

- EXHIBIT NO. 1 12 Section Map showing off-set ~~operators~~ and all wells drilled to Pictured Cliffs, Chacra, Mesa Verde and Dakota Zones within one mile of proposed location. Also, well location in Section 13, 26 North, 7 West completed same as this proposed well.
- EXHIBIT NO. 2 Vicinity Topo Map.
- EXHIBIT NO. 3 12 Month production tabulation Jan. 1, 1984 thru Dec. 31, 1984 for Pictured Cliffs wells within 1/2 mile of proposed location.
- NO. 2-A Ditto Chacra Wells
- NO. 2-B Ditto Mesa Verde Wells
- NO. 2-C Ditto Dakota Wells
- NO. 2-D Ditto Commingled well Section 13, 26 North, 7 West.
- EXHIBIT NO. 4 Identifies wells and from which zone they are producing within one mile of proposed location.
- EXHIBIT NO. 5 Schematic of proposed completion.
- EXHIBIT NO. 6 Shows proposed completion and testing procedure.
- EXHIBIT NO. 7 Shows estimated pay-out time.

BEFORE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
<i>Caulkins</i>	EXHIBIT NO. <u>1</u>
CASE NO.	<u>8640</u>

Caulkins Oil Company

Well No. Kaime 1-R

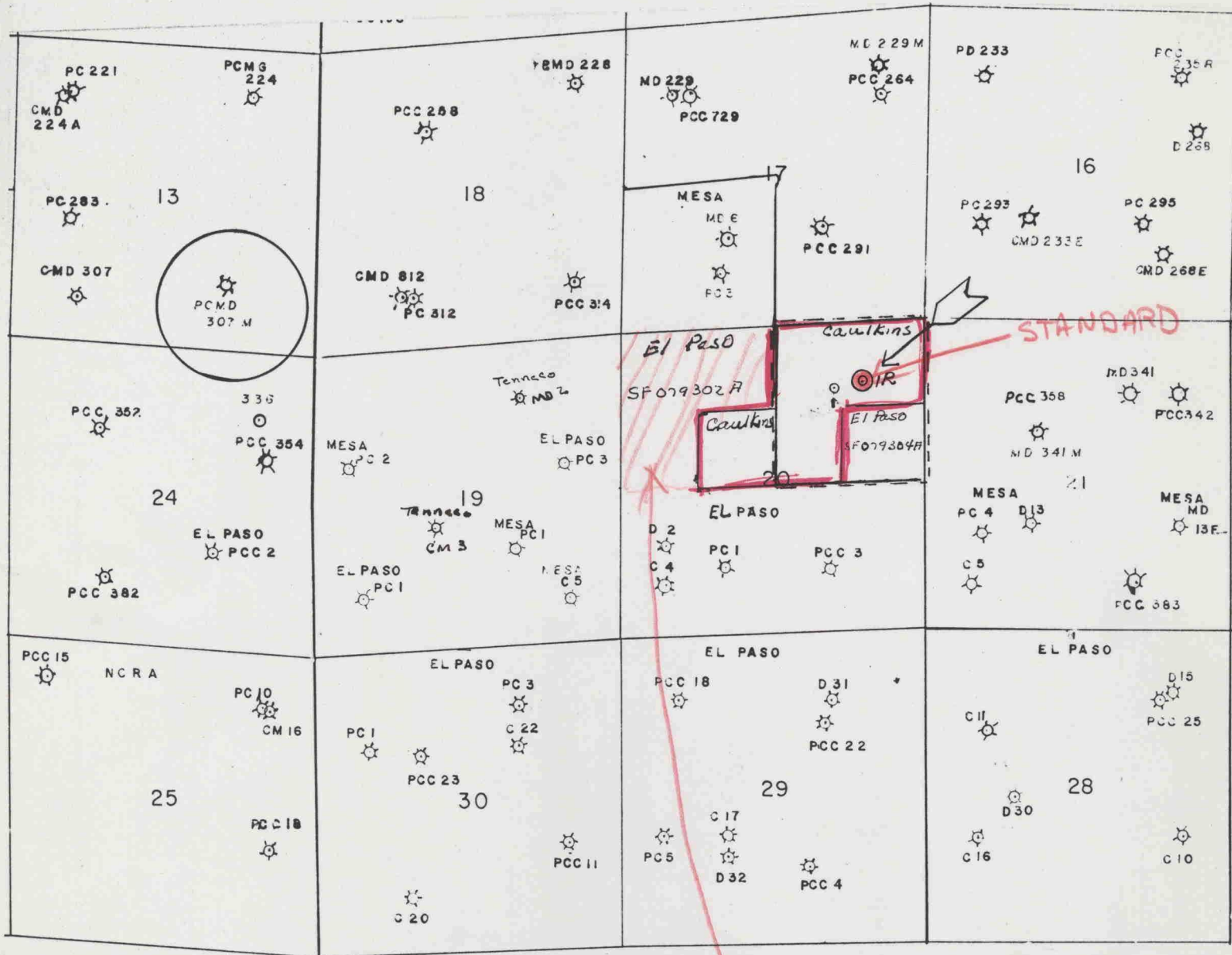
Located 1158' F/E 911' F/N Section 20, 26 North 6 West Rio Arriba County, New Mexico

Proposed Pictured Cliffs, Chacra, Mesa Verde, Dakota Completion

All acreage not otherwise identified operated by Caulkins Oil Company

Arrow identifies proposed well

Circle identifies well completed same as Kaime 1-R proposal



Key to well identification as follows:

