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BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237 DURANGO, COLORADO 81302-1237

(303) 247-0728

April 11, 1990

APR1 3 1990

OIL CON. DIV.

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 #441R

Proposed Redrill

NW/4, Section 24, San Juan County, New Mexico

Gentlemen:

Blackwood & Nichols proposes to drill and open hole complete the referenced well as a replacement well for the NEBU No. 441.

The NEBU No. 441 was drilled through the coal with a weighted mud and a 5-1/2" long string was cemented in place. The coal was fracture stimulated in two stages with sand and 30# x-link gel.

The No. 441 was flow tested for 23 days using a recirculating compressor and averaged 614 MCFPD and 247 BPD water. The NEBU No. 441 is approximately one-half mile southeast of the NEBU No. 439 which was completed open hole and gauged 9500 MCFPD.

By completing the NEBU No. 441R open hole, we anticipate a gauge in the same range as the NEBU No. 439.

The present status of the NEBU No. 441 is waiting on tie-in. When the NEBU No. 441R is drilled, the NEBU No. 441 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

