

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

January 29, 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. 421R
1070' FSL, 465' FEL
Section 4, T30N, R7W
Rio Arriba County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols Co., Ltd. requests administrative approval of an exception to the footage and location requirements of Rule 7, R-8768, for the subject well located in the Basin Fruitland Coal pool.

This request is for exception due to topography. A Vicinity Map and C-102 are attached for your reference. As evidenced by the Vicinity Map there are no standard footage locations in the southwest quarter nor in the alternative southeast quarter. Blackwood & Nichols Co., Ltd. proposes to redrill this location to develop the Fruitland Coal reserves and a new well could not be located on the same well pad as the original well due to size limitations of the original location.

The east half of Section 4 will be dedicated to this well. All offset proration units are within the boundaries of the Northeast Blanco Unit and operated by Blackwood & Nichols Co., Ltd.

Your prompt consideration of this request is appreciated.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.

William F. Clark

William F. Clark
Operations Manager

Attachments

See NSL-2599

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

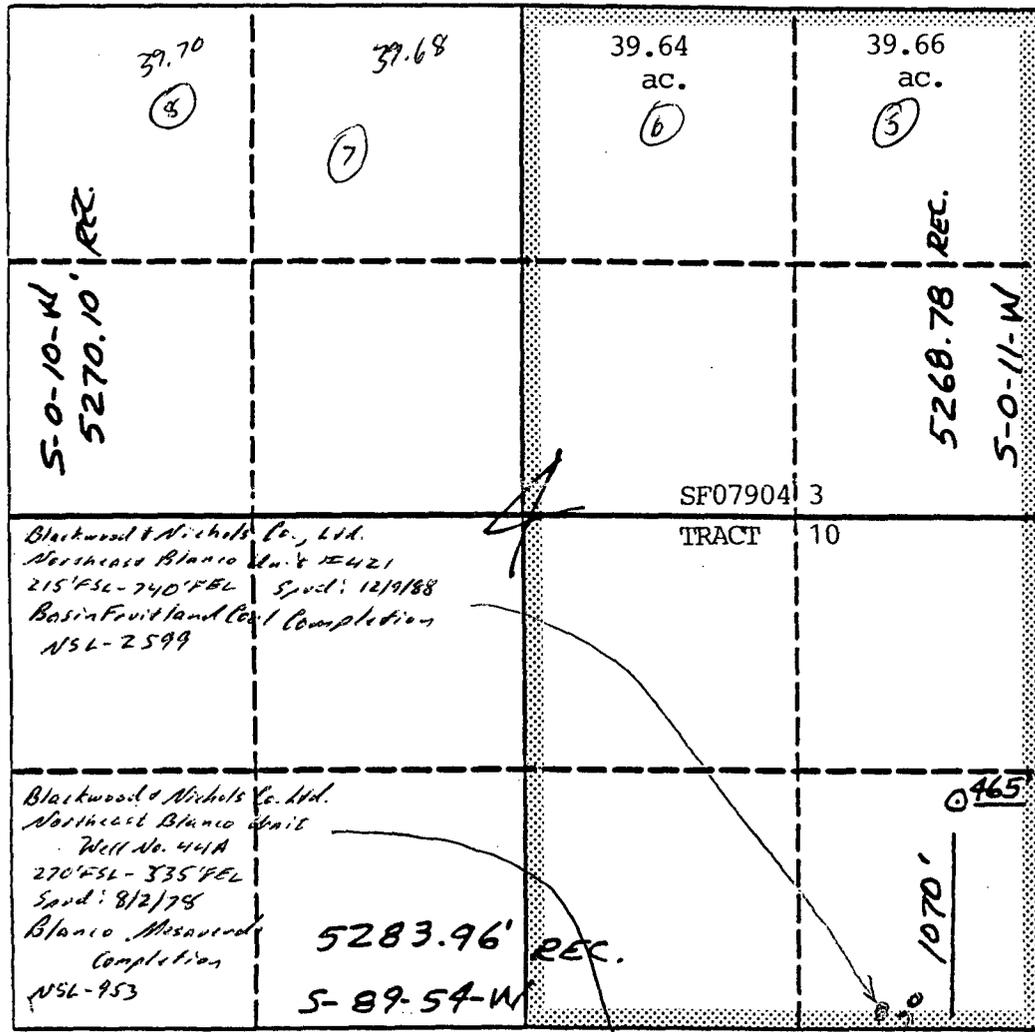
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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. 421 R
Unit Letter P	Section 4	Township 30 North	Range 7 West	County NMPM Rio Arriba
Actual Footage Location of Well: 1070 feet from the South line and 465 feet from the East line				
Ground level Elev. 6210'	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 319.30 Acres	

