

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-029-24213

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK
 b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

5. LEASE DESIGNATION AND SERIAL NO.
SF 079043
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

2. NAME OF OPERATOR
Blackwood & Nichols Co., Ltd. 2505

7. UNIT AGREEMENT NAME
NEBU No 1, Sec 929

3. ADDRESS OF OPERATOR
P.O. Box 1237 Durango, CO 81302-1237

8. FARM OR LEASE NAME
2116
Northeast Blanco Unit

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
1690' FNL, 1190' FEL
 At proposed prod. zone

9. WELL NO.
403

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
12 miles

10. FIELD AND POOL, OR WILDCAT
UNDES
Fruitland Coal 71619

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
2314.56

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
3480'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6307' U.G.

22. APPROX. DATE WORK WILL START*
April 22, 1988

23. DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS" PROPOSED CASING AND CEMENTING PROGRAM. This action is subject to technical and procedural review pursuant to 42 CFR 3165.3 and appeal pursuant to 42 CFR 3165.4.

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	
12 1/4"	9 5/8"	36.0#	300'	Circulate (325 cf)
8 3/4"	7"	23.0#	3480'	Circulate or (800 cf)
				Cover OjoAlamo

Blackwood & Nichols Co., Ltd. proposes to drill this Fruitland Coal well to further develop the Northeast Blanco Unit. This APD requests right of way for the pipeline. A Notice of Staking for this well was submitted on March 22, 1988.

Attached Onshore Drilling Program and Surface Use Program

RECEIVED
 PLM MAIL ROOM
 MAR 29 PM 3:52
 MINING RESOURCE AREA
 WASHINGTON, NEW MEXICO

RECEIVED
 MAY 02 1988
 OIL CON. DIV.
 DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED William F. Clark TITLE Operations Manager DATE March 28, 1988

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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

Handwritten initials

NMOCC
*See Instructions On Reverse Side

Handwritten signature

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

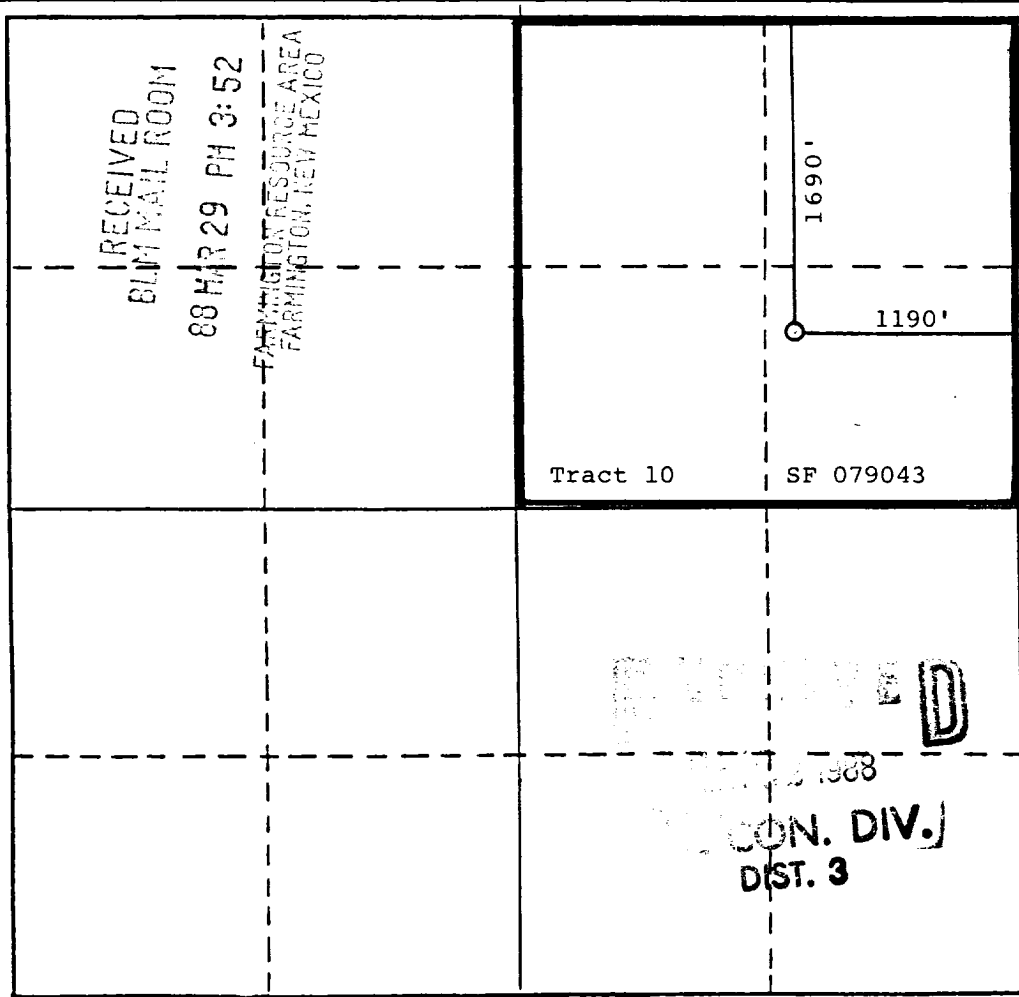
Operator BLACKWOOD & NICHOLS CO., LTD.		Lease NORTHEAST BLANCO UNIT		Well No. 403
Unit Letter H	Section 9	Township 30 North	Range 7W., N.M.P.M.	County Rio Arriba
Actual Footage Location of Well: 1690 feet from the north line and 1190 feet from the east line				
Ground Level Elev: 6307 (U.G.)	Producing Formation Fruitland Coal	Pool Undeg. Fruitland COAL	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation Unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

