

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 ☐

2. NAME OF OPERATOR

Blackwood & Nichols Co., Ltd

3. ADDRESS OF OPERATOR

P.O.Box 1237, Durango, Colorado, 81302-1237

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

635' FNL - 740' FEL

At proposed prod. zone
Same

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

15 miles NE of Blanco, New Mexico

15. DISTANCE FROM PROPOSED*

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

740'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

300'

16. NO. OF ACRES IN LEASE

1779.91

19. PROPOSED DEPTH

3050'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

E/ 320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6130' MBL
6316' GL

22. APPROX. DATE WORK WILL START*

November 15, 1988

23. PROPOSED CASING AND CEMENTING PROGRAM

This action is subject to technical and
occasional review pursuant to 43 CFR 3185.3
and appeal pursuant to 43 CFR 3185.4.

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|-----------------------|
| 12 1/4" | 9 5/8" | 36 # | 300' | 207 cuft to circulate |
| 7 7/8 8 3/4" | 5 1/2 7" | 17 25 # | 2830' 3050' | 781 cuft to Circulate |
| 6 1/4" | 5 1/2" | 17 # | 2730-3050' | 39 cuft to circulate |

Propose to spud in the San Jose Formation. Will drill a 12 1/4" surface hole to a TD of 300'. Surface casing will be run and cemented with cement returns to surface. WOC 12 hours. Test to 600 psi. Drill an 8 3/4" hole with fresh water mud to Intermediate TD. No abnormal pressures or poisonous gases are anticipated. Casing will be run and cemented with cement returns to surface. WOC 12 hours. Test to 1500 psi. Drill a 6 1/4" hole through the Fruitland coals with fresh water. A liner may be run if conditions dictate. The liner may or may not be cemented, depending on the wells natural Producing ability.

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Surface: Bot Rec.

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

Oct 24, '88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
DATE

AS AMENDED

DEC 1 1988

AREA MANAGER

NSL-2604

DIST. 3

*See Instructions On Reverse Side

Form C-102
Revised 10-1

Certificate No.