- 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).
- 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 NA

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., Ltd.
 Date: 29 June '90

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: *June 29, 1990*
 Signature of Surveyor: *Neale C. Edwards*
 Professional Surveyor
 Certificate No. 6857



AREA MAP

Blackwood & Nichols Co., Ltd.
 1070' FSL - 465' FEL
 Section 4, T30N, R7W, NMPM
 Rio Arriba County
 New Mexico

Burnt Mesa

RIO ARRIBA CO
SAN JUAN CO

Landing Strip

Hole-in-Rock

Landing Strip

Laguna Seca

WATER ACCESS

Grana Mesa Campground

Navajo Dam

Smith Pass

Navajo City

AREA MAP

Blackwood & Nichols Co., Ltd.
1070' FSL - 465' FEL
Section 4, T30N, R7W, NMPM
Rio Arriba County
New Mexico



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

AZTEC DISTRICT OFFICE CONSERVATION DIVISION

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1000 RIO HAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6170

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ARREY CARRUTHERS
GOVERNOR

Date: 2-2-90

Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088

- Re: Proposed MC _____
- Proposed DHC _____
- Proposed NSL _____
- Proposed SWD _____
- Proposed WFX _____
- Proposed PMX _____

Gentlemen:

I have examined the application dated 1-31-90

for the Blackwood & Nichols N.E.T.B.U. #421R
Operator Lease & Well No.

P-4-304-74 and my recommendations are as follows:
Unit, S-T-R

Approve

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

February 7, 1990

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

Attention: William F. Clark,
Operations Manager

*RE: Unorthodox gas well location, Northeast Blanco
Unit No. 421-R, 1070' FSL - 465' FEL, P-4-T30N-
R7W, Basin-Fruitland Coal Gas Pool, Rio Arriba
County, New Mexico.*

Dear Mr. Clark:

This application appears to be a replacement well for your No. 421 located 215 feet from the South line and 740 feet from the East line (Unit P) of said Section 4, which is an unorthodox coal gas well location previously authorized by Division Administrative Order NSL-2599, dated November 8, 1988. However, your application failed to address what the status of the No. 421 well is at this time.

So that the file may be complete for this application, please provide detailed information on the No. 421 well and the reason a second well is needed for this proration unit.

Thank you in advance for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec
William J. LeMay, Director

OIL CONSERVATION DIVISION
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BLACKWOOD & NICHOLS CO., LTD.

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

(303) 247-0728

February 13, 1990

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New Mexico Oil Conservation Division
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Attention: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

Re: Northeast Blanco Unit No. 421
215' FSL, 740' FEL, Section 4, T30N, R7W
Rio Arriba County, New Mexico

Gentlemen:

In answer to your letter dated February 7, 1990, the NEBU Well No. 421R will be a replacement well for the referenced well.

The NEBU No. 421 was drilled through the Fruitland coal with weighted mud and 5-1/2" casing was run and cemented in place. The casing was perforated in the coal zones and the well was fracture stimulated with sand and 30# X-link borate gel. After the frac the well had a natural flow of 805 MCFD.

The NEBU No. 421 is in an area where open hole completed wells have gauged between 2600 MCFD and 18,800 MCFD. The proposed replacement well, the NEBU No. 421R, will be completed open hole with an anticipated minimum gauge of 3200 MCFD.

The present status of the NEBU No. 421 is waiting on tie-in. When the NEBU No. 421R is drilled, the NEBU No. 421 will either be converted to a pressure observation well or plugged and abandoned, depending upon partner approval.

Sincerely,



William F. Clark
Operations Manager