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NEW MEXICO OIL CONSERVATION COMMISSION

APPROVAL VALID  
FOR 90 DAYS UNLESS  
DRILLING COMMENCED,

EXPIRES 5-3-78

30-445-22923  
Form C-101  
Revised 1-1-65

|  |
|--|
| 5A. Indicate Type of Lease   |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.   |
| E-5382   |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|  |  |
|--|--|
| 1a. Type of Work   |  |
| b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>   |  |
| OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  |
| 2. Name of Operator  |  |
| Blackwood & Nichols Co., Ltd.  |  |
| 3. Address of Operator   |  |
| P.O. Box 1237, Durango, Colorado 81301   |  |
| 4. Location of Well  |  |
| UNIT LETTER <u>D</u> LOCATED <u>1190</u> FEET FROM THE <u>North</u> LINE   |  |
| AND <u>1190</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>36</u> TWP. <u>31N</u> RGE. <u>8W</u> NMPM   |  |
| 7. Unit Agreement Name   |  |
| Northeast Blanco Unit  |  |
| Agreement #1, Sec. 929   |  |
| 8. Farm or Lease Name  |  |
| Northeast Blanco Unit  |  |
| 9. Well No.  |  |
| 39 A   |  |
| 10. Field and Pool, or Wildcat   |  |
| Blanco Mesaverde   |  |
| 12. County   |  |
| San Juan   |  |
| 19. Proposed Depth   |  |
| 6060'  |  |
| 19A. Formation   |  |
| Mesaverde  |  |
| 20. Rotary or C.T.   |  |
| Rotary   |  |
| 21. Elevations (Show whether DF, RT, etc.)   |  |
| 6456' GL   |  |
| 21A. Kind & Status Plug. Bond  |  |
| 21B. Drilling Contractor   |  |
| Four Corners Drilling Co.  |  |
| 22. Approx. Date Work will start   |  |
| April 11, 1978   |  |

| 23. PROPOSED CASING AND CEMENT PROGRAM |                |                 |               |                 |           |
|--|----------------|-----------------|---------------|-----------------|-----------|
| SIZE OF HOLE                           | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP  |
| 13-3/4"                                | 9-5/8"         | 32.00#          | 250'          | 200             | Circulate |
| 8-3/4"                                 | 7"             | 23.00#          | 3645'         | 350             | 2100'     |
| 6-1/4"                                 | 4-1/2"         | 10.50#          | 6060'         | 350             | 3450'     |

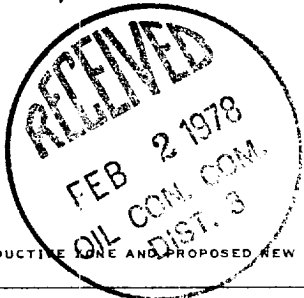
We propose to perforate the Mesaverde Zone and sand-water fracture with 200,000 gals. water and 200,000 lbs. sand in two stages.

A 3000 PSI WP; Series 10" - 900 - adapted to Series 10" - 600 hydraulic blowout preventer equipped with blind and necessary pipe rams, with adequate kill and bleed off lines.

A mud of sufficient weight to control the Fruitland formation will be used; well to be drilled with gas below 7" casing.

Compensated Density Gamma-neutron logs will be run in open hole.

Blow-out preventers will be tested every trip.



*Gas is dedicated*

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed DeLasso Loos Title District Manager Date 1-30-78

(This space for State Use)