P or PC - Pictured Cliffs

C - Chacra

PCC - Pictured Cliffs - Chacra

PCMD - Pictured Cliffs - Chacra - Mesa Verde - Dakota

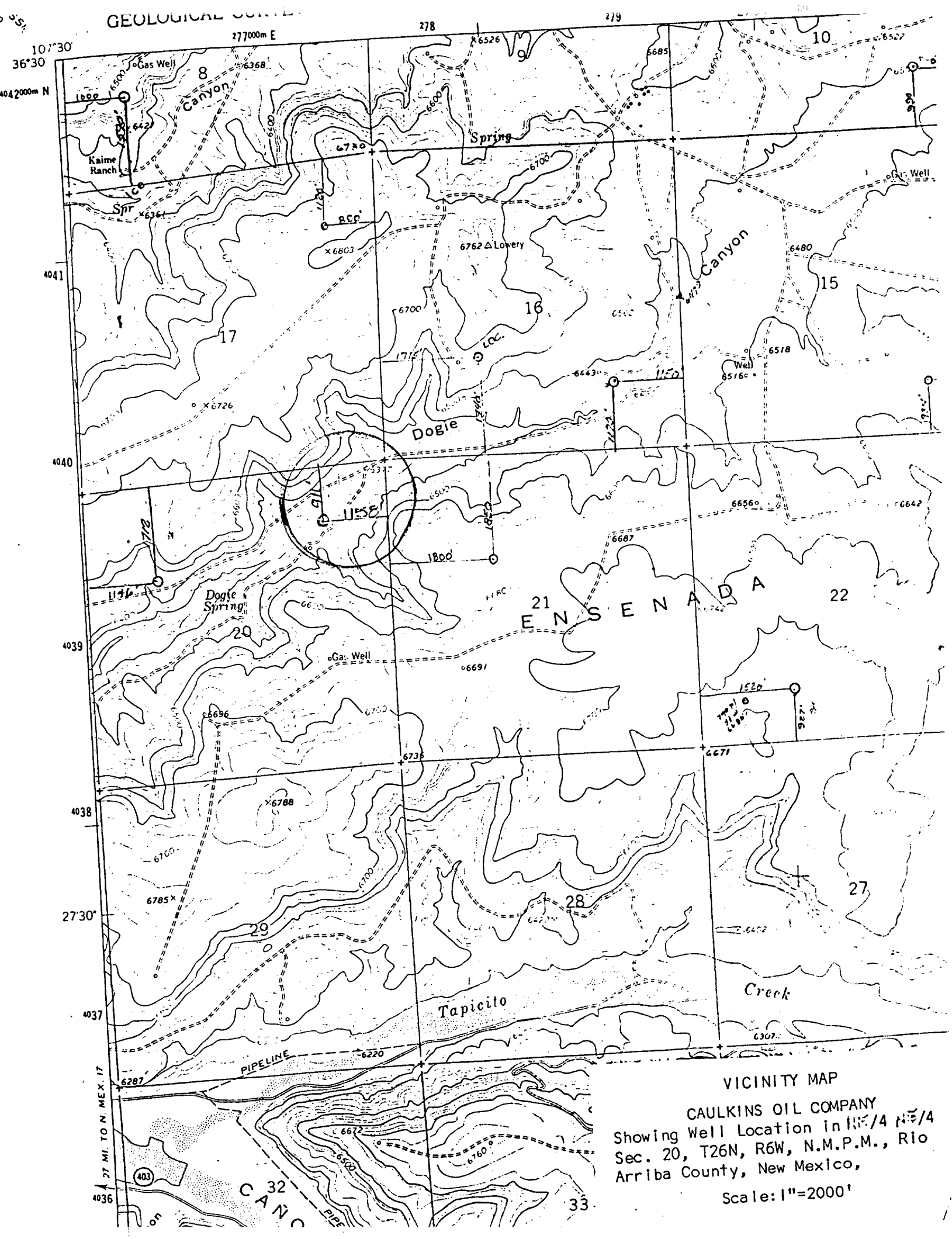
CMD - Chacra - Mesa Verde - Dakota

D - Dakota

PCMG - Pictured Cliffs - Chacra - Mesa Verde - Greenhorn

MD - Mesa Verde - Dakota

BURDENS ON
THESE LEASES



VICINITY MAP

CAULKINS OIL COMPANY
Showing Well Location in NE 1/4 NE 1/4
Sec. 20, T26N, R6W, N.M.P.M., Rio
Arriba County, New Mexico,

Scale: 1"=2000'

