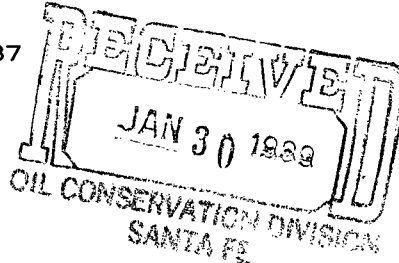


BLACKWOOD & NICHOLS CO., LTD.

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

(303) 247-0728



January 9, 1989

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 No. 455
260' FNL - 2465' FEL, Sec. 31, T31N, R7W
San Juan Co., New Mexico

Dear Mr. LeMay;

Blackwood & Nichols Co., Ltd. requests administrative approval of an exception to the footage 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, most of the standard footage window is covered by Navajo Reservoir or on the steep canyon walls adjacent to the reservoir. This location was picked to minimize the disturbance of the area surrounding the reservoir.

The east half of Section 31 will be dedicated to this well. All offset proration units are operated by Blackwood and Nichols Co., Ltd.

Your prompt consideration of this request is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "William F. Clark".

William F. Clark
Operations Manager
Blackwood & Nichols
Co., Ltd.

Copy sent to E. Burch
2/3/89

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-7

All distances must be from the outer boundaries of the Section.

Operator Blackwood & Nichols Co., LTD.			Lease Northeast Blanco Unit		Well No. 455
Unit Letter B	Section 31	Township 31 North	Range 7 West	County San Juan	
Actual Footage Location of Wells 260' feet from the North line and 2465' feet from the East line					
Ground Level Elev. 6415	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal		Dedicated Acreage 320 <i>affw.</i> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization *E/2 equal interest*

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 interests, has been approved by the Division

CERTIFICATION

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

William F. Clark
Name

Position
Operations Manager

Company
Blackwood & Nichols Co

Date
Jan 23, 1989

I hereby certify that the 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.

W. C. Edwards
Date Surveyed
11-22-88

Registered Professional Engineer
and/or Land Surveyor

W. C. Edwards

Certificate No.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-

All distances must be from the outer boundaries of the Section.

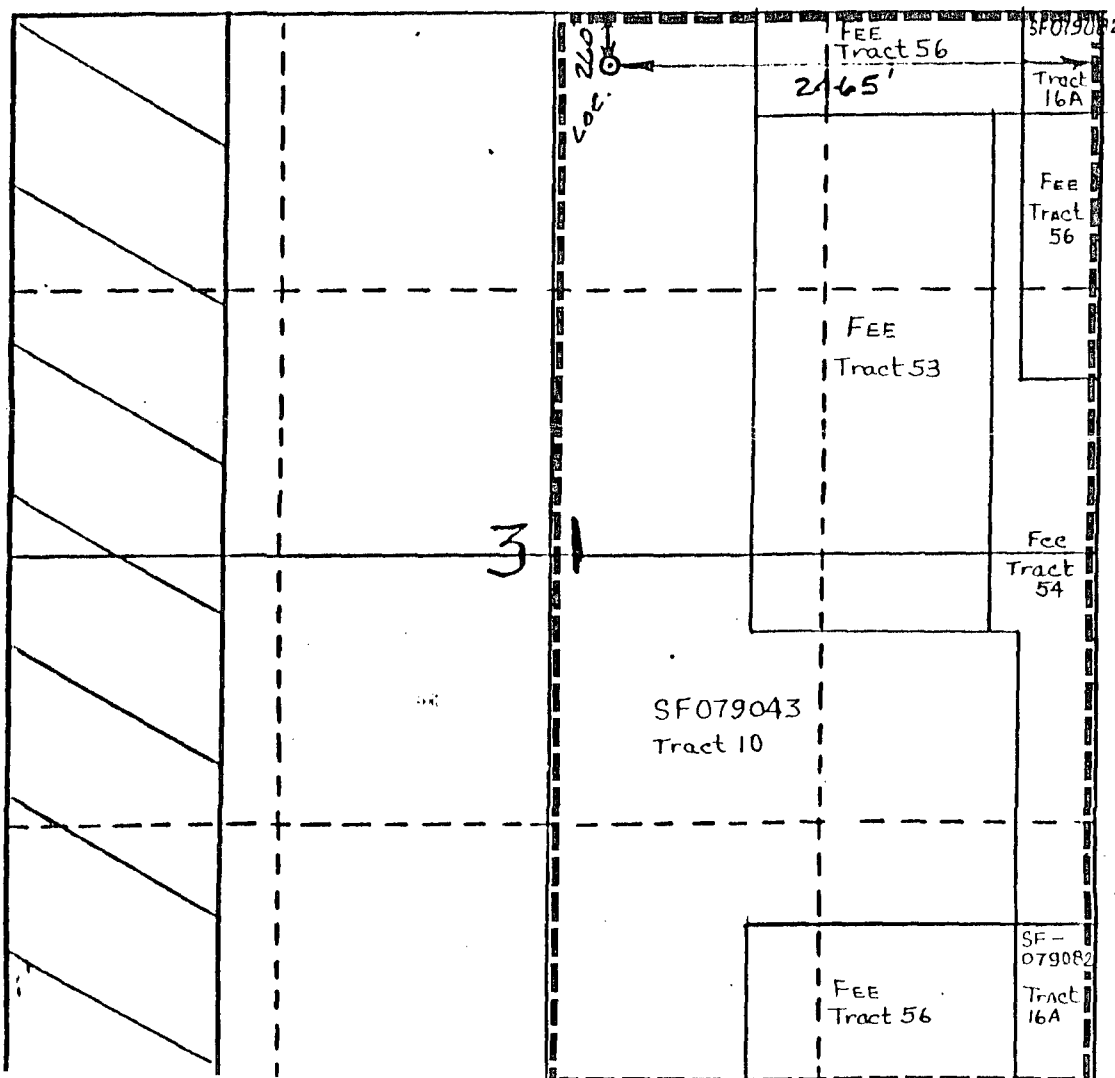
Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 455
Unit Letter B	Section 31	Township 31 North	Range 7 West	County San Juan
Actual Footage Location of Well: 260' feet from the North line and 2465' feet from the East line				
Ground Level Elev. 6415	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	

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

William F. Clark
Name

Position
Operations Manager

Company
Blackwood & Nichols Co.

