

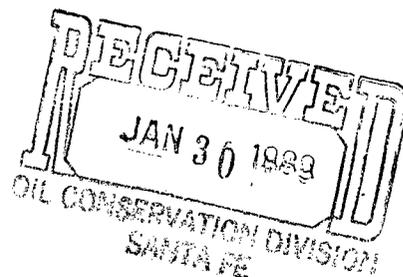
BLACKWOOD & NICHOLS Co., LTD.

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. 424
2100' FNL - 1330' FWL, Sec. 4, T30N, R7W
San Juan Co., New Mexico

Dear Mr. LeMay;

Blackwood & Nichols Co., Ltd. requests administrative approval of an exception to the 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, all of the standard footage window in the Northeast quarter is covered by Navajo Reservoir. This standard location in the Northwest quarter was staked as the best alternative. A non standard footage location by the NEBU # 44 (NE-4-30-7) was not considered acceptable due to it's proximity to the shoreline.

The west half of Section 30 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 black ink that reads "William F. Clark". The signature is written in a cursive style.

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

Copy Sent to E. Busch 2/3/89

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-71

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

Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 424
Unit Letter F	Section 4	Township 30 North	Range 7 West	County San Juan

Actual Footage Location of Wells
2100 feet from the North line and 1330 feet from the West line

Ground Level Elev. 6140	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 319.38 Acres
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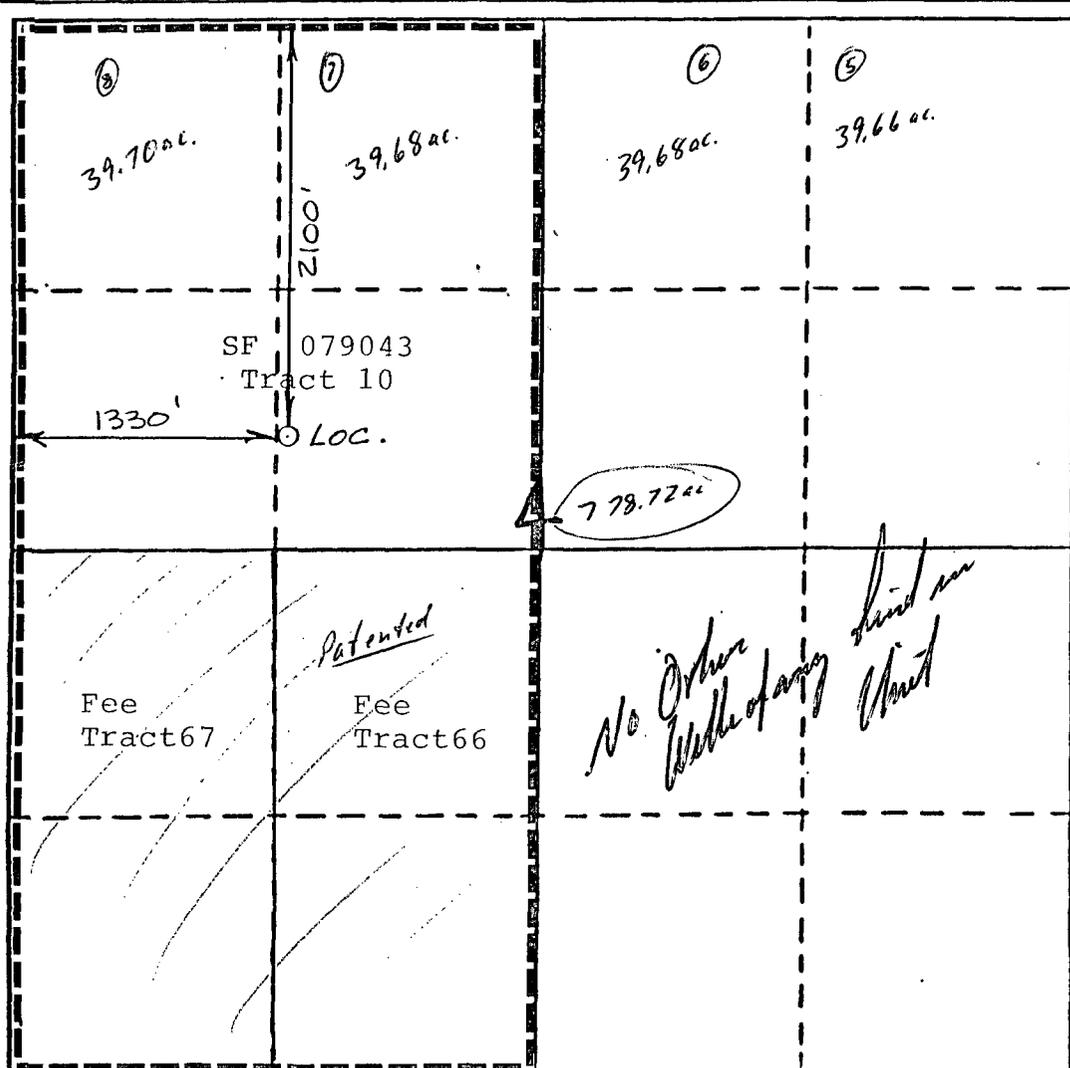
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

39.70
39.68
79.38
39.38
39.68
79.06

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) Tract 67 is uncommitted

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.