William F. Clark
Name William F. Clark

Position Operations Manager

Company Blackwood & Nichols Co., Ltd

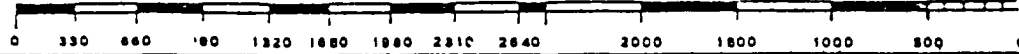
Date March 23, 1988

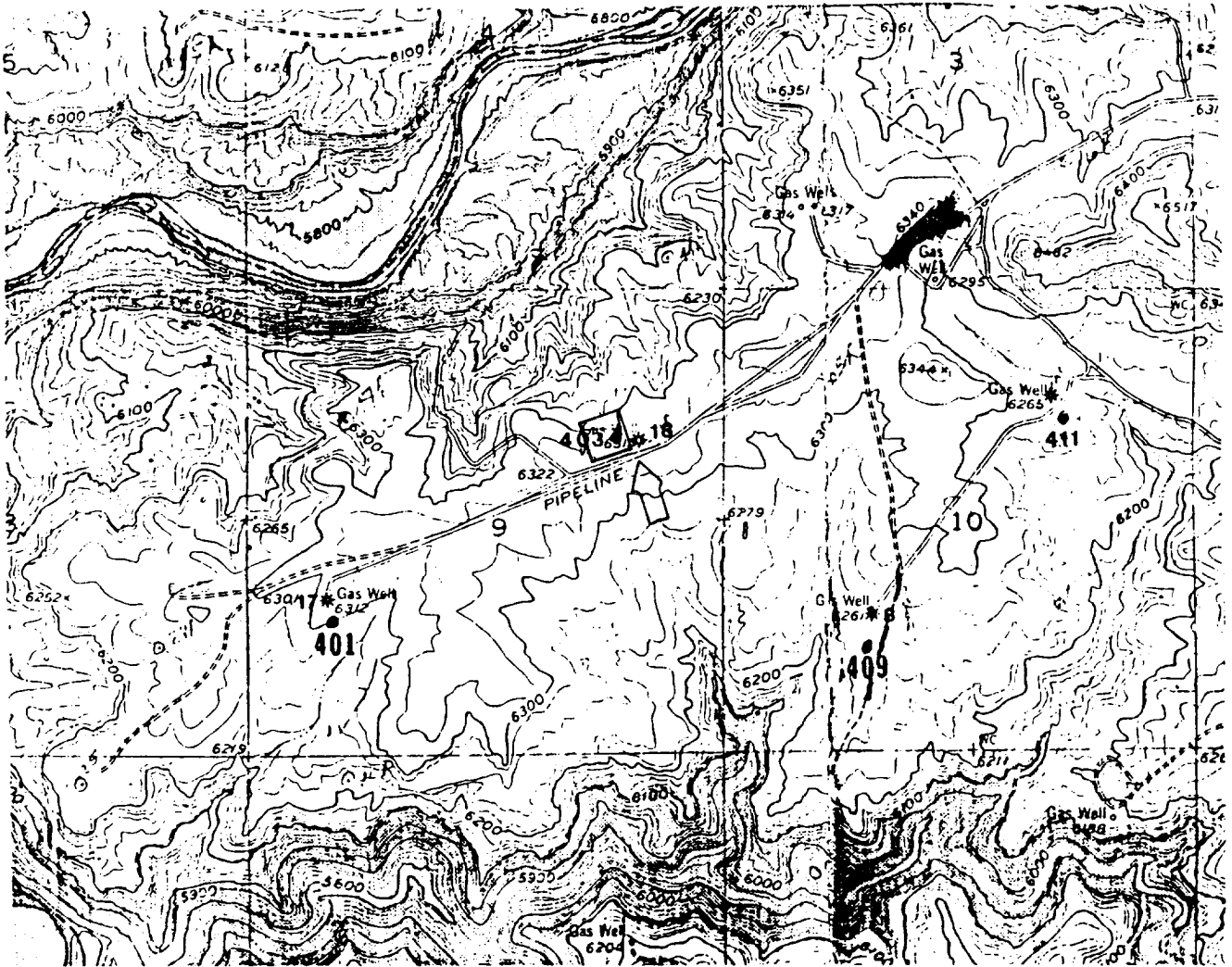
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed March 14, 1988

Registered Professional Engineer and/or Land Surveyor
Allison L. Kroeger
Allison L. Kroeger, PLS

Certificate No. 7922





NEBU 401

1) Min. Road is required.



NEBU 403

2) Min. Road is required. Adjacent to No. 18 well location.

NEBU 409

3)

NEBU 411

4) Sets next to existing road. Min. road required.

BLACKWOOD & NICHOLS CO., LTD.	
<i>Figure II</i> VICINITY MAP for	
NORTHEAST BLANCO UNIT Nos. 401, 403, 409, 411	
Date: March, 1988	Scale: 1"=2000'
KROEGER & ASSOCIATES DURANGO, COLO.	