EXHIBIT NO. 21984 MONTHLY PRODUCTION - PICTURED CLIFFS WELLS

	SECTION 20 CAULKINS Kaime 1	SECTION 20 EL PASO PC 1	SECTION 20 EL PASO PCC 3	SECTION 21 MESA PC 4	SECTION 16 CAULKINS 293	SECTION 17 MESA PC 3
	MCF - Days On	MCF - Days On	MCF - Days On	MCF - Days On	MCF - Days On	MCF - Days On
Jan.	438 - 31	406 - 31	727 - 31	560 - 31	1501 - 31	529 - 31
Feb.	390 -	359 - 20	695 - 19	520 - 22	777 - 31	245 - 22
Mar.	413 - 29	387 - 22	723 - 23	544 - 31	619 - 28	649 - 22
Apr.	583 - 30	391 - 30	850 - 30	388 - 30	536 - 31	694 - 30
May	148 - 20	387 - 30	800 - 30	353 - 24	205 - 23	600 - 24
June	166 - 29	--- --	--- --	34 - 1	412 - 31	581 - 30
July	309 - 30	399 - 14	219 - 4	481 - 22	738 - 30	634 - 31
Aug.	238 - 31	510 - 29	1015 - 20	521 - 31	630 - 31	602 - 31
Sept.	--- --	389 - 29	671 - 21	381 - 30	1014 - 31	551 - 30
Oct.	--- --	438 - 31	542 - 12	350 - 31	1339 - 25	580 - 31
Nov.	--- --	419 - 30	856 - 31	328 - 30	--- --	558 - 30
Dec.	--- --	426 - 31	862 - 31	309 - 31	1457 - 16	569 - 31
	2,685--224	4,511--297	7,960--252	4,769--314	9,228--308	6,792--343
	12 MCFPD	15 MCFPD	32 MCFPD	15 MCFPD	30 MCFPD	20 MCFPD

	SECTION 17 CAULKINS 291		SECTION 21 CAULKINS 358	
	PC		CHACRA	
	MCF	Days On	MCF	Days On
Jan.	1143	- 31	491	- 31
Feb.	923	- 31	399	- 31
Mar.	446	- 29	192	- 29
Apr.	747	- 31	323	- 31
May	689	- 30	296	- 30
June	845	- 31	362	- 31
July	820	- 30	356	- 30
Aug.	570	- 23	245	- 23
Sept.	---	--	---	--
Oct.	1242	- 19	533	- 19
Nov.	818	- 19	350	- 19
Dec.	815	- 11	349	- 11
	9058	- 285	3896	- 285
	32	MCFPD	14	MCFPD

EXHIBIT 2-A 1984 MONTHLY PRODUCTION - CHACRA WELLS WITHIN 1/2 MILE

	<u>SECTION 20</u>		<u>SECTION 20</u>		<u>SECTION 21</u>	
	<u>EL PASO - PCC-3</u>		<u>EL PASO - C-4</u>		<u>MESA - C-5</u>	
	<u>MCF</u>	<u>Days On</u>	<u>MCF</u>	<u>Days On</u>	<u>MCF</u>	<u>Days On</u>
JAN.	1142	31	---	---	533	29
FEB.	1121	29	---	---	1193	29
MAR.	1172	31	---	---	1218	31
APR.	1135	30	---	1	369	7
MAY	1104	31	1646	31	1202	31
JUNE	1058	30	1173	30	1127	30
JULY	1095	31	1165	31	1172	31
AUG.	1084	31	1171	31	1180	31
SEPT.	1037	27	1083	30	995	30
OCT.	1221	31	1074	31	1115	31
NOV.	1151	30	1386	30	1055	30
DEC.	1160	30	1194	31	1095	31
	13,480	362	9,892	246	12,254	341
	AVG. 37 MCFPD		AVG. 40 MCFPD		AVG. 36 MCFPD	

EXHIBIT 2-B 1984 MONTHLY PRODUCTION MESA VERDE WELLS

	SECTION 21 CAULKINS 341-M		SECTION 16 CAULKINS 233-E		SECTION 17 MESA FED 6	
	MCF	Day On	MCF	Days On	MCF	Days On
JAN.	5824	16	1382	26	6522	31
FEB.	5986	20	3284	29	4179	27
MAR.	5706	28	2089	29	2281	27
APR.	5064	31	2051	31	3540	26
MAY	3182	23	2033	23	2239	24
JUNE	3255	25	1995	31	1420	1
JULY	2472	25	2331	30	287	1
AUG.	3099	22	1708	23	553	2
SEPT.	---	--	---	--	3805	19
OCT.	---	--	---	--	5966	30
NOV.	---	--	4100	13	6296	24
DEC.	3922	17	4713	30	6965	31
	38,510	207	25,686	265	44,053	243
	AVE. 186 MCFPD		AVE. 97 MCFPD		AVE. 181 MCFPD	

EXHIBIT 2-C

MONTHLY PRODUCTION

DAKOTA WELLS

	SECTION 20 EL PASO 2		SECTION 21 MESA 13		SECTION 21 CAULKINS 341-M		SECTION 16 CAULKINS 233-E		SECTION 17 MESA Fed. 6	
	MCF	Days On	MCF	Days On	MCF	Days On	MCF	Days On	MCF	Days On
Jan.	6268	31	0	7	5644	24	---	---	7823	31
Feb.	5587	29	13106	29	5073	27	12222	19	5133	26
Mar.	5713	31	6032	31	4037	28	13027	28	3597	31
Apr.	5809	30	6619	26	5292	31	11471	31	5240	30
May	3966	23	1145	9	3352	24	4876	15	3657	24
June	4191	12	7025	14	---	---	---	---	2309	11
July	5817	31	5240	16	111	11	---	---	5410	29
Aug.	5167	29	5254	16	5131	23	---	---	5581	31
Sept.	4907	30	5681	17	---	---	---	---	5177	27
Oct.	---	---	3994	12	---	---	7583	8	6253	23
Nov.	5005	30	2581	7	---	---	20067	31	364	2
Dec.	5262	32	476	1	7208	27	13392	30	4218	31
	57,692	308	57,153	185	35,848	185	82,638	162	54,762	296
	187 MCFPD		310 MCFPD		194 MCFPD		510 MCFPD		185 MCFPD	

