

DIVISION  
19  
'90 SEP 18 AM 8 42

**BLACKWOOD & NICHOLS CO., LTD.**

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

September 13, 1990

Mr. William LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Re: Directionally Deviated Well Bore  
NEBU #475 Fruitland Coal Well  
1470' FSL - 1760' FEL  
Section 19, T30N, R7W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols requests administrative approval as allowed in Rule 9 R-3768 for a deviated well bore which will bottom within the standard NE Proration Unit boundaries.

The APD was approved June 12, 1989 to drill a vertical well at the referenced unorthodox location. However, recent completion in the area give cause for concern as to the productive potential of a vertical well at this location. The two nearest wells to the 475, one to the east and one to the west, tested less than 350 MCFPD. It is felt that by moving the downhole location north, away from bluff on the south side of the lake, a more productive well may be realized. The intended 1500' horizontal displacement will place the bottom hole location within the NE proration unit to more effectively drain the reservoir.

The well plan for the NEBU #475 is to set 10-3/4 inch surface at 625' and at approximately 675 feet start a directional well bore at an angle build rate of 5-6°/100' to a maximum angle of 50°-55° due north. This angle will be held for a sufficient distance to allow a 5°/100' drop angle to return the well bore to vertical just above the uppermost Fruitland Coal stringer. The bottom of the hole will have a true vertical depth of 2940' and a measured depth of 3180'.

Seven and five eights inch, 29.70#/foot casing will be run to TD and cemented back to surface. The drilling rig will then be converted to completion operations and the completion will commence.

New Mexico Oil Conservation Division  
Page two  
September 13, 1990

The rig will drill through the coal and complete the well using the open hole completion method. A 5-1/2 inch pre-perforated and plugged liner will be run through the coal section. However, if hole conditions dictate, the liner may not be run and the well produced from the open hole.

The bottom of the well will be displaced approximately 1500' due north of the surface location and fall within the proration unit at 2310' ( $\pm$  50), FNL, 1760' ( $\pm$  50) FEL. The bottom of the well is planned to be orthodox and this bottom hole location would provide the base drainage for this area of the NEBU.

Please review this request and if you have any questions please contact our Operations Engineer, Al Rector at (303) 247-0728. Your prompt attention to this application is greatly appreciated.