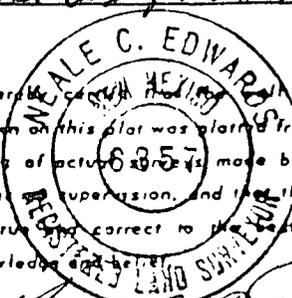
William F. Clark
Name

Position
Operations Manager

Company
Blackwood & Nichols Co.

Date
Jan 23, 1989

I hereby certify that the location shown on this plat was planned 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.



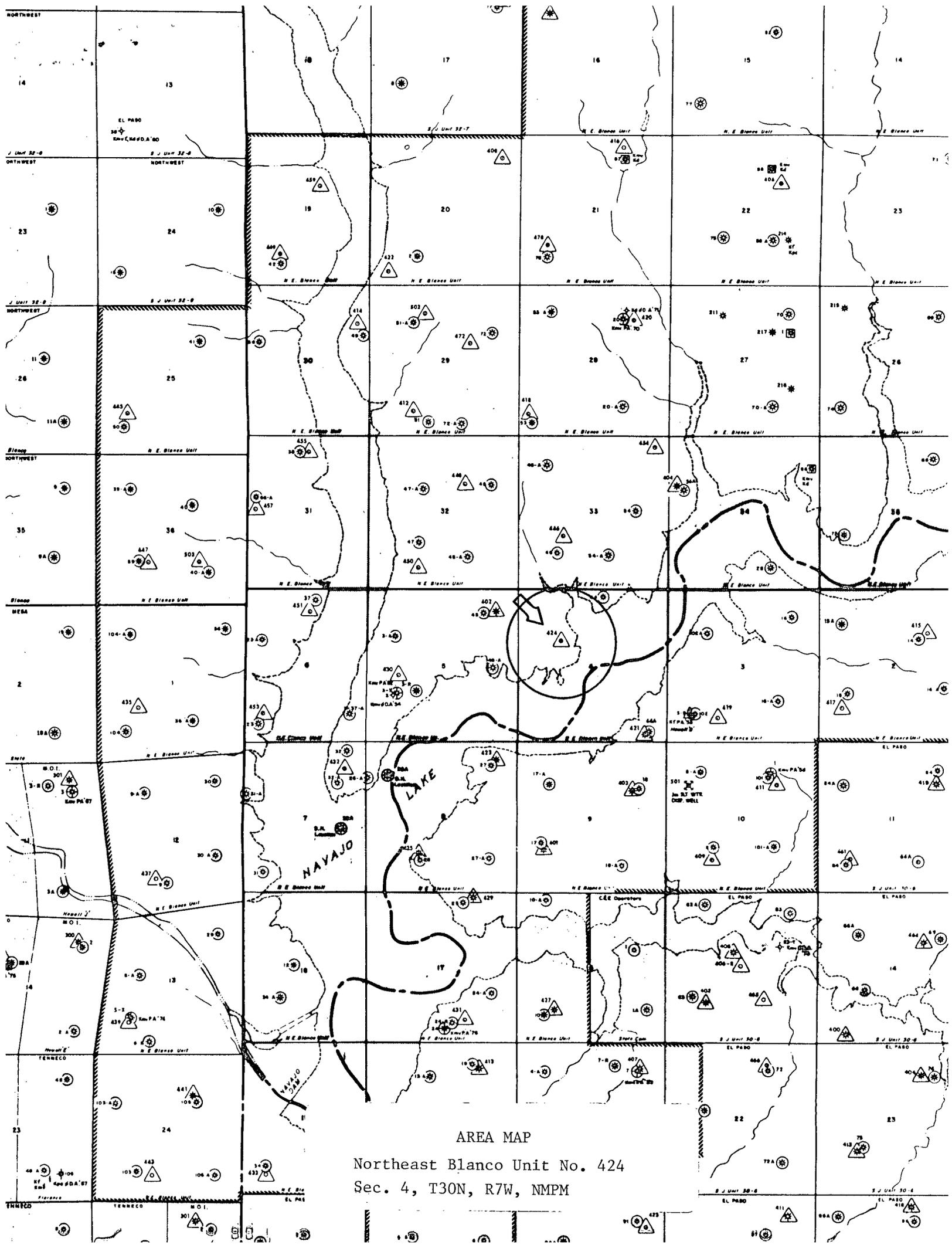
Date Surveyed
12/2/88

Registered Professional Engineer
