Breech "E" 50, section 5, township 26N, range 6W.

Pure Resources
321 W. Sycamore
Bloomfield, NM 87413

The following is a list of all the overriding royalty interest owners to Caulkins Oil Company well Breech "E" 50, section 5, township 26N, range 6W. The overriding royalty interest owners have been notified by certified mail.

Roger B. Nielsen
P. O. Box 793
Mansfield, TX 76063

Mitzi Henderson Easley
1203 Arronimink Circle
Austin, TX 78746

Marcia Berger
c/o Petroleum Asset Mgmt., LLC-Agent
P. O. Box 745
Hobbs, NM 88241

Texas Crude Oil - Joint Venture
c/o Texas Crude Operator, Inc.
P. O. Box 122389
Ft. Worth, TX 76121-2389

GW Holdings, Inc.
P. O. Box 121938
Ft. Worth, TX 76121

Joseph W. Bartlett, Jr.
5117 Lytton Ave.
Las Vegas, NV 89146-1452

XTO Energy, Inc.
135 S. Lasalle St., Dept. 4849
Chicago, IL 60674-4849

Anne K. Thompson
c/o E. M. Birke, Jr.
25240 Lahser Rd., Suite 1A
Southfield, MI 48034

Energen Resources Corp.
605 Richard Arrington Blvd., North
Birmingham, AL 35203-2707

Frank A. Cronican, Sr. & Harriet Bates Cronican
Rev. Trust
Frank B. Jr. & Peter B. Cronican - Trustees
Bank of America, N. A. - Agent
P. O. Box 840738
Dallas, TX 75284-0738

Potenziani Family Partnership
P. O. Box 676370
Rancho Santa Fe, CA 92067-6370

Betsy Henderson Bryant
2201 Brookhollow Dr.
Abilene, TX 79605

WWR Enterprises, Inc.
c/o Petroleum Asset Mgmt., LLC-Agent
P. O. Box 745
Hobbs, NM 88241

Ted Weiner
Oil Properties Trust
P. O. Box 121938
Ft. Worth, TX 76121-1938

Texas Crude Energy, Inc.
P. O. Box 122389
Ft. Worth, TX 76121-2389

Dorothy Bartlett
1147 Running Brook
Shreveport, LA 71118

Accord Du Lac Partnership LLLP
P. O. Box 676281
Rancho Santa Fe, CA 92067-6281

P. T. Bee
6116 N. Central Exprwy-LB17
Suite 200
Dallas, TX 75206

Herbert R. Briggs
c/o Reynolds, Hix & Co., P. A.
6729 Academy Rd, Suite D
Albuquerque, NM 87109

Cyrene L. Inman
Bank of America, N. A. - Agent
P. O. Box 840738
Dallas, TX 75284-0738

Carolyn Nielsen Sedberry
Little Oil & Gas, Inc., Agent
P. O. Box 1258
Farmington, NM 87499

Susan H. Ritter
P. O. Box 162606
Austin, TX 78716

Sarah S. Mims Revocable Trust
Sarah S. Mims & William L Madsen, Co-Trustees
P. O. Box 11846
Carrollton, TX 75011-1846

Henrietta E. Schultz, Trustee
500 N. Akard, Suite 2940
Dallas, TX 75201

George Umbach
Bank of Oklahoma, Agent
ATTN: J. Mark Choplin
P. O. Box 3499
Tulsa, OK 74101

Gladys Bartlett Stevenson
2510 Twisted Oaks
Bryan, TX 77802

Robert Umbach Cancer Foundation
Bank of Oklahoma, Agent
ATTN: J. Mark Choplin
P. O. Box 1588
Tulsa, OK 74101

Pennies From Heaven LLC
Bank of America, N. A., Agent
P. O. Box 840738
Dallas, TX 75284-0738

Production Gathering Co., LP
8080 N. Central Expressway
Suite 1090
Dallas, TX 75206

Margie S. Elkins
IM Property
Bank of America, N. A.
P. O. Box 840738
Dallas, TX 75284-0738

Merrion Oil & Gas
610 Reilly Ave.
Farmington, NM 87401-2634

Gail Smith Keys
IM Property
Bank of America, N. A.
P. O. Box 840738
Dallas, TX 75284-0738

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

5. Lease

NMNM-03551

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)

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

1. Oil Well Gas Well Other
GAS WELL

8. Well Name and No.

BREECH "E" 50

2. Name of Operator:

Caulkins Oil Company

9. API Well No.

30-039-06723-00S1

3. Address of Operator:

(505) 334-4323

1409 W. Aztec Blvd. Ste B7, Aztec, NM 87410

10. Field and Pool, Exploratory Area

BASIN DAKOTA

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

990' F/N 990' F/E

SEC. 5-26N-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	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other _____	<input type="checkbox"/> Dispose Water

17. Describe Proposed or Completed Operations:

12-1-03 We request approval to recomplete this well in the South Blanco Tocito formation by the following procedure:

Rig up.

T. O. H. laying down 2 3/8" tubing.

Run wireline set retrievable bridge plug to 6950'.

Run Bond log, 6950' to 5000'.

Run gas spectrum log from 6900' to 6200'.

Perforate Tocito zone, 6756' - 6744', with 4 shots per foot.

T. I. H. with 2 7/8" tubing and packer to 6500'.

Frac Tocito with 20,000# 20/40 sand and N2 foam.

Flow well back and test Tocito.

T. O. H. laying down 2 7/8" tubing with packer.

T. I. H. with new 2 3/8" tubing with retrieving head.

T. O. H. with retrievable bridge plug.

(continued on page 2)

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 TITLE: Superintendent DATE: December 1, 2003
ROBERT L. VERQUER

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

Caulkins Oil Company
BLM Sundry Notice
Breach "E" 50
December 1, 2003
Page 2

T. I. H. with 2 3/8" production tubing.

Clean out to 7500' with air foam unit

Land tubing on doughnut at approximately 7430'.

Rig down and move.

Estimated starting date, January 5, 2004.

No new surface will be disturbed, location area will be cleaned up following operations.

NMOCD C-102 attached for Tocito.