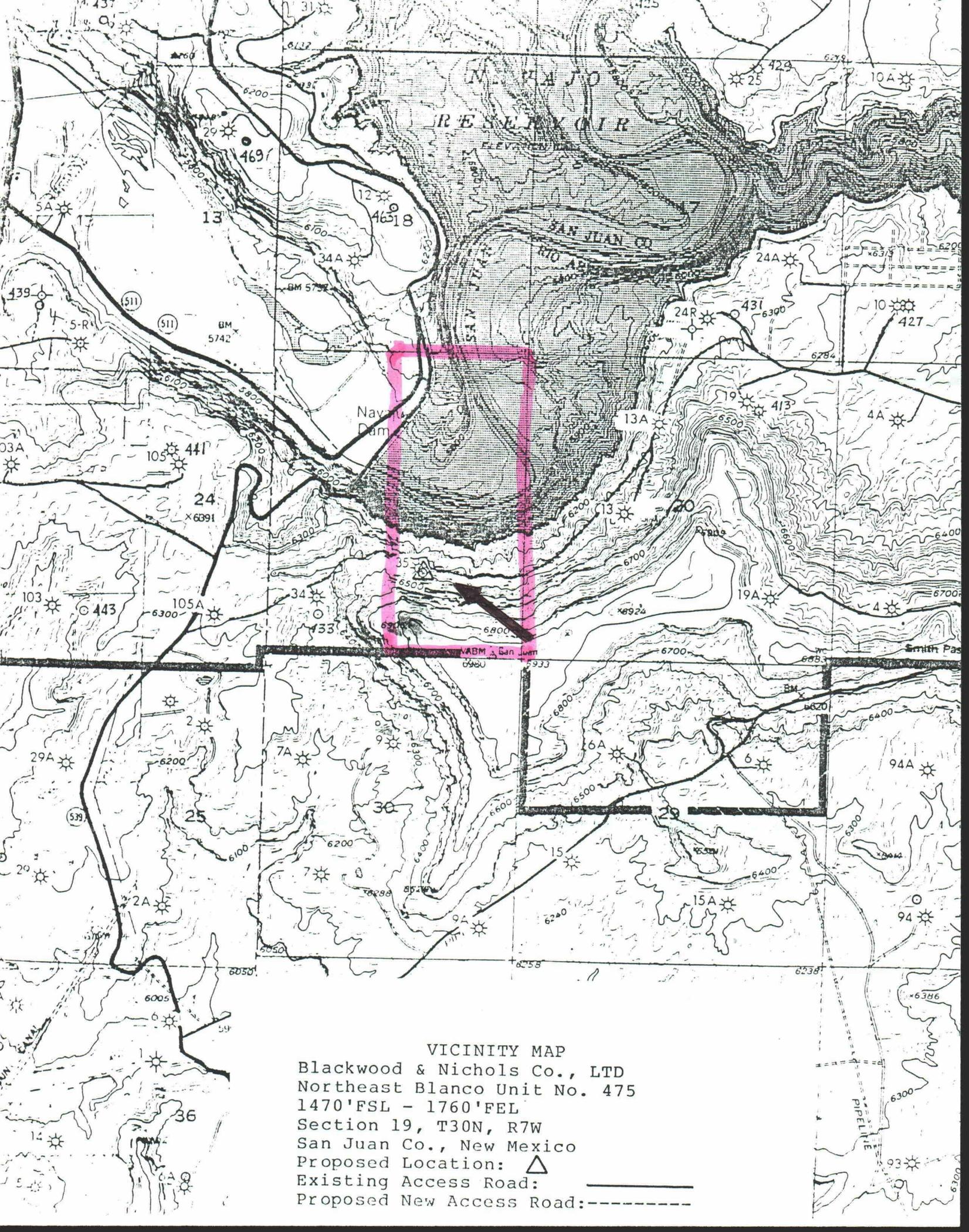
Sincerely,



Roy W. Williams  
Administrative Manager

RWW/avd

cc: Aztec OCD Office



VICINITY MAP  
 Blackwood & Nichols Co., LTD  
 Northeast Blanco Unit No. 475  
 1470'FSL - 1760'FEL  
 Section 19, T30N, R7W  
 San Juan Co., New Mexico  
 Proposed Location:  $\triangle$   
 Existing Access Road: \_\_\_\_\_  
 Proposed New Access Road: - - - - -

OIL CONSERVATION DIVISION

**RECEIVED**

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AUG 21 1990

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Arriba Rd., Aztec, NM 87410

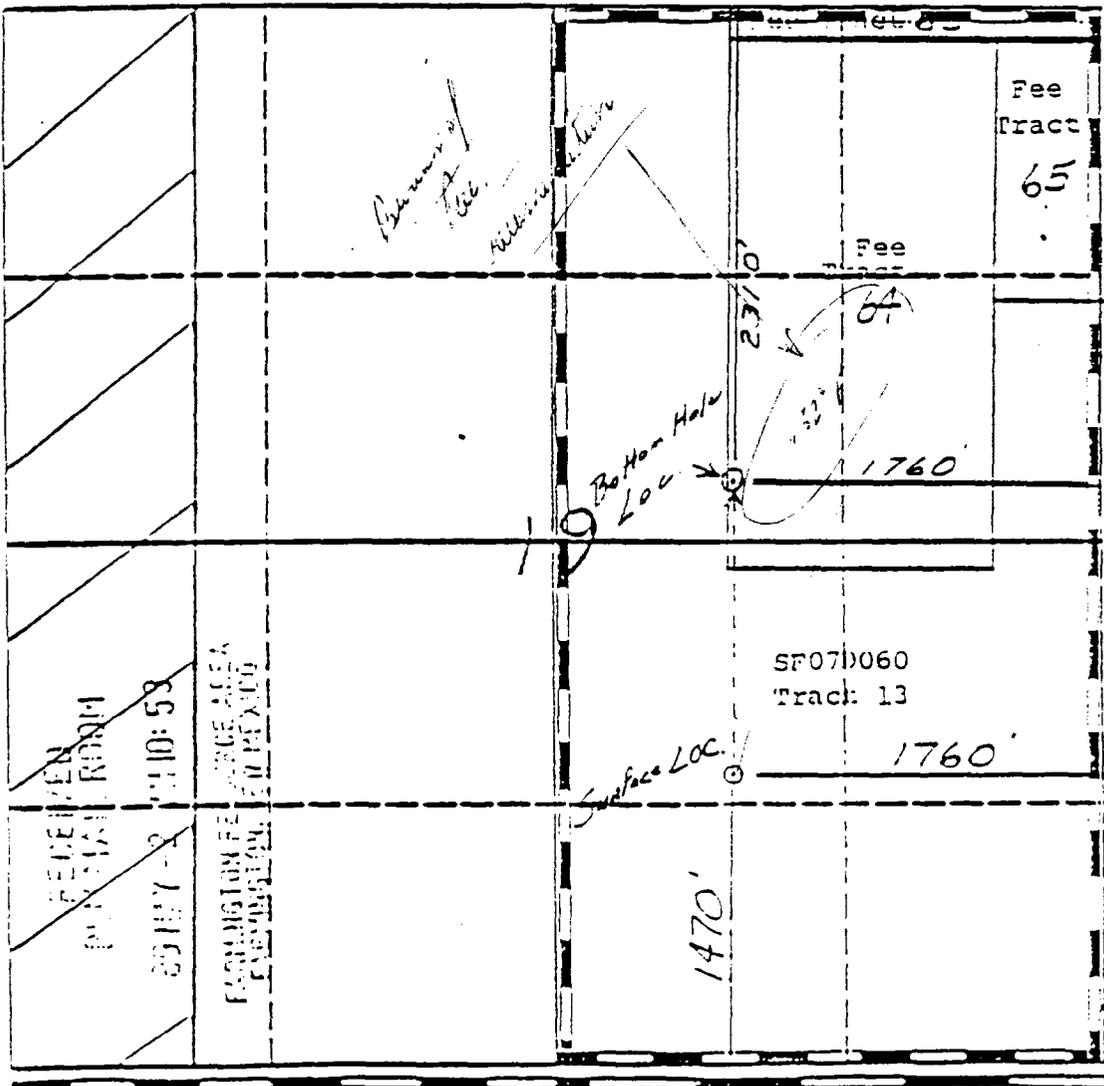
WELL LOCATION AND ACREAGE DEDICATION PLAN