APPROVED BY AK Kendrick TITLE SUPERVISOR DIST. #3 DATE FEB 2 1978

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

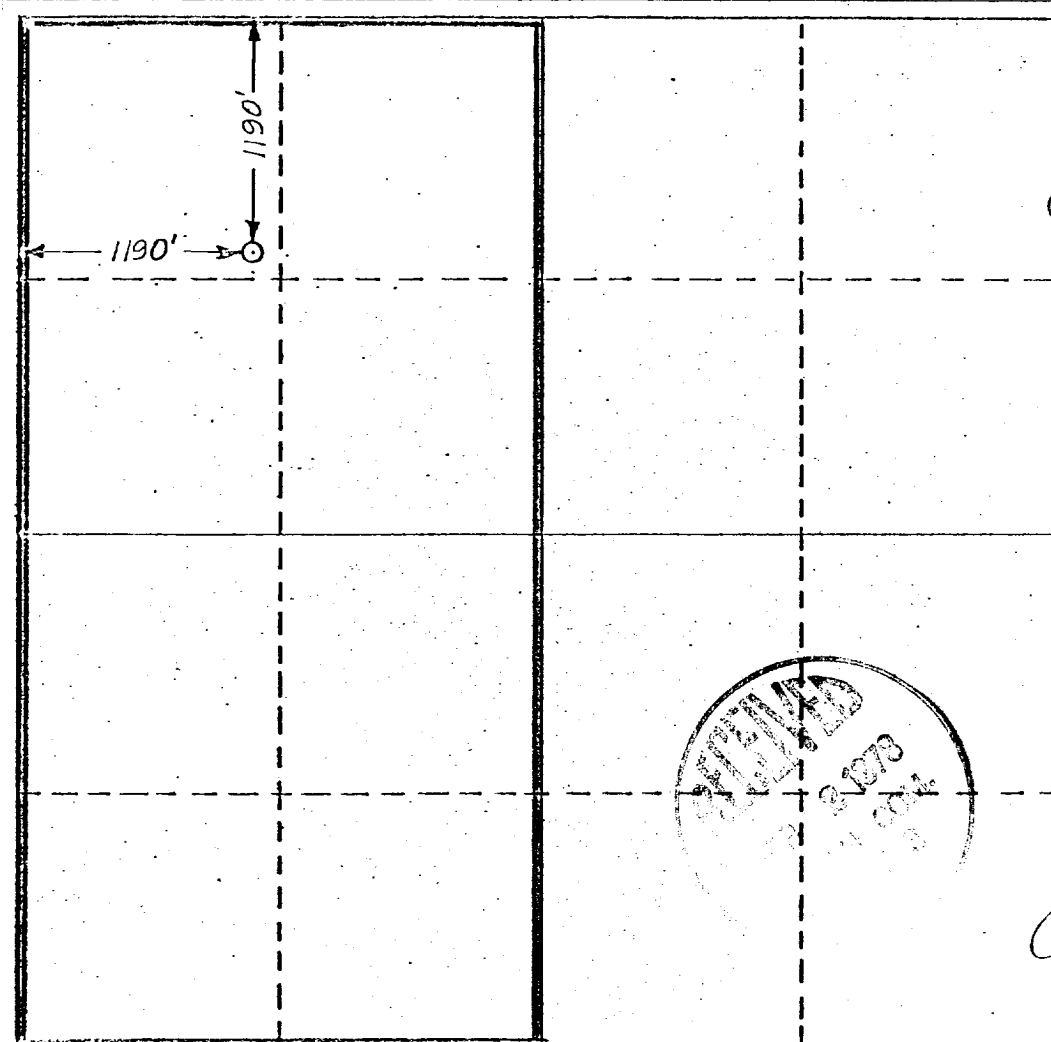
|  |   |                          |                                       |  |                         |
|--|---|--------------------------|---------------------------------------|--|-------------------------|
| Operator<br><b>BLACKWOOD &amp; NICHOLS</b>   |   |                          | Lease<br><b>NORTHEAST BLANCO UNIT</b> |  | Well No.<br><b>39-A</b> |
| Unit Letter<br><b>D</b>  | Section<br><b>36</b>                    | Township<br><b>31 N.</b> | Range<br><b>8W., N.M.P.M.</b>         | County<br><b>SAN JUAN</b>              |                         |
| Actual Footage Location of Well:<br><b>1190</b> feet from the <b>north</b> line and <b>1190</b> feet from the <b>west</b> line |   |                          |                                       |  |                         |
| Ground Level Elev.<br><b>6456 UG</b>   | Producing Formation<br><b>Mesaverde</b> |                          | Pool<br><b>Blanco-Mesaverde</b>       | Dedicated Acreage:<br><b>320</b> Acres |                         |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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

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 Commission.



CERTIFICATION

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

*DeLasso Loos*  
Name

District Manager

Position

Blackwood & Nichols Co., Ltd.

Company

1-30-78

Date

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.

December 8, 1977

Date Surveyed

Registered Professional Engineer  
and/or Land Surveyor

John A. Kroeger, L.S.

Cert. No. 1941

Certificate No.

