

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 and Nichols Co., LTD

3. ADDRESS OF OPERATOR
P.O. Box 1237, Durango, CO 81302-1237

4. LOCATION OF WELL (Report location clearly and in accordance with any State equipment laws)
At surface
2510'FSL, 2400'FEL
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
14 miles NE of Blanco, New Mexico

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)
50'

16. NO. OF ACRES
371.07

17. NO. OF ACRES ASSIGNED TO THIS WELL
EI 320 317.62

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
175'

19. PROPOSED DEPTH
3400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6270'GL

22. APPROX. DATE WORK WILL START*
May 1, 1989

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	600'	378 cuft-circulate to surface
8 3/4"	7"	23#	3400'	858 cuft-circulate to surface

Propose to spud in the San Jose formation. Will drill a 12 1/4" surface hole to a TD of 600'. Surface casing will be run and cemented with cement returns to surface. WOC 12 hrs. Test to 600 psi. Drill a 8 3/4" hole to a TD of 3400' using a fresh water mud. No poisonous gases are anticipated. Weighted mud will be used to drill the Fruitland coals. Logs will be run at TD. Casing will be run and cemented in two stages with cement returns to surface. The drilling rig will be released and a completion unit moved on. Cased hole bond and correlation logs will be run. The Fruitland coals will be perforated 2840' to 3200' frac'd with a fresh water based gel fluid.

Surface ownership is Bureau of Reclamation.

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 Clark TITLE Operations Manager DATE April 17, 1989

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

APPROVED
AS AMENDED
DATE _____

Hold c-104 FOR NSC

*See Instructions On Reverse Side

AREA MANAGER

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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. 463
Unit Letter J	Section 18	Township 30 North	Range 7 West	County NMPM	San Juan
Actual Footage Location of Well: 2510 feet from the South line and 2400 feet from the East line					
Ground level Elev. 6270	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 317.62 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

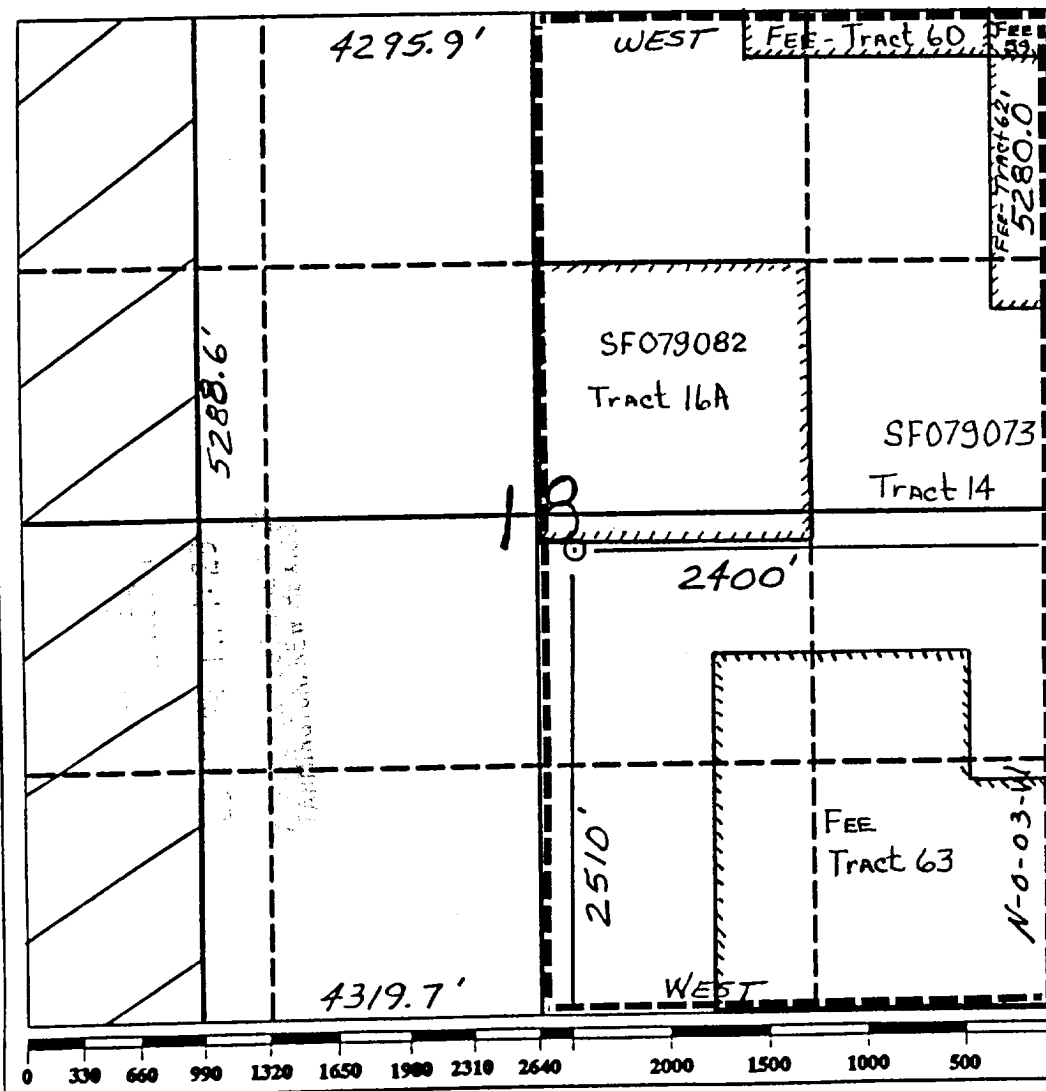


No

If answer is "yes" type of consolidation Unitization

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 Blackwood & Nichols Co.