**OIL CON. DIV.  
 DIST. 3**

All Distances must be from the outer boundaries of the section

Operator <b>Blackwood &amp; Nichols Co., LTD.</b>		Well Name <b>Northeast Blanco Unit</b>		Well No. <b>175</b>
U.S. Letter <b>J</b>	Section <b>19</b>	Township <b>30 North</b>	Range <b>7 West</b>	County <b>Rio Arriba</b>
Actual Footage Location of Well: <b>Bottom Hole; 2310' FNL - 1760' FEL</b>				
Surface: <b>1470</b> feet from the <b>South</b> line and		feet from the <b>East</b> line		
Ground level Elev. <b>6292'</b>	Producing Formation <b>Fruitland Coal</b>	Pool <b>Basin Fruitland Coal</b>	Dedicated Acreage: <b>65</b> ACR	

- Outline the acreage dedicated to the subject well by correct pencil or accurate marks on the plat below.
  - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
  - 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 the form if necessary).
- No allowables will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, encompassing such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the info contained herein is true and complete to the best of my knowledge and belief.

Signature: R.W. Williams

Printed Name: R.W. Williams

Position: Administrative Manager

Company: Blackwood & Nichols Co

Date: 8/20/90

SURVEYOR CERTIFICATION

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

Date Surveyed: 8/14/90

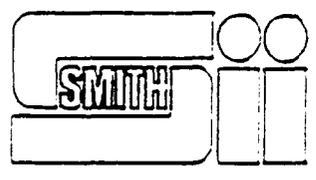
Signature of Surveyor: Neale O. Edwards

Professional Surveyor

Certificate No. 6857

2 AUG 1990 @ 15:35

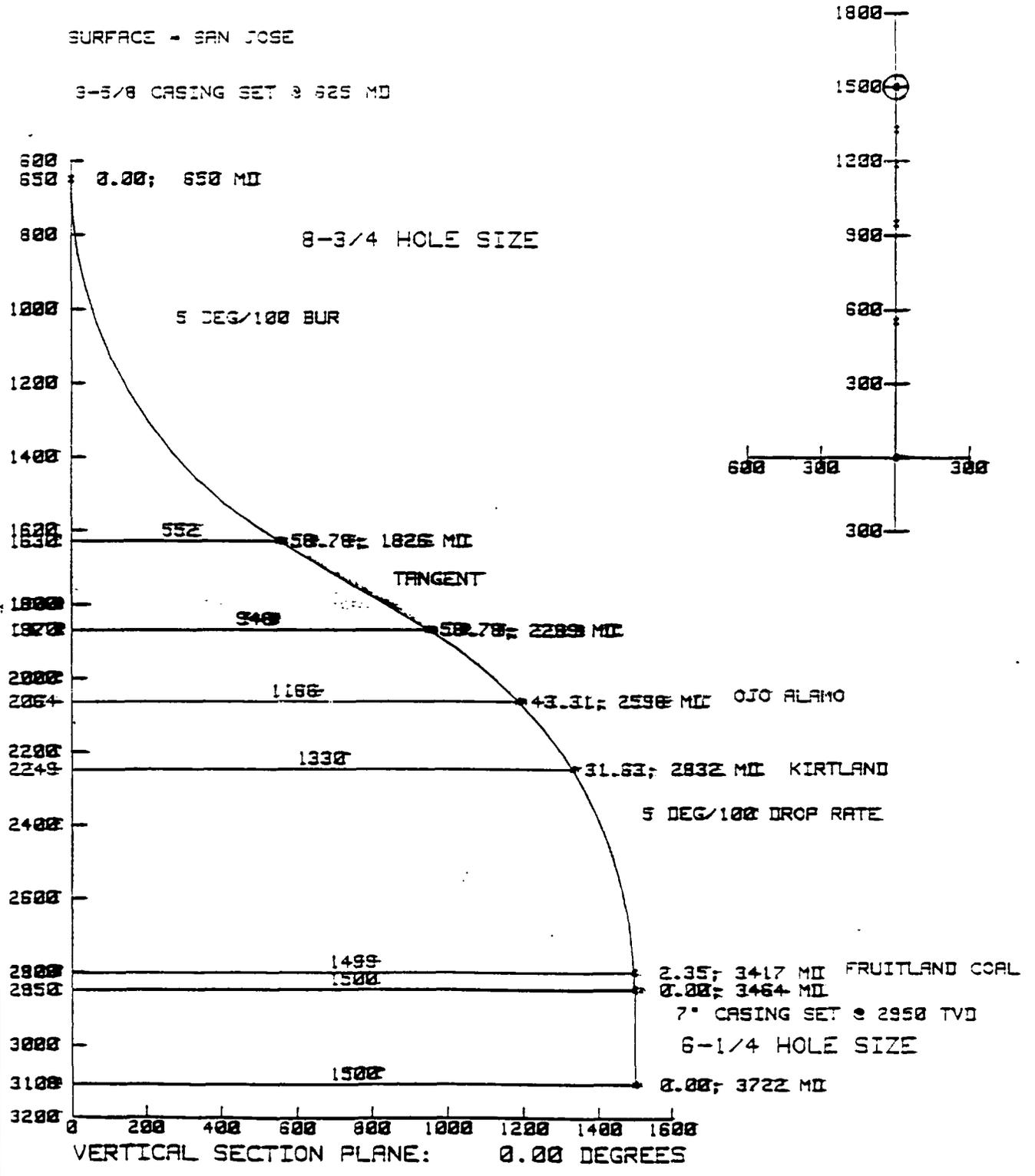
BLACKWOOD AND NICHOLS  
N.E. BIANCO UNIT #475  
SECTION-19-T30N-R7W  
RIO ARRIBA COUNTY NEW MEXICO



