

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. SF079060	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Blackwood & Nichols Co., LTD.			7. UNIT AGREEMENT NAME Northeast Blanco	
3. ADDRESS OF OPERATOR P.O. Box 1237, Durango, CO 81302-1237			8. FARM OR LEASE NAME Northeast Blanco Unit	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 875 'FSL - 1145' FWL At proposed prod. zone			9. WELL NO. 405	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 14 1/2 miles NE of Blanco, New Mexico			10. FIELD AND POOL, OR WILDCAT Basin Fruitland Coal	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 875			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 21, T30N, R7W	
16. NO. OF ACRES IN LEASE 2236.44			12. COUNTY OR PARISH San Juan	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 300'			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) (6721 GL This action is subject to technical and procedural review pursuant to 43 CFR 3165.2 and appeal pursuant to 43 CFR 3165.4)			22. APPROX. DATE WORK WILL START* May 1, 1989	

23. PROPOSED CASING AND CEMENTING PROGRAM				DRILLING OPERATIONS AUTHORIZED ARE
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
12 1/4"	9 5/8"	36#	300'	207 cuft to circulate
8 3/4"	7"	23#	3350'	744 cuft to circulate
6 1/4"	5 1/2"	17#	3250' - 3674'	39 cuft to circulate

Propose to spud in the San Jose formation. Will drill a 12 1/4" hole to a TD of 300'. Surface casing will be run and cemented with cement returns to surface. WOC 12 hours. Pressure test to 600 psi/30 mins. Drill an 8 3/4" hole to a TD of 3350' with fresh water mud. No abnormal pressures or poisonous gases are anticipated. Run and cement intermediate casing with cement returns to surface. WOC 12 hours. Test to 1500 psi/30 mins. Drill a 6 1/4" hole through the Fruitland coals using water and air. A 5 1/2" liner will be run. The liner may or may not be cemented, depending on the wells natural producing ability.

Surface ownership is BLM

RECEIVED

JUL 12 1989

OIL CON. DIV.
DIST. 3

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

24. SIGNED William F. Clark TITLE Operations Manager DATE May 15, '89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

WFC

WFC

JUL 10 1989
John D. Kelly
AREA MANAGER

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

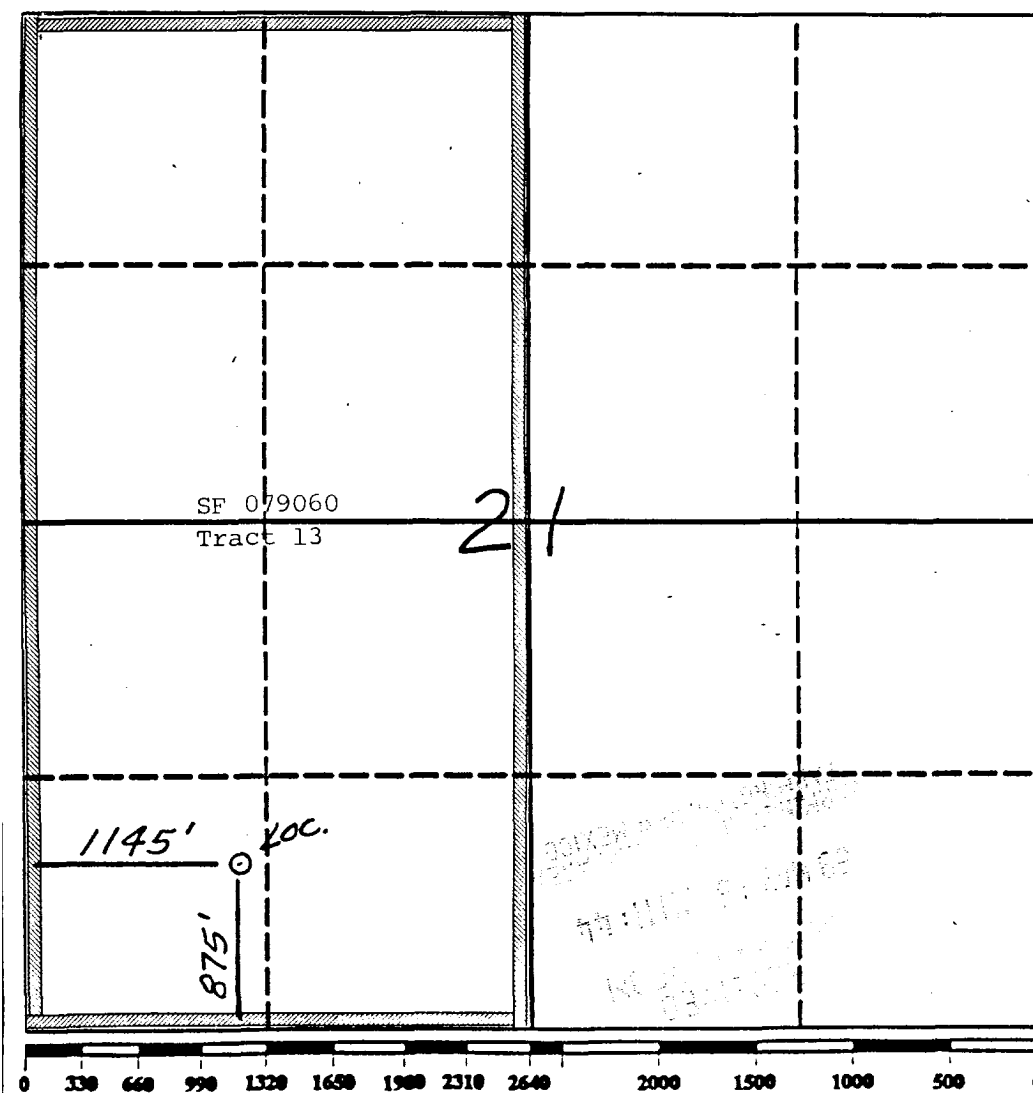
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Blackwood & Nichols Co. LTD.		Lease Northeast Blanco Unit		Well No. 405
Unit Letter M	Section 21	Township 30 North	Range 7 West NMPM	County Rio Arriba
Actual Footage Location of Well:				
875 feet from the South line and		1145 feet from the West line		
Ground level Elev. 6721	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
- ☐ Yes ☐ No If answer is "yes" type of consolidation N/A
- 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

