



United States Department of the Interior  
BUREAU OF RECLAMATION  
UPPER COLORADO REGION  
DURANGO PROJECTS OFFICE  
P.O. BOX 640  
DURANGO, COLORADO 81302-0640

IN REPLY  
REFER TO:

DUR-452  
LND-6.00

MAY 24 1990

**RECEIVED**  
MAY 25 1990  
OIL CON. DIV.  
DIST. 3

Mr. Frank Chavez  
District Supervisor  
NM Oil Conservation Division  
1000 Rio Brazos Road  
Aztec NM 87410


Subject: License Agreement, Amendment No. 1, Issued to the Blackwood & Nichols Company, to Drill the NEBU, Well No. 425R, Navajo Unit, Colorado River Storage Project, Colorado-New Mexico (Oil & Gas)

Dear Mr. Chavez:

Enclosed for your case file is a duplicate original of the Amendment No. 1 for the License Agreement, Contract No. 9-07-48-L0030, issued to the Blackwood & Nichols Company. This Amendment No. 1 allows them to redrill a Fruitland coal gas well, the NEBU Well No. 425R, on lands owned by the United States in an area adjacent to Navajo Reservoir, in New Mexico.

If you have any questions, please contact Steve Sacks of my staff at (303) 385-6574.

Sincerely,

  
Max J. Stodolski  
Projects Manager

Enclosure

26



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APR 27 1990

Contract No. 9-07-48-L0030  
Amendment No. 1

Mr. William F. Clark  
Operations Manager  
Blackwood & Nichols Co.  
P.O. Box 1237  
Durango CO 81302-1237

Subject: Amendment to License Agreement, Contract No. 9-07-48-L0030, for the NEBU 425R, Blackwood & Nichols Co., Navajo Unit, Colorado River Storage Project, Colorado and New Mexico (Oil & Gas)


Dear Mr. Clark:

This Amendment No. 1 is issued in addition to your License Agreement for the redrilling of the NEBU 425, hereinafter called the NEBU 425R. We offer no objections to this redrilling provided the following stipulations are agreed upon:

1. The reserve pit shall be lined with a geotextile woven fiber and a 20 mill nylon reinforced plastic liner or a 20 mill petroleum membrane liner. Also, the Bureau of Reclamation (Reclamation) shall be notified 48 hours prior to lining the reserve pit so Reclamation personnel can witness the placement of the reserve pit liners. At no time during any phase of drilling shall more than 4 feet of liquid be present in the reserve pit. The reserve pit shall be pulled within 72 hours after drilling completion.
2. The pumping unit or compressor shall be muffled for noise control.
3. The surface facilities shall remain in their present positions, with the exception of the redrilled well head.
4. Reclamation shall conduct an on-site inspection for compliance after the redrilled location is rehabilitated.
5. Blackwood & Nichols Co. shall abide by all previous stipulations and articles agreed upon in the License Agreement dated November 16, 1988.

Please indicate your acceptance of the above conditions by signing all three copies in the space provided below and returning two copies to this office.

Sincerely,

ACTING EC   
Max J. Stodolski  
Projects Manager

In Triplicate

Accepted this 11 day of May, 1990.

By William F. Clark  
(Name and Title)  
Operations Mgr