VERTICAL PLAN  
SCALE: 200 FEET/DIVISION

HORIZONTAL PLAN  
SCALE: 300 FEET/DIVISION

SURFACE - SAN JOSE  
3-5/8 CASING SET @ 625 MD





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

September 28, 1990

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Blackwood & Nichols Co., Ltd.  
P.O. Box 1237  
Durango, CO 81302

Attention: William F. Clark

*RE: Administrative application for directional drilling, NEBU  
Well No. 475, Section 19, Township 30 North, Range 7  
West, Rio Arriba County, New Mexico.*

Dear Mr. Williams:

I am writing you subsequent to a telephone conversation I had with Mr. Steve Sacks of the Durango Projects Office of the US Bureau of Reclamation. It is my understanding that there is extensive negotiations at this time regarding several concerns and issues involving this well. It is my understanding also that all or parts of issues in the subject application could change (surface location, depth of KOP, and direction).

Since there is a chance that there will be amendments to the filing, this application will be held until all matters regarding this well can be resolved.

Finally, General Rule 111(e) requires applicants for directional drilling to notify all offsetting operators. Was the operator of the N/2 of adjoining Section 30 notified? If so, please provide a copy of the registered return receipt.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Reclamation - Durango  
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO  
 ENERGY AND MINERALS DEPARTMENT  
 OIL CONSERVATION DIVISION  
 AZTEC DISTRICT OFFICE

GARREY CARRUTHERS  
 GOVERNOR

OIL CONSERVATION DIVISION  
 RECEIVED

10001 THE AZTEC ROAD  
 AZTEC, NEW MEXICO 87410  
 (505) 334-0170

'90 OCT 5 AM 9 29

Date: 10-3-90

*ATTN: M. Hogan*

Oil Conservation Division  
 P.O. Box 2008  
 Santa Fe, NM 87504-2008

Re: Proposed HC \_\_\_\_\_  
 Proposed DIC \_\_\_\_\_  
 Proposed NSL ~~NSL~~ \_\_\_\_\_  
 Proposed SWD \_\_\_\_\_  
 Proposed WFX \_\_\_\_\_  
 Proposed PHX \_\_\_\_\_

Gentlemen: *DD &*

I have examined the application dated 9-17-90

for the Blosswood & Nichols NEBU#475  
 Operator Lease & Well No.

J-19-30N-7W and my recommendations are as follows:  
 Unit, S-T-R

*Approved*

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Yours truly,  
  
*Ernie Bush*



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

September 28, 1990

US Bureau of Reclamation  
Durango Projects Office  
P.O. Box 640  
Durango, CO 81302-0640

Attention: Steve Sacks  
Projects Manager

*RE: Blackwood & Nichols Co., Ltd., NEBU  
Well No. 475; Section 19, Townshio 30  
North, Range 7 West, NMPM, Rio Arriba  
County, New Mexico.*

Dear Mr. Sacks:

Enclosed please find a copy of an unorthodox surface location and directional drilling request that the NMOCD received on September 18, 1990. This information is being provided for your records since the well is within your jurisdiction. Should you have any comments or suggestions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: US Bureau of Land Management - Farmington  
Oil Conservation Division - Aztec  
Blackwood & Nichols Co., Ltd.

OIL CONSERVATION  
DIVISION

DIVISION

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BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237

'90 SEP 18 AM 8 42 DURANGO, COLORADO 81302-1237

(303) 247-0728

September 13, 1990

Mr. William LeMay  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Re: Directionally Deviated Well Bore  
NEBU #475 Fruitland Coal Well  
1470' FSL - 1760' FEL  
Section 19, T30N, R7W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols requests administrative approval as allowed in Rule 9 R-8768 for a deviated well bore which will bottom within the standard NE Proration Unit boundaries.

