

Attn: E. Bosch 9/17/90

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

Un-B-D

June 21, 1990

Mr. William LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Unorthodox Gas Well Location
Northeast Blanco Unit Well No. 413R
350' FNL, 460' FEL
Section 20, T30N, R7W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols Co., Ltd. requests administrative approval of an exception to the footage requirements of Rule 7, R-8768, and allowance to drill the Northeast Blanco Unit #413R at 350' FNL and 460' FEL in Section 20, T30N, R7W, located in the Basin Fruitland Coal Pool.

This request for exception is based on numerous archaeological sites which are described in detail in the attached archaeological reports, and extremely rough terrain in the majority of the standard well location window, as shown on the attached topographic map. A vicinity map, and C-102 are also attached for your reference.

In the past 30 days four locations for the Northeast Blanco Unit #413R have been evaluated. These sites are designated on the attached map as A, B, C, and D. Each location is evaluated and the reasons why the three standard locations are not desirable are given in the following discussions.

Site A: 790' FNL and 1470' FEL, Section 20, T30N, R7W
This location is 150' west of the existing NEBU #413 on the same pad. This site is not suitable for two reasons: 1) The proximity to the NEBU #413. This well was frac'd twice and the damage to the formation makes this location undesirable. 2) Construction cost. The estimated cost for removing the surface equipment and setting a plug in the casing on the adjoining Mesa Verde well, power line relocation, and location preparation is estimated to be \$30,000-\$40,000.

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