William F. Clark

Printed Name _____

William F. Clark

Position

Operations Manager

Company	
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Blackwood & Nichols Co.

Date _____

May 15, 1989

SURVEYOR CERTIFICATION

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.

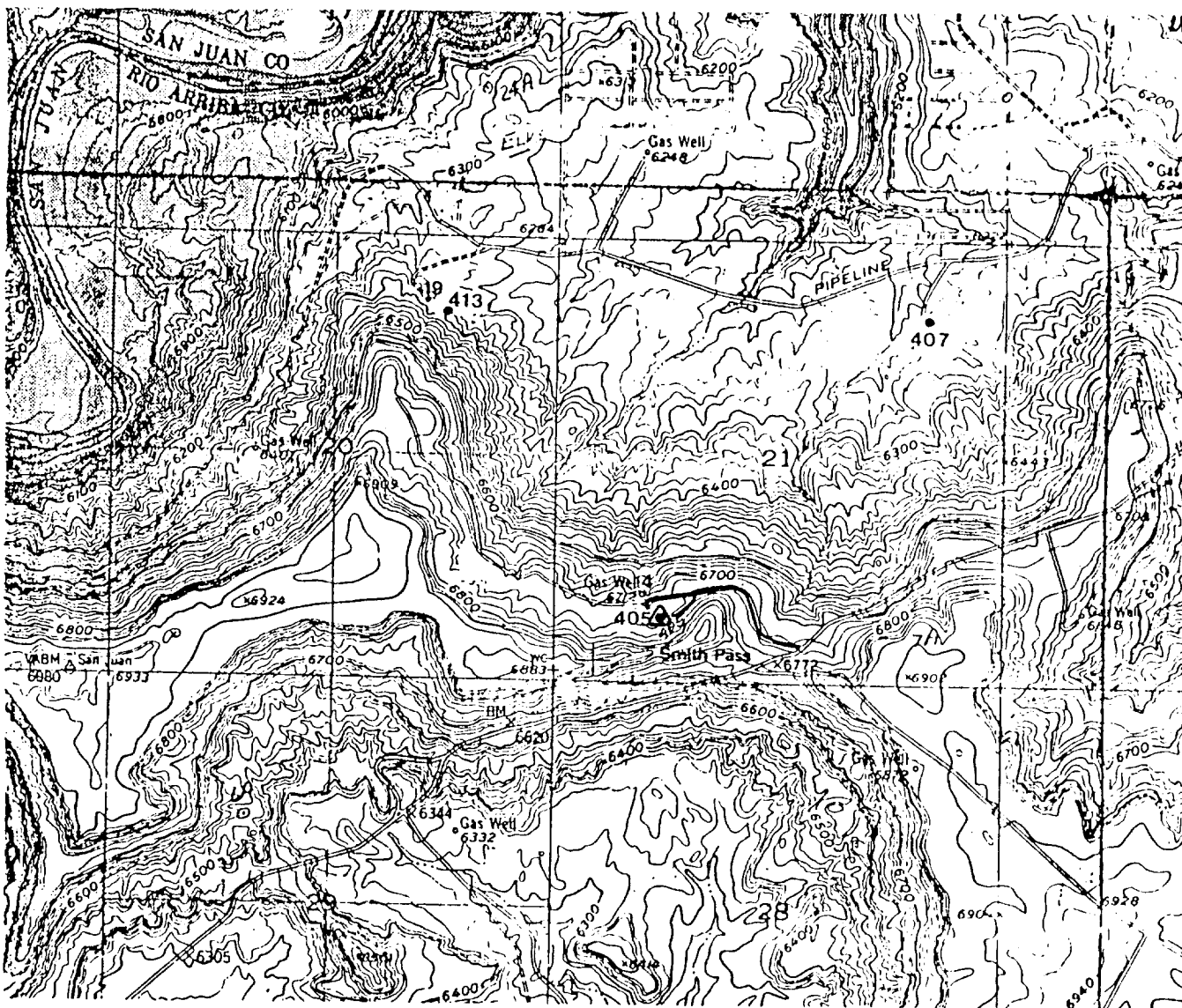
Data Surveyed

Neale C. Edwards

Signature and Seal of
Professional Surveyor

Critique No

6857



NEBU 405

- 1) Rehabilitate existing road. No new road required.

Proposed Location: \triangle

Existing Access Road: _____

Proposed New Access Road:-----

BLACKWOOD & NICHOLS CO., LTD.

VICINITY MAP
for

NORTHEAST BLANCO UNIT Nos. 405, 407, 413

Date: March, 1988

Scale: 1"=2000'

KROEGER & ASSOCIATES
DURANGO, COLO.