EXHIBIT 2-D 307-M MONTHLY PRODUCTION - PC - CHACRA & MV - DAKOTA COMMINGLED

ORDER NO. R-5648 PICTURED CLIFFS - CHACRA

ORDER NO. DHC 455 MESA VERDE - DAKOTA

	70% MCF	PC Days On	30% MCF	Chacra Days ON	23% MCF	MV Days On	77% MCF	Dakota Days ON
JAN.	8409	31	1684	31	4520	24	15,137	24
FEB.	6356	31	2726	31	3843	27	12,867	27
MAR.	4595	27	1973	27	3882	28	12,998	28
APR.	4654	31	1998	31	3418	31	11,442	31
MAY	1251	30	538	30	2425	23	8,125	23
JUNE	1975	31	845	31	2717	31	9,101	31
JULY	3459	30	1482	30	3063	30	10,257	30
AUG.	2586	21	1110	21	2539	23	8,505	23
SEPT.	2218	11	951	11	541	4	1,478	4
OCT.	7390	30	3170	30	---	---	---	---
NOV.	3794	19	1624	19	2510	16	8,408	16
DEC.	1125	4	483	4	485	4	1,627	4
	47,812	296	18,584	296	29,943	241	99,945	241
	AVE. 161 MCFPD		AVE. 63 MCFPD		AVE. 124 MCFPD		AVE. 415 MCFPD	

TOTAL 763 MCFPD

EXHIBIT NO. 3

Wells within one mile of proposed well.
All in Twp 26 North R 6 West

SECTION	WELL NO.	LOCATION	ZONES COMPLETED	OPERATOR
20	Kaime 1	NE 1/4	Single PC	Caulkins
20	D-2	SW 1/4	Single Dakota	El Paso
20	C-4	SW 1/4	Single Chacra	El Paso
20	PC-1	SW 1/4	Single PC	El Paso
20	PCC-3	SE 1/4	PC - Chacra Dual	El Paso
29	PCC-18	NW 1/4	PC - Chacra Dual	El Paso
29	PCC-22	NE 1/4	PC - Chacra Dual	El Paso
29	D-31	NE 1/4	Single Dakota	El Paso
28	C-11	NW 1/4	Single Chacra	El Paso
28	PCC-25	NE 1/4	PC - Chacra Dual	El Paso
28	D-15	NE 1/4	Single Dakota	El Paso
21	C-5	SW 1/4	Single Chacra	Mesa
21	PC-4	SW 1/4	Single PC	Mesa
21	D-13	SW 1/4	Single Dakota	Mesa
21	PCC-383	SE 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
21	MD-13E	SE 1/4	MV - Dakota Dual	Mesa
21	MD-341	NE 1/4 (R-5649)	MV - Dakota Commingled	Caulkins
21	PCC-342	NE 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
21	PCC-358	NW 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
21	MD-341M	NW 1/4	MV - Dakota Dual	Caulkins
16	PC-293	SW 1/4	Single PC	Caulkins
16	CMD-233E	SW 1/4	Triple Chacra - MV - Dak (Chacra Shut-in)	Caulkins
16	PC-295	SE 1/4	Single PC	Caulkins
16	CMD-268E	SE 1/4	Chacra - MV Commingled & Dakota Dual	Caulkins
16	PCC-235R	NE 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
16	D-268	NE 1/4	Single Dakota	Caulkins
16	PD-233	NW 1/4	PC - Dakota Dual	Caulkins
17	MD-229M	NE 1/4	MV - Dakota Dual	Caulkins
17	PCC-264	NE 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
17	MD-229	NW 1/4 (R-5923)	MV - Dakota Commingled	Caulkins
17	PCC-729	NW 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
17	MD-6	SW 1/4	MV - Dakota Dual	Mesa
17	PC-3	SW 1/4	Single PC	Mesa
18	PCC-314	SE 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
18	CMD-812	SW 1/4	Chacra - MV & Dak Dual	Caulkins
18	312	SW 1/4	Single PC	Caulkins
18	PCC-258	NW 1/4 (R-5648)	PC - Chacra Commingled	Caulkins
18	PCMD-228	NE 1/4	PC - Chacra - MV Commingled and Dakota Dual	Caulkins
19	PC-2	NW 1/4	Single PC	Mesa
19	PC-1	SW 1/4	Single PC	El Paso
19	PC-3	NE 1/4	Single PC	El Paso
19	PC-1	SE 1/4	Single PC	Mesa
19	C-5	SE 1/4	Single Chacra	Mesa
19	CM-3	SW 1/4	Chacra - MV Dual	Tenneco
19	MD-2	NE 1/4	MV - Dakota Dual	Tenneco
30	PC-1	NW 1/4	Single PC	El Paso
30	PCC-23	NW 1/4	PC - Chacra Dual	El Paso
30	PC-3	NE 1/4	Single PC	El Paso
30	C-22	NE 1/4	Single Chacra	El Paso