The APD was approved June 12, 1989 to drill a vertical well at the referenced unorthodox location. However, recent completion in the area give cause for concern as to the productive potential of a vertical well at this location. The two nearest wells to the 475, one to the east and one to the west, tested less than 350 MCFPD. It is felt that by moving the downhole location north, away from bluff on the south side of the lake, a more productive well may be realized. The intended 1500' horizontal displacement will place the bottom hole location within the NE proration unit to more effectively drain the reservoir.

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New Mexico Oil Conservation Division  
Page two  
September 13, 1990

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Please review this request and if you have any questions please contact our Operations Engineer, Al Rector at (303) 247-0728. Your prompt attention to this application is greatly appreciated.

Sincerely,



Roy W. Williams  
Administrative Manager

RWW/avd

cc: Aztec OCD Office



OIL CONSERVATION DIVISION

**RECEIVED**

AUG 21 1990

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II  
 P.O. Drawer DD, Arama, NM 88210

DISTRICT III  
 1000 Rio Arriba Rd., Aztec, NM 87410

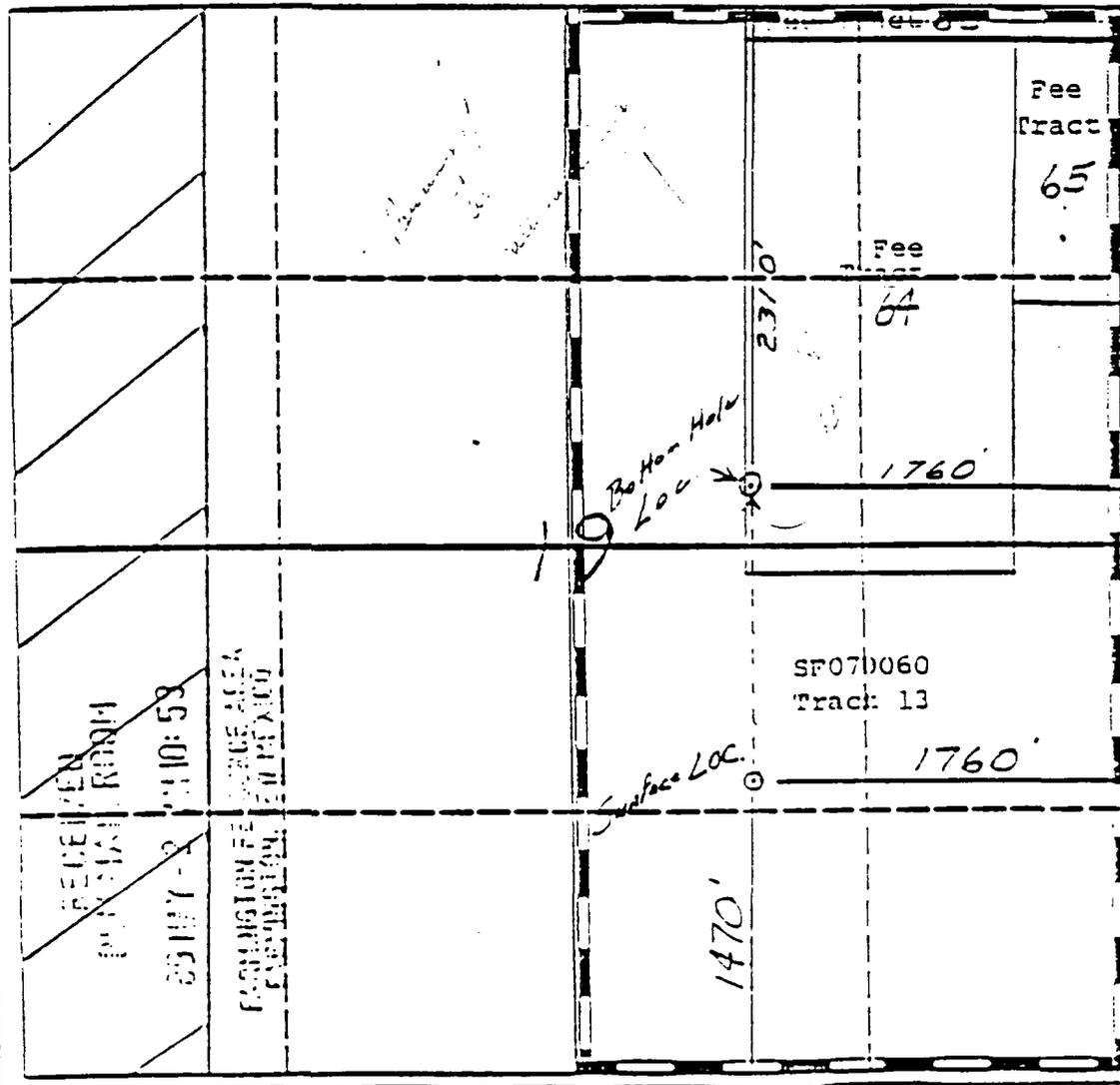
WELL LOCATION AND ACREAGE DEDICATION PLAN

OIL CON. DIV.  
 DIST. 3

All Distances must be from the outer boundaries of the section

Operator	Blackwood & Nichols Co., LTD.			Lease	Northeast Blanco Unit		Well No.	175
Unit Letter	Section	Township	Range	County				
J	19	30 North	7 West	Rio Arriba				
Actual Footage Location of Well: Bottom Hole; 2310' FNL - 1760' FEL								
Surface: 1470' feet from the South			line and	1760	feet from the	East	line	
Ground level Elev.	Producing Formation		Pool	Dedicated Acreage:				
6292'	Fruitland Coal		Basin Fruitland Coal	300				

- Outline the acreage dedicated to the subject well by colored pencil or hectare marks on the plat below.
  - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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    - 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 allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, encompassing such interest, has been approved by the Division.