Date April 12, 1989

SURVEYOR CERTIFICATION

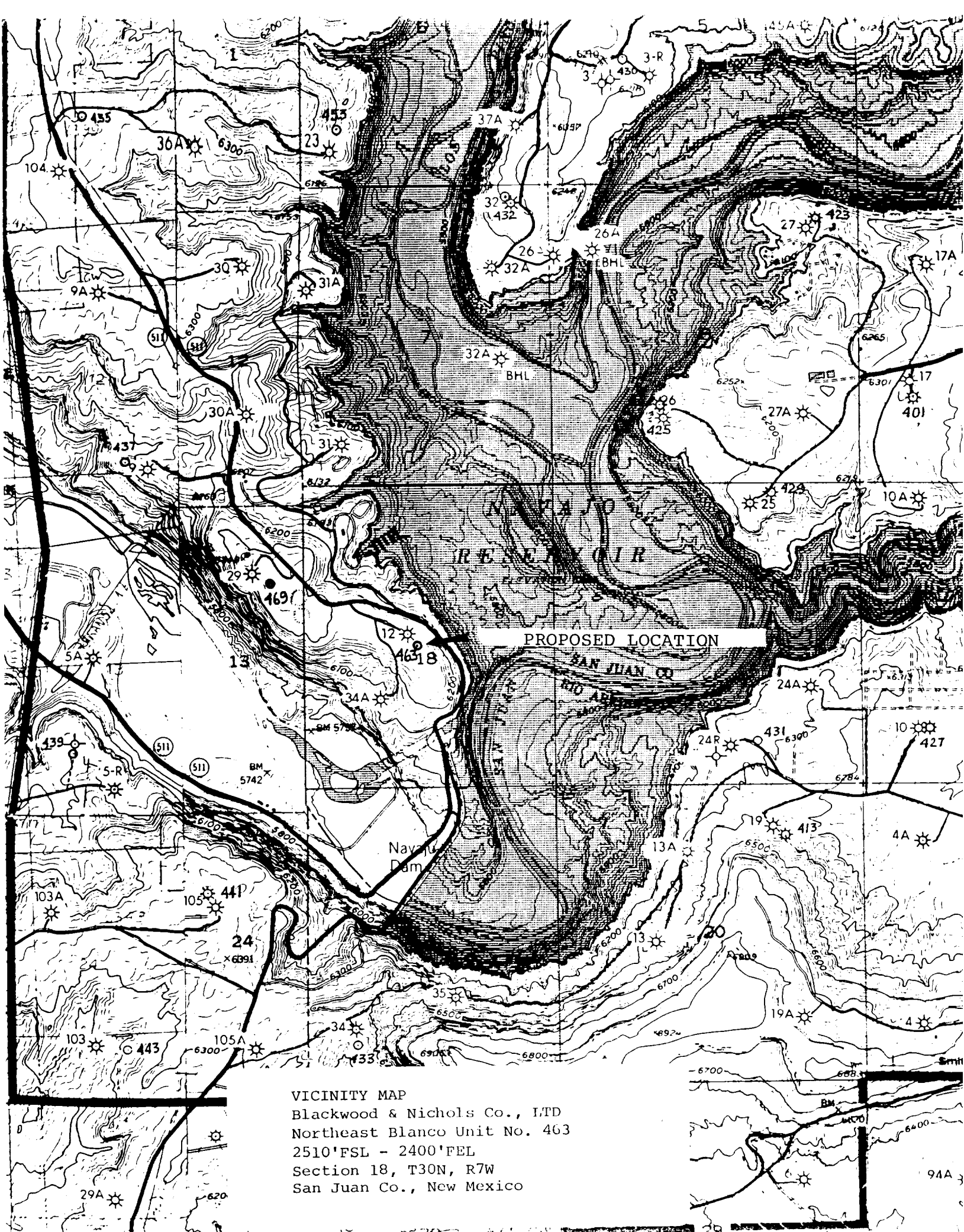
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed Neale C. Edwards

Signature & Seal of Professional Surveyor

Neale C. Edwards

Certificate No. 6857



VICINITY MAP
Blackwood & Nichols Co., LTD
Northeast Blanco Unit No. 463
2510'FSL - 2400'FEL
Section 18, T30N, R7W
San Juan Co., New Mexico