

BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

December 6, 1988

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Hearing Examiner
Mr. David R. Catanach

Re: Case No. 9554
Unorthodox Coal Well Location
Northeast Blanco Unit No. 433
680' F/SL, 850' F/WL
Section 19, T30N, R7W
Rio Arriba County, New Mexico

Gentlemen:

Blackwood & Nichols Co., Ltd. requests this case be granted administrative approval or an expeditious hearing order because Meridian Oil Company has withdrawn their objection to this proposed unorthodox location. Attached is a copy of Meridian's letter of December 6, 1988 stating such (Exhibit #1).

For the record, Blackwood & Nichols' requests the Commission to note the following facts in this case.


- 1) Section 19 is of irregular shape and for the Mesaverde Formation, acreage in the SW 1/4 of Section 18 was combined with the W 1/2 of Section 19 to form a gas proration unit; reference: OCD Case #1009 and Order R-753 (Exhibits 2 and 3).
- 2) The No. 433 well was proposed in the SW 1/4 of Section 19 in conformance to Order R-8768; Basin Fruitland Coal Pool Rule No. 7; however: a) rough topography; b) an existing well; c) an existing road/pipeline right of way; and d) the presence of a tunnel which provides water for the Navajo Irrigation Project which starts at Navajo Lake in the SW 1/4 of Section 19 makes it impossible to have the standard distance, 790 feet from the south line. Please note the Bureau of Land Management and Bureau of Reclamation representatives were adamant about not drilling near this irrigation tunnel.
- 3) In March, 1985, Blackwood & Nichols waived objection to Meridian's Howell L #301 unorthodox location which is a corner offsetting section, 685' F/NL, 1650' F/EL, Section 25, T30N, R8W (Exhibits 4 and 5). Please note Meridian's Howell L #301 well's C-102 shows the area's rough terrain and the irrigation tunnel (Exhibit 6).

New Mexico Oil Conservation Division
December 6, 1988
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In summary Blackwood & Nichols proposed the most reasonable location for the No. 433 well and our prehearing discussions with Meridian has been beneficial. We thank the Commission for its cooperation and request approval as soon as possible.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.



William F. Clark
Operations Manager

WFC:ew

Attachments

Exhibits

- 1) Meridian Oil Company's Letter of December 6, 1988
- 2) Northeast Blanco Unit No. 433 - C-102 Form
- 3) Northeast Blanco Unit No. 433 - Acreage Dedication Plat
- 4) Northeast Blanco Unit No. 433 - Area Map
- 5) Northeast Blanco Unit No. 433 - Vicinity Map
- 6) Howell L No. 301 - C-102 Form

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

Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 433
Unit Letter N	Section 19	Township 30 North	Range 7 West	County Rio Arriba
Actual Footage Location of Well: 680 feet from the South line and 850 feet from the West line				
Ground Level Elev. 6354'	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 307.44	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

Note: See attached plat for dedicated acreage.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).