**OPERATOR CERTIFICATE**  
 I hereby certify that the contained herein is true and correct best of my knowledge and belief.

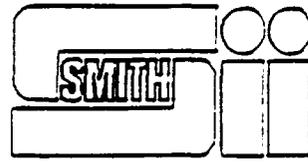
Signature: R.W. Williams  
 Printed Name: R.W. Williams  
 Position: Administrative Manager  
 Company: Blackwood & Nichols  
 Date: 8/20/90

**SURVEYOR CERTIFICATE**  
 I hereby certify that the well location on this plat was placed from the actual surveys made by me or supervision, and that the same is correct to the best of my knowledge and belief.

Date Surveyed: 8/14/90  
 Signature of Surveyor: Neale V. Edwards  
 Professional Surveyor  
 Certificate No. 6857

2 AUG 1990 @ 15:35

BLACKWOOD AND NICHOLS  
N.E. BIANCO UNIT #475  
SECTION-19-T30N-R7W  
RIO ARRIERA COUNTY NEW MEXICO

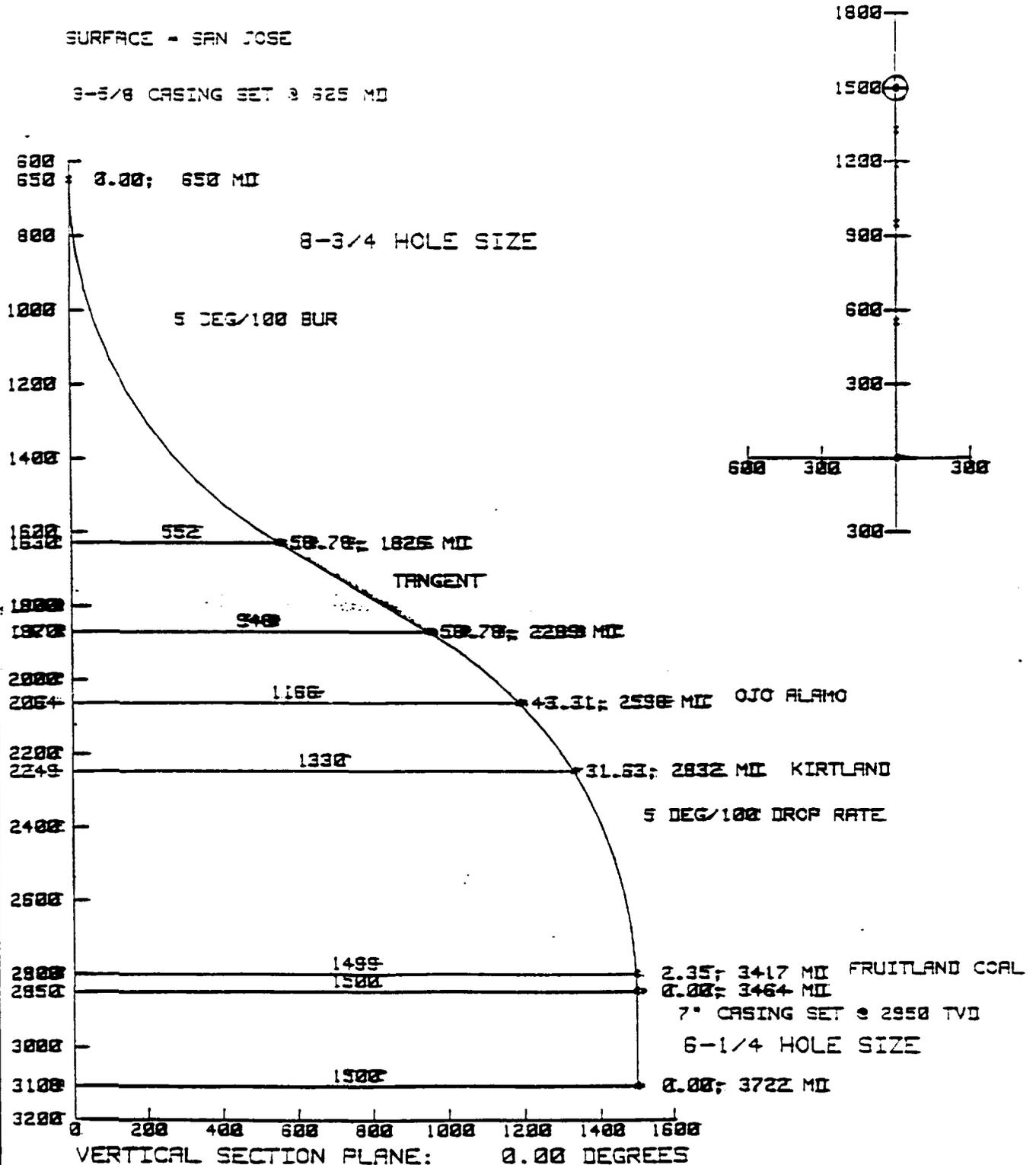


VERTICAL PLAN  
SCALE: 200 FEET/DIVISION

HORIZONTAL PLAN  
SCALE: 300 FEET/DIVISION

SURFACE - SAN JOSE

3-5/8 CASING SET @ 625 MD



VERTICAL SECTION PLANE: 0.00 DEGREES



RECEIVED  
DIVISION  
United States Department of the Interior

BUREAU OF RECLAMATION

UPPER COLORADO REGION  
DURANGO PROJECTS OFFICE  
P.O. BOX 640  
DURANGO, COLORADO 81302-0640

90 OCT 12 AM 9 06  
IN REPLY  
REFER TO:

DUR-452  
LND-6.00

OCT 09 1990

Mr. Roy Williams  
Administrative Manager  
Blackwood & Nichols Co., LTD.  
P.O. Box 1237  
Durango CO 81302-1237

Subject: Application for a Right-of-Use Permit for Blackwood & Nichols Co.  
to Drill the NEBU 475, Navajo Unit, Colorado River Storage Project,  
Colorado and New Mexico (Oil & Gas)

Dear Mr. Williams:

This letter is to inform you that the NEBU 475 falls within or near minimum guidelines set forth by our Dam Safety Program even with the new bearing you provided to us on October 4, 1990. We have requested assistance from our Regional Office staff in reviewing your application package. My staff will track the Regional Office review, and will keep you informed of its progress.

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

Sincerely

ACTING FOR  
  
Max J. Stodolski  
Projects Manager

cc: Mr. Robert Fielder  
Property Management  
P.O. Box 2596  
Farmington NM 87499-2596

Area Manager  
Bureau of Land Management  
1235 La Plata Highway  
Farmington NM 87401

Mr. Mike Stogner  
Hearing Officer  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe NM 87504

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DIVISION  