Date
Jan 23, 1989

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

W. C. Edwards
Date Surveyed

11-22-88
Registered Professional Engineer
and/or Land Surveyor

W. C. Edwards

All distances must be from the outer boundaries of the Section.

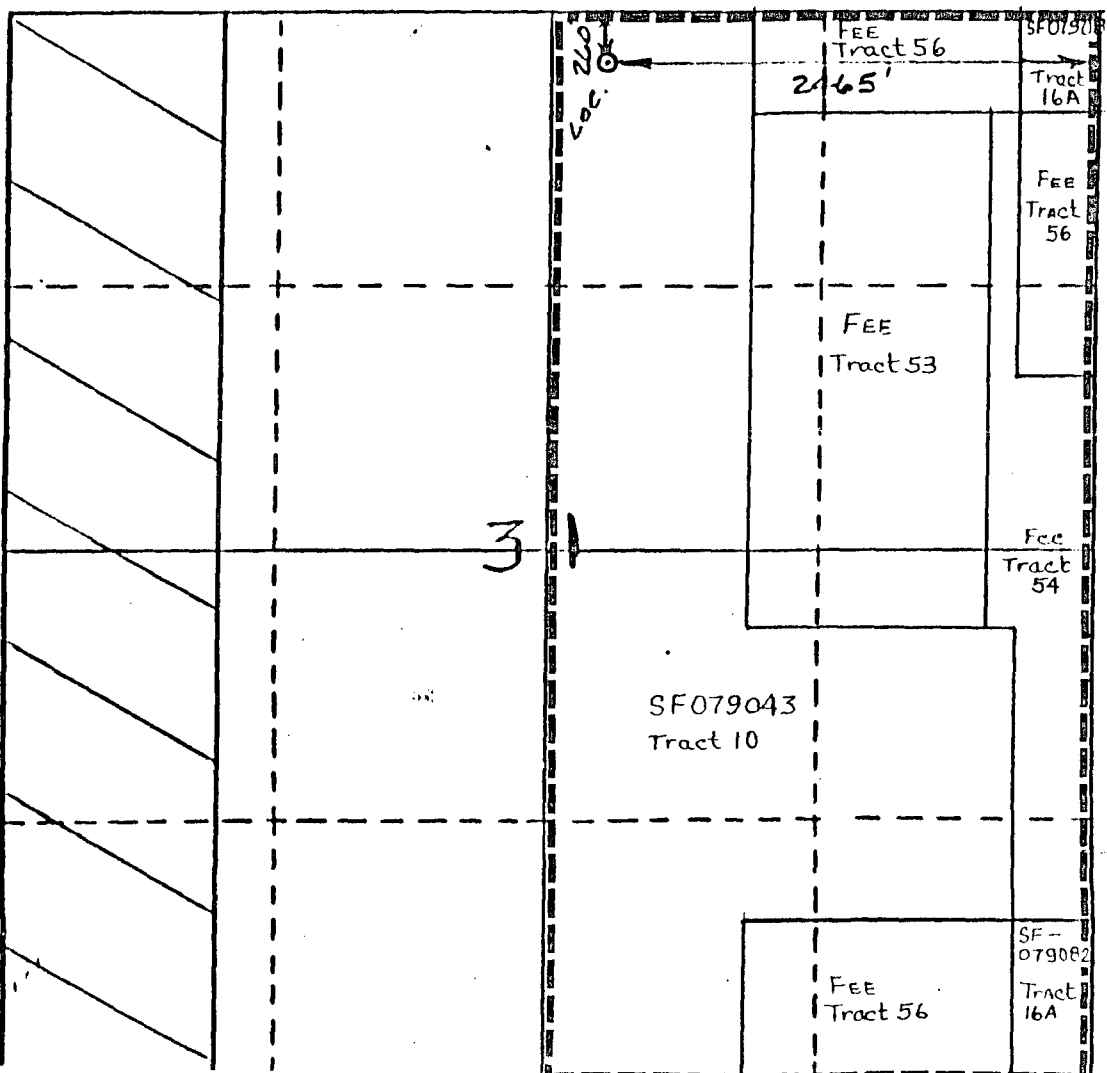
Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 455
Unit Letter B	Section 31	Township 31 North	Range 7 West	County San Juan
Actual Footage Location of Wells 260' North line and 2465' East line				
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William F. Clark
Name

Position
Operations Manager

Company
Blackwood & Nichols Co.

Date
Jan 23, 1989

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W. C. Edwards
Date Surveyed

11-22-88
Registered Professional Engineer and/or Land Surveyor

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

10001 1001 100105 10010
AZTEC, NEW MEXICO 87410
(505) 334-6170

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 2-13-89

RE: Proposed HC _____
Proposed DHC _____
Proposed HSL 6 _____
Proposed SWD _____
Proposed WFX _____
Proposed PHX _____

Gentlemen:

I have examined the application dated 2-10-89
for the Blackwood & Nichols NEPU #455 B-31-31N-7W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve

Yours truly,

E. Burch