and/or Land Surveyor

Heale C. Edwards

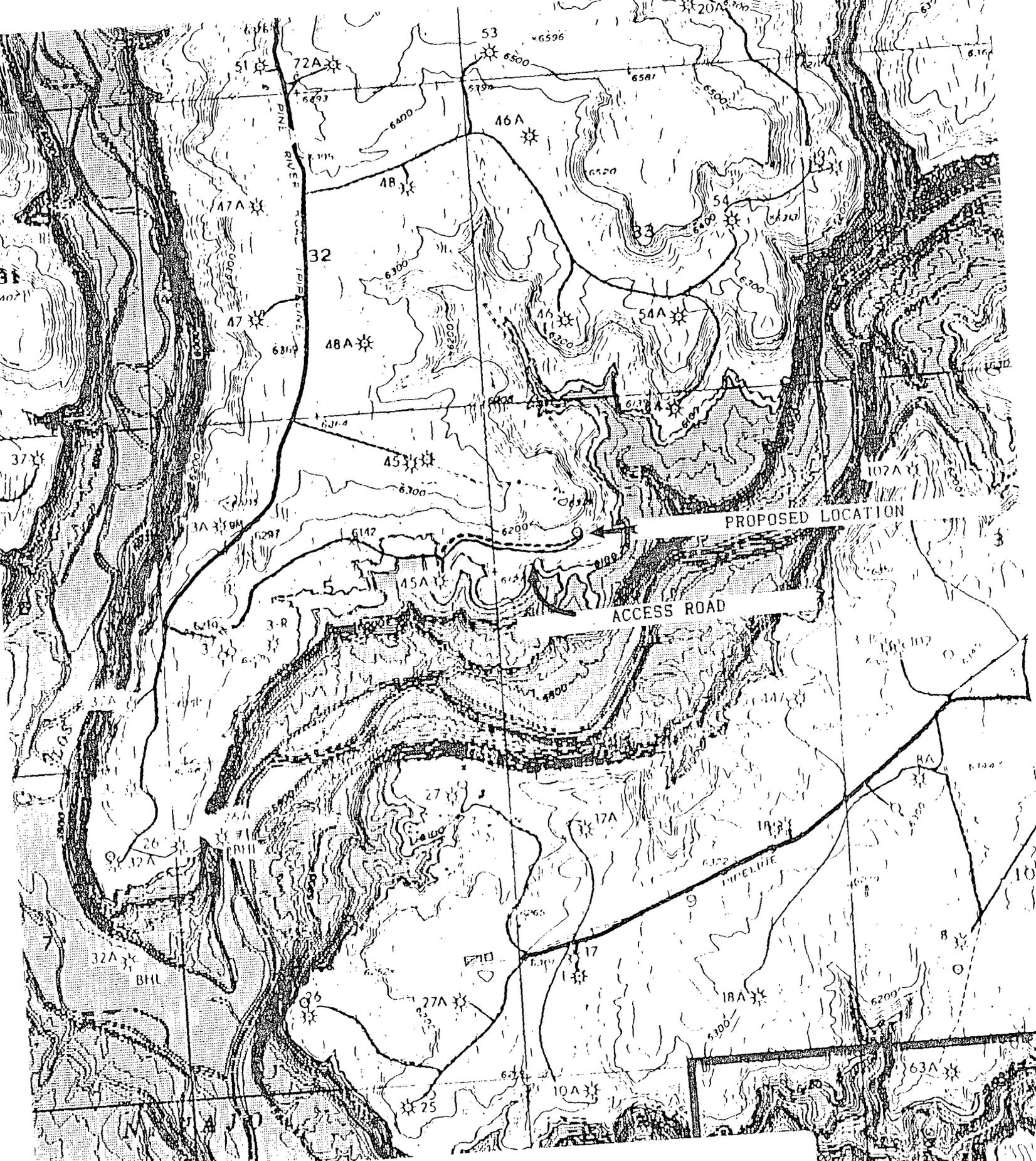
Certificate No.

6857



AREA MAP

Northeast Blanco Unit No. 424
 Sec. 4, T30N, R7W, NMPM



VICINITY MAP
 Blackwood & Nichols Co., Ltd.
 Northeast Blanco Unit No. 424
 2100'FNL - 1330'FEL
 Section 4, T30N, R7W
 San Juan Co., New Mexico
 Pipeline ROW - - -