OCT 29 AM 9 20

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

October 24, 1990

Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289  
Attn: Mr. Alan Alexander

RE: Proposed Directional Well  
NEBU #475  
Surface: 1470' FSL, 1760' FEL  
Bottom Hole: 2460' FNL, 1160' FEL  
Sec. 19, T30N, R7W  
Rio Arriba County, New Mexico

Dear Mr. Alexander:

Blackwood and Nichols Co. requests a waiver of objection for the referenced directional well which will be drilled from an unorthodox surface location to an orthodox down hole location.

Meridian previously waived objection to a vertical well at the unorthodox surface location (see enclosure).

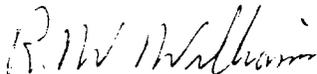
Due to the results of other wells drilled and completed along the south side of the lake a directional well is now planned for the NEBU #475 rather than a vertical well.

The well plan is to set 625' of 10-3/4" surface casing, start a directional well bore below the surface casing which will result in a horizontal displacement of approximately 1500 feet in a direction N 26° E and be vertical just above the first Fruitland Coal stringer. The well will bottom in the NE proration unit and therefore have an orthodox bottom hole location. This is also moving away from Meridian's acreage.

Meridian Oil Inc.  
October 24, 1990  
Page two

Your prompt attention to this waiver for the directional well  
will be greatly appreciated.

Sincerely,

  
Roy W. Williams

RWW/avd

Enclosures

cc: New Mexico OCD, Aztec, New Mexico  
New Mexico OCD, Santa Fe, New Mexico

Waiver of Objection

Meridian Oil Co. hereby waives objection to the proposed unorthodox surface location and directional well bore of the Northeast Blanco Unit No. 475.

By: \_\_\_\_\_

Date: \_\_\_\_\_

file

June 1, 1989

New Mexico Oil Conservation Division  
Attention: Mr. William LeMay  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Unorthodox Gas Well Location  
Northeast Blanco Unit #475  
1470' FSL - 1760' FEL  
Section 19, T-30-N, R-7-W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols Co., Ltd., Operator of the referenced Unit, has requested Meridian Oil's waiver of objection to the proposed unorthodox location for the Northeast Blanco Unit #475 well. Please be advised that after careful evaluation of this proposal, Meridian has no objection as so indicated by the enclosed waiver.