DATE 5-22-85 WELL NO. Kaime 1-R LEASE Kaime FIELD Basin Dakota

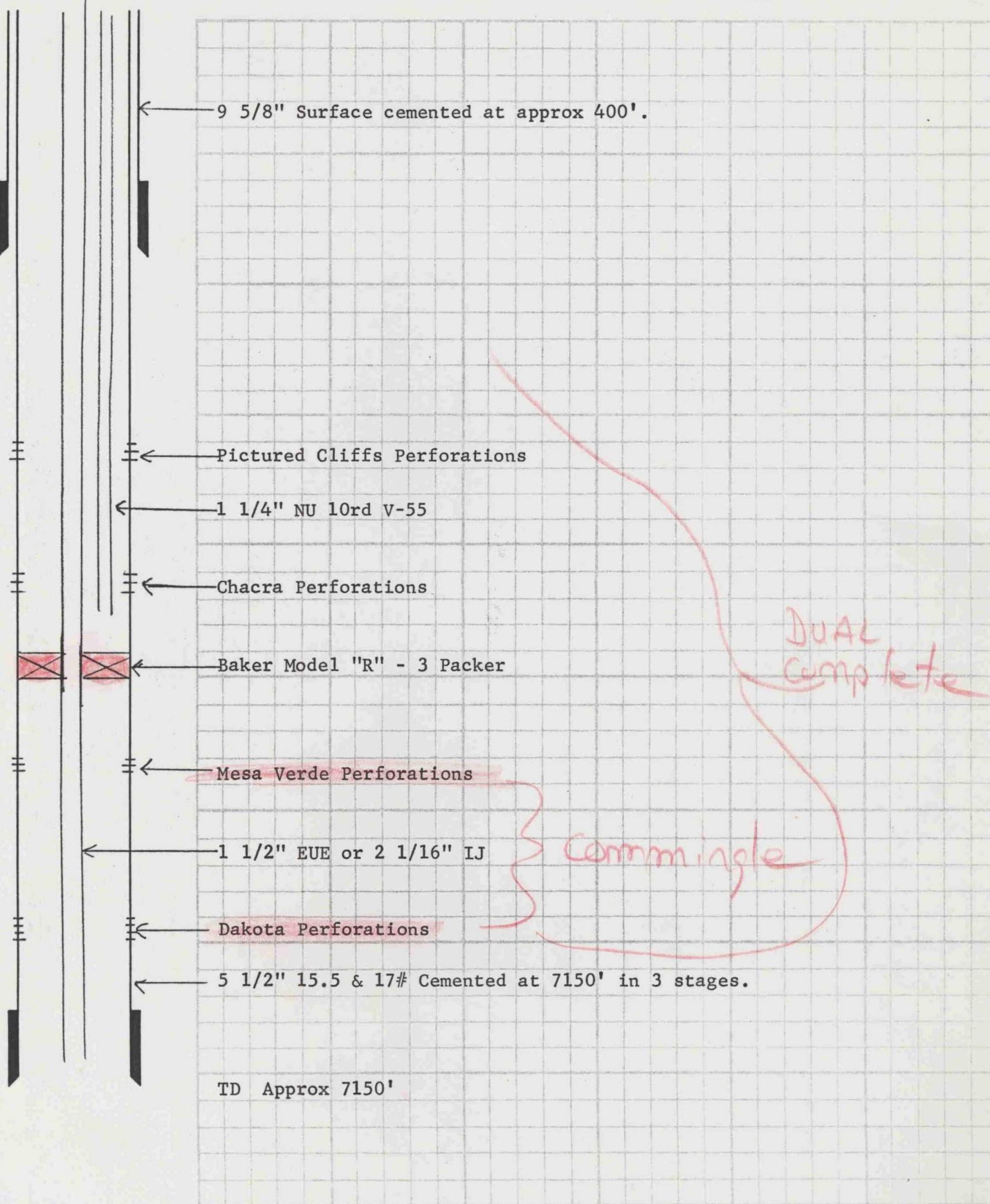


EXHIBIT NO. 5

12 1/4" Hole will be drilled to approx 400'.

9 5/8" 32# or 36# Casing will be cemented

400' to surface with sufficient cement to circulate.

7 7/8" Hole will then be drilled to approx 7150' to penetrate Dakota Formation.

ES Gamma Ray Logs will be run in open hole.

New 5 1/2" 15.5# and 17# will be cemented from TD to surface. Cementing will be done in 3 stages.

All Zones will be perforated and fractured to stimulate production.

Bridge Plugs used while fracturing will be removed, then 2 3/8" Tubing will be run to TD and well will then be flowed from all zones simultaneously until well cleans-up.

Tubing will then be run with Packer and Bridge Plug to test BHP and flow from each Zone.

After testing complete, Baker Model "R" Packer will be run on 1 1/2" EUE or 2 1/16" Tubing to produce Mesa Verde - Dakota Commingled Zones.

1 1/4" NU Tubing will be run above Packer to produce Pictured Cliffs - Chacra Commingled Zones.

Production split should be made by confuring with Aztec District Office after testing complete.

KAIME 1-R

COST ESTIMATE FOR DEVELOPMENT WELL

Drill and complete a flowing Dakota-Mesa Verde, Chacra and
Picture Cliff Well to TD 7150'

