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BLACKWOOD & NICHOLS CO., LTD.
P.O. BOX 1237
DURANGO, COLORADO 81302-1237
(303) 247-0728

April 11, 1990

New Mexico Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Attn: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

Re: Northeast Blanco Unit #425R
Proposed Redrill
SW/4, Section 8, ~~NEBON~~, R7W
Rio Arriba County, New Mexico

RECEIVED
APR 13 1990
OIL CON. DIV.
DIST. 3

Gentlemen:

Blackwood & Nichols proposes to drill and open hole complete the referenced well as a replacement well for the NEBU No. 425.

The NEBU No. 425 was drilled through the Fruitland Coal with a weighted mud and a 5-1/2" long string was run to TD and cemented in place. The coal zones were fracture stimulated with sand and 30# x-link gel. The after frac production test gave rates of 275 MCFD and 742 BPDW producing on gas lift.

The No. 425 is in an area where open hole completed wells have gauged between 2600 MCFPD and 18,800 MCFPD. The proposed replacement well, the NEBU No. 425R, will be completed open hole with an anticipated minimum gauge of 3200 MCFPD.

The present status of the NEBU No. 425 is waiting on tie-in. When the NEBU No. 425R is drilled, the NEBU No. 425 will either be converted to a pressure observation well or plugged and abandoned.

Sincerely,



William F. Clark
Operations Manager

cc NMOCD
Aztec, NM

WFC/AR/kb

RESERVE
APR 3 1960
OIL COM. DIV.
DWT. 3