

Jason Kellahin  
W. Thomas Kellahin  
Karen Aubrey

KELLAHIN and KELLAHIN  
*Attorneys at Law*  
El Patio - 117 North Guadalupe  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

Telephone 982-4285  
Area Code 505

April 1, 1985

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APR 8 1985

Mr. Richard L. Stamets  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

OIL CONSERVATION DIVISION

"Hand Delivered"

Re: Caulkins Oil Company

Case 8575

Dear Mr. Stamets:

Please set the enclosed application for hearing  
at the next available examiner's hearing on April 24,  
1985.

Very truly yours,



W. Thomas Kellahin

WTK:ca  
Enc.

cc: Mr. Charles Varquer  
Caulkins Oil Company  
P. O. Box 780  
Farmington, New Mexico 87401

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF CAULKINS OIL COMPANY FOR DOWNHOLE  
COMMINGLING AND AN EXCEPTION TO RULE  
303(c)(1)(b)(6) RIO ARriba COUNTY,  
NEW MEXICO.

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OIL CONSERVATION DIVISION

CASE 8574

A P P L I C A T I O N

Comes now CAULKINS OIL COMPANY, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for authority to downhole commingle certain production and for an exception to Division Rule 303-(c)(1)(b)(6) and as grounds therefore would state:

1. Applicant, Caulkins Oil Company, is the operator of the following described wells, all located in Rio Arriba County, New Mexico.

2. For each said well, applicant will run downhole equipment in each of the wellbores to prevent crossflows of production between or among the downhole commingled zones.

3. That applicant seeks an exception from Rule 303(c)(1)(b)(6) which precludes the bottom hole pressure of the lower pressure zone from being less than 50% of the bottom hole pressure of the higher pressure zone adjusted to a common datum.

4. Applicant has two wells that are currently Pictured-Cliffs Dakota dual completions which applicant seeks to convert for the downhole commingling of production from the Pictured Cliffs, Chacra, Dakota and Mesa Verde formations:

(a) ✓ Caulkins Well #233, NW/4 Section 16, T26N, R6W

(b) ✓ Sanchez #1 Well, NW/4 Section 24, T26N, R6W

5. Applicant has one well that is currently a Chacra Dakota dual completion for which applicant seeks authority to convert for the downhole commingling of production from the Chacra, Dakota and Mesa Verde formations:

~~(a)~~ ✓ Sanchez #4 well, NW/4 Section 25, T26N, R6W

6. Applicant has eight Mesa Verde-Dakota dually completed wells which applicant seeks authority to convert to downhole commingling of the Mesa Verde and Dakota:

(a) ✓ State "A" well #113-E, SE/4 Section 2, T26N, R6W

(b) ✓ Breech 172-E Well, SW/4 Section 7, T26N, R6W

(c) ✓ Breech "D" Well 685-E, SE/4 Section 11, T26N, R6W

(d) ✓ Breech "C" Well 689, SW/4 Section 12, T26N, R6W

(e) ✓ Breech "C" Well 689-M, SE/4 Section 12, T26N, R6W

(f) ✓ Breech "C" Well 248, NE/4 Section 13, T16N, R6W

(g) ✓ Breech "A" Well 229-M, NE/4 Section 17, T26N, R6W

(h) ✓ Breech "D" Well 341-M, NW/4 Section 21, T26N, R6W

7. Applicant has six Chacra-Mesa Verde dually completed wells which applicant seeks authority to convert into downhole commingled Chacra, Mesa Verde and Dakota wells:

~~(a)~~ ✓ Breech "E" Well 68-E, SW/4 Section 4, T26N, R6W

~~(b)~~ ✓ Breech "A" Well 175-E, NE/4 Section 8, T26N, R6W

~~(c)~~ ✓ Breech "E" Well 583-M, SW/4 Section 5, T26N, R6W

~~(d)~~ ✓ Breech "A" Well 204-M, SW/4 Section 9, T26N, R6W

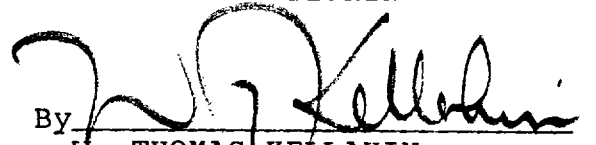
~~(e)~~ ? Breech "C" Well 248-<sup>E</sup>~~M~~, NW/4 Section 13, T26N, R6W

~~(f)~~ Breech "A" Well 136-E, SE/4 Section 10, T26N, R6W

8. That the ownership for all zones to be commingled is common.

Wherefore, applicants requests that this matter be set for hearing and that after notice and hearing the applicant be granted as requested.

Kellahin & Kellahin

By   
W. THOMAS KELLAHIN  
Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285