<u>ITEM DESCRIPTION</u>	<u>COST</u>
Survey Location, Archaeology Clearance	\$ 800.00
Well Sign, Safty Anchors	480.00
Build Location	5,000.00
Cement Surface Casing Including Float Equipment	3,236.00
Drill Well, (7150' @ \$15.36) Includes 1st \$7,500.00 Mud and Water	109,824.00
Excess Mud and Water	34,000.00
Logging, ES Gamma (Open Hole)	7,700.00
Cementing, 5 1/2" Casing, 3 Stages, Circulate Cement	22,000.00
Logging, Perforating, Set Plugs (Cased Hole)	9,000.00
Well Stimulation, Dakota, Mesa Verde, Chacra and Pictured Cliffs	90,000.00
Rental Equipment, Frac Tanks, 2 3/8" Tubing, Bridge Plugs, etc.	14,000.00
Hauling, (Casing, Tubing, Frac Water, Completion Water, Prod Tanks, etc.)	10,000.00
5 1/2" Casing Float Equipment for 3 Stage Cementing	6,500.00
Location and Pit Clean-up	4,000.00
Day Work, Drilling Rig	4,300.00
Completion Rig, 120 Hours @ 140.00	16,800.00
Misc. (Completion Bits, Roustabout Labor, Welder, etc.)	14,000.00
Company Labor, Supervision, Engineering and Overhead	7,600.00
	<u>\$359,240.00</u>
4 3/4% Tax	<u>17,063.90</u>
Total Intangible and Non Controlable Costs	\$376,303.90

CASING and TUBING

400' of 9 5/8" OD 32.40# Casing @ \$15.52	\$ 6,300.00
5150' of 5 1/2" OD 15.5# Casing, ST&C, K-55 @ \$7.46	38,419.00
1000' of 5 1/2" OD 17# Casing, DT&C, K-55 @ \$7.98	7,980.00
1000' of 5 1/2" OD 17# Casing, LT&C, K-55 @ \$8.36	8,360.00
5100' of 1 1/4" OD 2.3# Tubing, NU K-55 @ \$1.89	9,639.00
7100' of 1 1/2" OD 2.9# Tubing, EUE K-55 @ \$2.41	17,111.00

SURFACE EQUIPMENT - DUAL EQUIPMENT

Well Head	12,719.00
Dual Packers and Seals	7,208.00
Prod. Tanks, 2 - 300 bbl Includes Walkway and Stairway	7,400.00
Separators, 1 - 13-A or equivalent	10,385.00
Installation , Fittings and Service	6,500.00
	<u>\$132,021.00</u>
4 3/4% Tax	<u>6,271.00</u>
Total Tangible and Non Controlable Cost	\$138,292.00

Total Well Cost \$514,595.90

KAIME 1-R

Estimated cost to working interest owners: \$514,595.90

Approx gas production @ \$2.25 to pay-out equals 225,000,000

Pictured Cliffs off-set (worst well)	15 MCFPD
Chacra off-set (worst well)	14 MCFPD
Mesa Verde off-set (worst well)	97 MCFPD
Dakota off-set (worst well)	187 MCFPD

Approx production days to pay-out @ 313 MCFPD 720 days

Pictured Cliffs off-set (best well)	33 MCFPD
Chacra off-set (best well)	40 MCFPD
Mesa Verde off-set (best well)	186 MCFPD
Dakota off-set (best well)	510 MCFPD

Approx production days to pay-out @ 769 MCFPD 293 days

Difference between worst and best 427 days $427 + 293 = 506$ days

Approx production days to pay-out @ 763 MCFPD 295 days

Note: Above well No. 307-M completed same manner as proposed well.

May 22, 1985

FEDERAL EXPRESS

Kellahin and Kellahin
Attention: Ms. Karen Aubrey
El Patio - 117 North Guadalupe
Santa Fe, New Mexico 87504-2265

Re: Caulkins Oil Company
Kaime 1-R Well
Non-standard Proration Unit
N/2 Section 20, T26N, R6W
Rio Arriba County, New Mexico

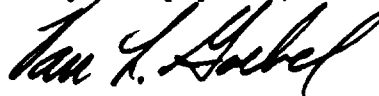
Dear Ms. Aubrey:

We have received your letter dated May 16, 1985 which our management has reviewed. It is Meridian's position that we can not support Caulkins Oil Company's application for a non-standard proration unit for the referenced well. Our acreage located in the N/2 NW/4, SW/4 NW/4 is subject to litigation. If we were to support your non-standard proration unit, it could be construed that we intentionally discriminated against our litigated overriding royalty interest owners. In addition, we are doubtful that a non-standard proration unit can be supported from sub-surface conditions existing in this area. Meridian Oil requests that the non-standard proration hearing be cancelled and that this well be postponed until a later date when our litigation has been resolved. If Caulkins Oil Company continues with the hearing we will be forced to send Geological and Engineering personnel to the hearing to support the position that a non-standard proration unit should not be granted.

Please advise if the hearing will be cancelled and if the well can be postponed to a later date.

If I can be of further assistance please advise.

Very truly yours,



Van L. Goebel
Landman

VLG:gm
NM-4214
NM-4345

xc: Mr. Charles Verquer (Caulkins Oil Company)

Mr. Don Read

Mr. R. A. Ullrich

Document 0309L

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

June 5, 1985

HAND DELIVERED

RECEIVED
JUN 7 1985
OIL CONSERVATION DIVISION

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

Re: In the Matter of the Application of Caulkins Oil
Company, For Compulsory Pooling, Rio Arriba
County, New Mexico

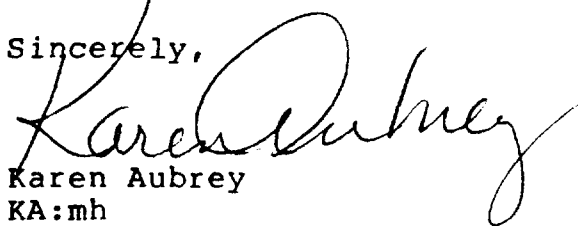
Dear Mr. Stamets:

I enclose an Application which we file in triplicate
on behalf of Caulkins Oil Company. We request that
this matter be set for hearing on the regularly
scheduled docket on July 2, 1985.