Very truly yours,

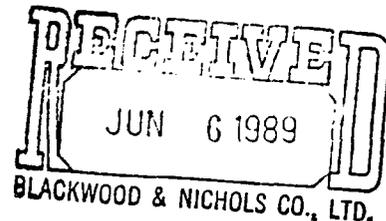


Alan Alexander  
Senior Land Advisor

AA:gm  
Enclosure

cc: Blackwood & Nichols  
Post Office Box 1237  
Durango, Colorado 81302-1237

Document 279+



MERIDIAN OIL

NEW MEXICO OIL CONSERVATION DIVISION  
RECEIVED

'90 NOV 5 AM 8 51

November 1, 1990

New Mexico Oil Conservation Division  
Attention: Mr. William LeMay  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Proposed Directional Well  
Northeast Blanco Unit #475  
1470' FSL - 1760' FEL  
Section 19, T30N, R7W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols Co., Ltd., Operator of the referenced Unit, has requested Meridian Oil's waiver of objection to the proposed unorthodox location for the Northeast Blanco Unit #475 well. Please be advised that after careful evaluation of this proposal, Meridian has no objection as so indicated by the enclosed waiver.

Very truly yours,

  
Alan Alexander  
Senior Land Advisor

AA:kaw  
Enclosure  
NM-4311

xc: Blackwood & Nichols  
Post Office Box 1237  
Durango, Colorado 81302-1237

1+107

BLACKWOOD & NICHOLS CO., LTD.

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

(303) 247-0728



October 24, 1990

Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289  
Attn: Mr. Alan Alexander

RE: Proposed Directional Well  
NEBU #475  
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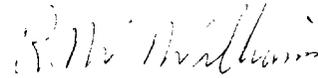
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Meridian Oil Inc.  
October 24, 1990  
Page two

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Sincerely, .



Roy W. Williams

RWW/avd

Enclosures

cc: New Mexico OCD, Aztec, New Mexico  
New Mexico OCD, Santa Fe, New Mexico

Waiver of Objection

Meridian Oil Co. hereby waives objection to the proposed unorthodox surface location and directional well bore of the Northeast Blanco Unit No. 475.

By:  \_\_\_\_\_

Date: 10-30-90

June 1, 1989

New Mexico Oil Conservation Division  
Attention: Mr. William LeMay  
Post Office Box 2088  
Santa Fe, New Mexico 87501

Re: Unorthodox Gas Well Location  
Northeast Blanco Unit #475  
1470' FSL - 1760' FEL  
Section 19, T-30-N, R-7-W  
Rio Arriba County, New Mexico

Dear Mr. LeMay:

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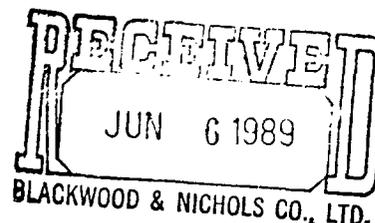


Alan Alexander  
Senior Land Advisor

AA:gm  
Enclosure

cc: Blackwood & Nichols  
Post Office Box 1237  
Durango, Colorado 81302-1237

Document 279+



CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
ANNIE-LAURIE COOGAN

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

December 18, 1990

HAND-DELIVERED

**RECEIVED**

DEC 18 1990

OIL CONSERVATION DIV.  
SANTA FE

10201

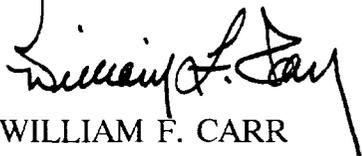
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Blackwood & Nichols Co. a Limited Partnership for Directional Drilling, and an Unorthodox Well Location, Rio Arriba County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Blackwood & Nichols Co. a Limited Partnership in the above-referenced case. Blackwood & Nichols Co. a Limited Partnership respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on January 10, 1991.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Mr. Al Rector  
Mr. Bill Penhall

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

January 4, 1991

*Case No. 10201*  
*[Signature]*

Meridian Oil Inc.  
P.O. Box 4289  
Farmington, New Mexico 87499-4289  
Attn: Mr. Alan Alexander

RE: Proposed Directional Well NEBU #475  
**Surface:** 2560' FSL, 1695' FWL  
Sec. 20, T30N, R7W  
Rio Arriba County, New Mexico  
**Bottom Hole:** 1750' FNL, 54' FEL  
Sec. 19, T30N, R7W  
San Juan County, New Mexico

Dear Mr. Alexander:

Blackwood and Nichols Co. requests a waiver of objection for the referenced directional well which will be drilled from an unorthodox surface location to an unorthodox down hole location.

Meridian previously waived objection to a directionally drilled 7NEBU #475 well. However, due to safety concerns for the Navajo Dam, the surface location and downhole location have been moved.

The well plan is to set 300' of 10-3/4" surface casing, start a directional well bore below the surface casing which will result in a horizontal displacement of approximately 2000 feet in a direction N 61° W and be vertical just above the first Fruitland Coal stringer.

Your prompt attention to this waiver for the directional well will be greatly appreciated.

Sincerely,

*Al Rector*

Al Rector

AR/avd  
Enclosures

cc: New Mexico OCD, Aztec, New Mexico  
New Mexico OCD, Santa Fe, New Mexico

Waiver of Objection

Meridian Oil Co. hereby waives objection to the proposed unorthodox surface location and directional well bore of the Northeast Blanco Unit No. 475.

By: \_\_\_\_\_

Date: \_\_\_\_\_

