

BLACKWOOD & NICHOLS CO., LTD.

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

(303) 247-0728

August 17, 1988

Certified Mail - Return Receipt Requested

Northwest Pipeline Corporation
Attn: Paul Thompson
3539 E. 30th Street
Farmington, New Mexico 87401

Gentlemen:

Blackwood & Nichols Co., Ltd. proposes to test the Nacimiento Formation in their Northeast Blanco Unit No. 206 (M-10-31-7) as a potential water disposal zone. If the test is successful Blackwood & Nichols Company intends to convert the well to a permanent water disposal well. Details are outlined in the attached "Application for Authorization to Inject". If you have objections to this proposal you must contact the New Mexico Oil Conservation Commission's Aztec office within 15 days.

Questions concerning the application should be addressed to this office at 303-247-0728. We would appreciate hearing from you, whatever your decision.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.

William F. Clark

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|---|---|
| SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. | |
| 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) | |
| 2. <input type="checkbox"/> Restricted Delivery (Extra charge) | |
| 3. Article Addressed to: Northwest Pipeline Corp Attn: Paul Thompson 3539 E. 30th Street Farmington N.M. 87401 | 4. Article Number P833 514421 |
| Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise | |
| Always obtain signature of addressee or agent and DATE DELIVERED. | |
| 5. Signature - Address X <i>Krus Russell</i> | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6. Signature - Agent X | |
| 7. Date of Delivery 8-18-88 <i>BOH</i> | |

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Quinoco Petroleum, Inc.
4582 S. Ulster Parkway, #1700
Denver, Colorado 80237

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William F. Clark

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| 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge) | |
| 3. Article Addressed to: <i>Quinoco Petroleum Inc 4582 S. Ulster Parkway #1700 Denver, CO 80237</i> | 4. Article Number <i>83 514 422</i> Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 5. Signature - Address <i>X</i> | 8. Addressee's Address (ONLY if requested and fee paid)  |
| 6. Signature - Agent <i>X</i> <i>[Signature]</i> | |
| 7. Date of Delivery <i>8/19/88</i> | |

AFFIDAVIT OF PUBLICATION

No. 22266

STATE OF NEW MEXICO,
County of San Juan:

Betty Shipp being duly

sworn, says: That he is the National Ad Manager of

THE FARMINGTON DAILY TIMES, a daily newspaper of general circulation
published in English at Farmington, said county and state, and that the
hereto attached Legal Notice

was published in a regular and entire issue of the said FARMINGTON DAILY
TIMES, a daily newspaper duly qualified for the purpose within the
meaning of Chapter 167 of the 1937 Session Laws of the State of New
Mexico for 3 consecutive (days) (weeks) on the same day as
follows:

First Publication Saturday, August 20, 1988

Second Publication Sunday, August 21, 1988

Third Publication Monday, August 22, 1988

Fourth Publication _____

and that payment therefor in the amount of \$26.15
has been made.

Betty Shipp

Subscribed and sworn to before me this 22nd day
of August, 1988.

J. Shorter

NOTARY PUBLIC, SAN JUAN COUNTY, NEW MEXICO

My Commission expires: June 23, 1990

Copy of Publication

#206 SAP

EXHIBIT 16

Case 9489

Publication

ATTACHMENT VI
NORTHEAST BLANCO
UNIT NO. 206
WATER DISPOSAL
WELL NOTIFICATION
"INTENT TO DISPOSE OF
WATER IN THE SUBSURFACE"
Blackwood & Nichols Co., Ltd.
proposes to dispose of produced
water in the Nacimiento formation.
The injection well will be the
Northeast Blanco Unit #206 lo-
cated 790' FSL & 1190' FWL of
Section 10, T31N, R7W, San Juan
Co., New Mexico. Water will be
injected in the interval 1798'
2250'. Maximum rate and pres-
sure are to be determined by step
rate testing.
Questions should be addressed
to Mr. Bill Clark, c/o Blackwood
Nichols Co., Ltd., P.O. Box 1237,
Durango, Colorado, 81302-1237,
or call 303-247-0728. Objections
or requests for hearing by in-
terested parties must be filed
with the New Mexico Oil Conserva-
tion Division, P.O. Box 2088, San-
ta Fe, New Mexico 87501, within
15 days.
Legal No. 22266 published in
the Farmington Daily Times, Farm-
ington, New Mexico on Saturday,
August 20, Sunday, August 21, and
Monday, August 22, 1988.