In addition, we request that you dismiss Case No.
8623 filed by Caulkins Oil Company for a non-standard
proration unit concerning this acreage which has been
continued to July 2, 1985.

If you have any questions please don't hesitate to
call.

Sincerely,



Karen Aubrey

KA:mh

Enclosure

cc: El Paso Natural Gas Company "Certified Mail"
Post Office Box 990
Farmington, New Mexico 87499
ATTN: Mr. Van Gobel

Mr. Charles Verquer
Caulkins Oil Company
Post Office Box 780
Farmington, New Mexico 87401

BEFORE EXAMINER QUINTANA OIL CONSERVATION DIVISION CAULKINS EXHIBIT NO. <u>2</u> CASE NO. <u>8640</u>
--

P 612 378 965

RECEIPT FOR CERTIFIED MAIL

TO: ADDRESSEE ONLY. DO NOT WRITE IN THESE SPACES.
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to: ATTN: Mr. Van Gobel El Paso Natural Gas Co.	
Street and No. Post Office Box 990	
P.O. State and ZIP Code Farmington, NM 87499	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Sent by First Class	
Return Receipt Sent by Registered Mail	
Return Receipt Sent by Certified Mail	
Other Postage and Fees	
Postmark: Date	

PS Form 3800, Feb. 1982

U.S.G.P.O. 1983-403-517

PS Form 3811, July 1983

SENDER: Complete items 1, 2, 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.	
1. ☒ Show to whom, date and address of delivery.	
2. ☐ Restricted Delivery.	
3. Article Addressed to: El Paso Natural Gas Co. Post Office Box 990 Farmington, NM 87499 ATTN: Mr. Van Gobel	
4. Type of Service: ☐ Registered ☒ Certified ☐ Express Mail	Article Number F 612 378 965
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X <i>[Signature]</i>	
6. Signature Agent X <i>[Signature]</i>	
7. Date of Delivery	
8. Addressee's Address (ONLY if requested and fee paid)	

DOMESTIC RETURN RECEIPT

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

May 16, 1985

Mr. Van Gobel
El Paso Natural Gas
Post Office Box 990
Farmington, New Mexico 87499

Re: N/2 of Section 20
Rio Arriba County, New Mexico

Dear Mr. Gobel:

Pursuant to our telephone conversation of May 14, 1985 I enclose an AFE for the Kaime 1-R Well to be drilled at a standard location, 911 feet from the North line and 1,158 feet from the East line in the NE/4 of Section 20, T26N, R6W, NMPM, Rio Arriba County, New Mexico. As we discussed, Caulkins has filed an application for approval of a 160-acre non-standard proration unit for this well. El Paso owns the SE/4 of the NE/4 of that Section.

Please consider this letter as a request that El Paso Natural Gas join in and participate in the Kaime 1-R Well at the above location.

If you have any questions about this matter or require additional information, please contact Charles Verquer at Caulkins Oil Company, Post Office Box 780, Farmington, New Mexico 87401. Mr. Verquer may be reached at (505) 327-0226.

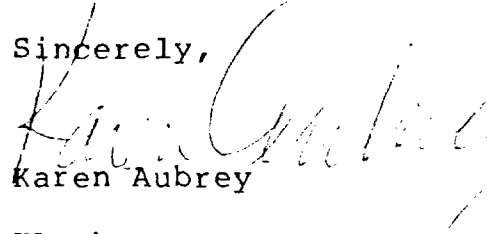
The hearing on the non-standard proration unit is presently set for June 5, 1985. However, we intend to continue this hearing so that we can obtain voluntary participation by El Paso in the well. As we discussed, if we are unable to do so, we will amend our application to request that the Commission grant us an Order force pooling El Paso's interest.

KELLAHIN and KELLAHIN

Mr. Van Gobel
El Paso Natural Gas
Page - 2 -
May 16, 1985

Thank you for your courtesy in this matter.

Sincerely,


Karen Aubrey

KA:mh

Enclosure

cc: Charles Verquer

EXHIBIT NO. 3
CASE NO. ~~8623~~ and/or 8640

THIS EXHIBIT IS A FOUR-PAGE EXHIBIT SHOWING THE GAS PRODUCTION ON A PER WELL BASIS IN MILLIONS OF CUBIC FEET FROM THE PICTURED CLIFFS, CHACRA, MESAVERDE, AND DAKOTA FORMATIONS IN TOWNSHIP 26 NORTH, RANGE 6 WEST.

THE UPPER VALUE IS THE ANNUAL GAS PRODUCTION DURING 1984, AND THE LOWER VALUE IS THE CUMULATIVE GAS PRODUCTION AS/OF 1/1/85.

THE LOCATION OF EACH WELL IS NOT IDENTIFIED, BUT THE FIGURES REPRESENT EACH WELL TO BE IN THE SAME QUARTER-SECTION AS THE FIGURES.

THE WELLS IN THE SOUTHEAST QUARTER OF SECTION 20 ARE SOMEWHAT CONFUSING: THE WELL WITH "0/121" IS ACTUALLY LOCATED IN UNIT "J", AND THE WELL WITH "8/219" IS LOCATED IN UNIT "N".

THE SUBJECT ACREAGE OF THIS CASE, THE NORTH HALF OF SECTION 20, HAS BEEN HIGHLIGHTED IN YELLOW.

EACH PAGE SHOWS THAT THE NORTH HALF OF SECTION 20 IS NOT IN THE "FAIRWAY OF THE POOL" FOR ANY OF THE FORMATIONS.

FROM SECTION 20:

THE PICTURED CLIFFS WELLS ARE BETTER TO THE NORTHEAST;

THE CHACRA PRODUCTION IS BETTER TO THE SOUTH;

THE MESAVERDE LOCATION WILL BE AN "EDGE" LOCATION; AND,

THE DAKOTA IS MUCH BETTER TO THE NORTHEAST.

BEFORE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
<u>Caulkins</u>	EXHIBIT NO. <u>3</u>
CASE NO. <u>8640</u>	

PICTURED CLIFFS GAS PRODUCTION

10 558	13 771	22 1143	14 1018	15 269	18 213	16 229	10 127	14 201	15 251	12 222	18 488
8 229	6 815	16 1179	21 2040	11 1218	12 1095	9 870	14 224	9 167	11 157	14 234	19 346
8 126	14 492	14 1212	14 1420	15 1401	15 1710	8 639	14 711	12 160	17 177	13 169	19 198
19 225	18 168	8 207	18 233	22 1429	10 1449	18 3636	10 708	17 768	20 266	11 385	22 285
16 221	7 86	13 110	15 174	15 406	13 125	11 686	22 2857	11 772	37 375	32 421	16 217
13 576	22 263	7 252	9 111	9 191	2 74	12 1435	6 76	22 3708	14 2080	8 882	9 652
14 950	4 67	3 239	10 125	13 211	12 1183	17 1171	9 1122	0 1283	31 2762	12 1085	
8 548	13 737	5 199	12 121	5 347	14 217	14 300	27 588	7 463	10 2099	21 3830	4 1150
2 176	23 1277	11 232	7 135		11 222	10 174	10 193		0 189	15 2385	12 1323
14 250	6 201	10 678	11 607		18 482	11 274	5 217	7 315	17 172	6 551	
	3 252	8 1249	13 1184	6 421	5 233	8 153	6 331	15 863	10 635	9 451	3 245
0 17	24 24	0 617	5 784	11 944	16 236	13 806	13 285	9 482	6 399	13 747	10 595

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R 6 W

TOP VALUE - ANNUAL PRODUCTION (MMCF), 1984
BOTTOM VALUE - CUMULATIVE PRODUCTION (MMCF) TO 1/1/85

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TOP VALUE - ANNUAL PRODUCTION (MMCF), 1984
BOTTOM VALUE - CUMULATIVE PRODUCTION (MMCF) TO 1/1/85

MESA VERDE GAS PRODUCTION

	3 100	15 26			23 1169	17 20	10 862	10 658
6	3 45	4 57	5 37	6 38	9 64		15 55	64 315
29 95		3 59	14 61		4 47	20 25	9 23	
14 15			9 33	4 62	4 56	3 14	10 25	16 25
	4 53	6 271	37 48				7 39	8 17
27 208	45 106	26 42	19 81			9 35		20 42
		39 49	9 399		11 73			
			49 127				48 139	21 93
							328 566	25 98
31								36

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TOP VALUE - ANNUAL PRODUCTION (MMCF), 1984
 BOTTOM VALUE - CUMULATIVE PRODUCTION (MMCF) TO 1/1/85

DAKOTA GAS PRODUCTION

	44 1581	60 127	62 2860	95 5721	74 3849		39 1931	53 60	24 1449		30 1934
6											
83		54 264	37 3318	53 414	72 297	58 2391		37 2079	37 147	96 4094	38 251
54	80 306	83 4260	104 4284	49 445	25 281	61 3771	92 252	66 5210	35 74	2963	63 2286
54	30 128		23 2180	87 579	35 5082	56 5591	42 241	125 6259	61 171	31 2637	23 120
	31 335	33 1793	90 121	41 2003	44 3135		52 3918		114 6193	40 242	37 2139
57		56 148		83 207	68 449	62 3344		55 5430	42 317	10 4379	24 170
				36 41	53 2224	46 1469	32 255	16 1983	90 3253	70 3418	42 4014
		63 389		57 1553	88 131			75 324	37 210	102 454	33 218
			26 105		14 1070		24 306		55 1149	54 1298	26 2326
		48 235		58 278		114 4157		25 548		116 252	26 236
					82 422		36 796	38 566	83 284		73 1105
31											36
			36 191		84 1712			58 460			

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TOP VALUE - ANNUAL PRODUCTION (MMCF), 1984
 BOTTOM VALUE - CUMULATIVE PRODUCTION (MMCF) TO 1/1/85

ASSUMED RATE = 762 MCF PER DAY

WELL COSTS = \$500,000

CONTRACT PRICE = \$2.25 PER MCF

CAULKINS INTEREST = 50%

EL PASO'S INTEREST = 50%

EL PASO'S REVENUE

381 MCF PER DAY

381 @ \$2.25 = \$858.37

381 @ \$3.96 = $\langle \$1508.76 \rangle$

NET = $\langle \$650.39 \rangle$

CAULKINS' REVENUE

381 MCF PER DAY

381 @ \$2.25 = \$858.37

EACH DAY THAT CAULKINS PAYSOUT \$858.37, EL PASO GOES IN THE HOLE \$650.39

THEREFORE, THERE IS NO FUND FROM WHICH TO PAY THE WELL OUT.