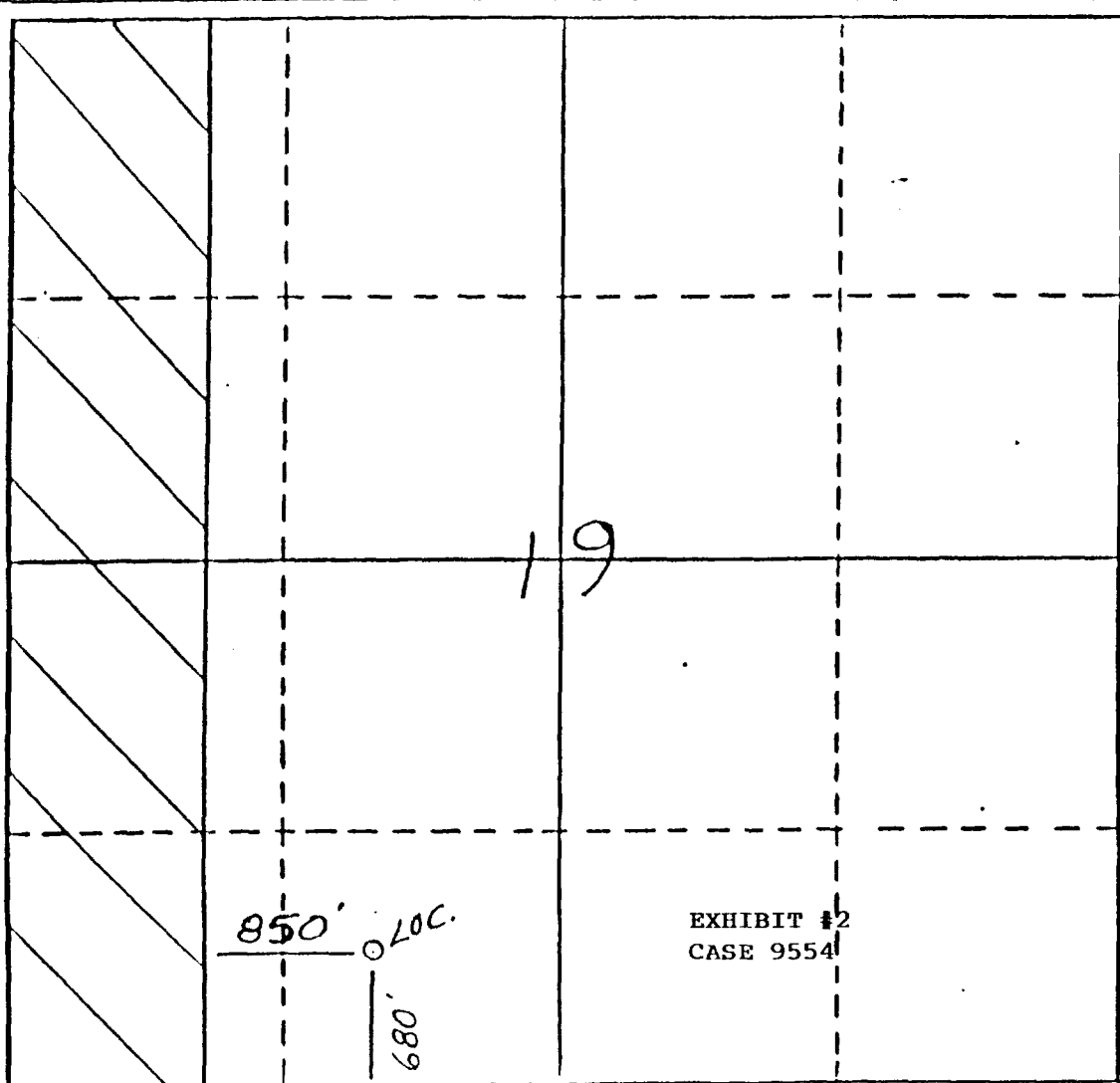
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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 Division.

*Note: Non-standard due to terrain & pipelines.



CERTIFICATION

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

William F. ...

Name

Operations Manager

Position

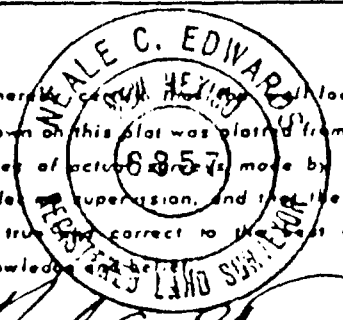
Blackwood & Nichols Co.,

Company

October 18, 1988

Date

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



Neale C. Edwards

Date Surveyed
9-11-88

Registered Professional Engineer and/or Land Surveyor

Neale C. Edwards

Certificate No. 6857

R. 8 W.

R. 7 W.

Case #1005
Order #R-749

T.

Case #1006 31
R-750-A

N.

Case #1007
R-751

Case #1008 J
R-752

30

N.

Case #1009
R-753

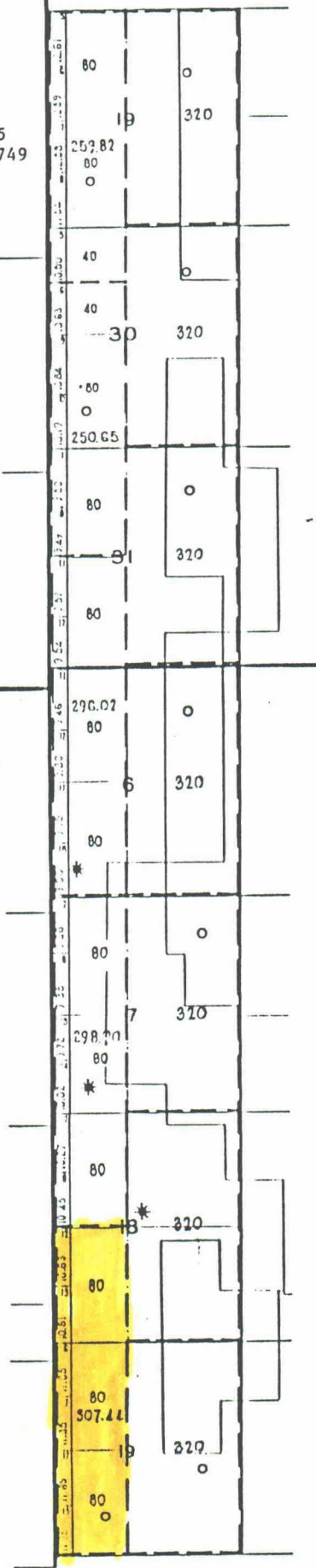
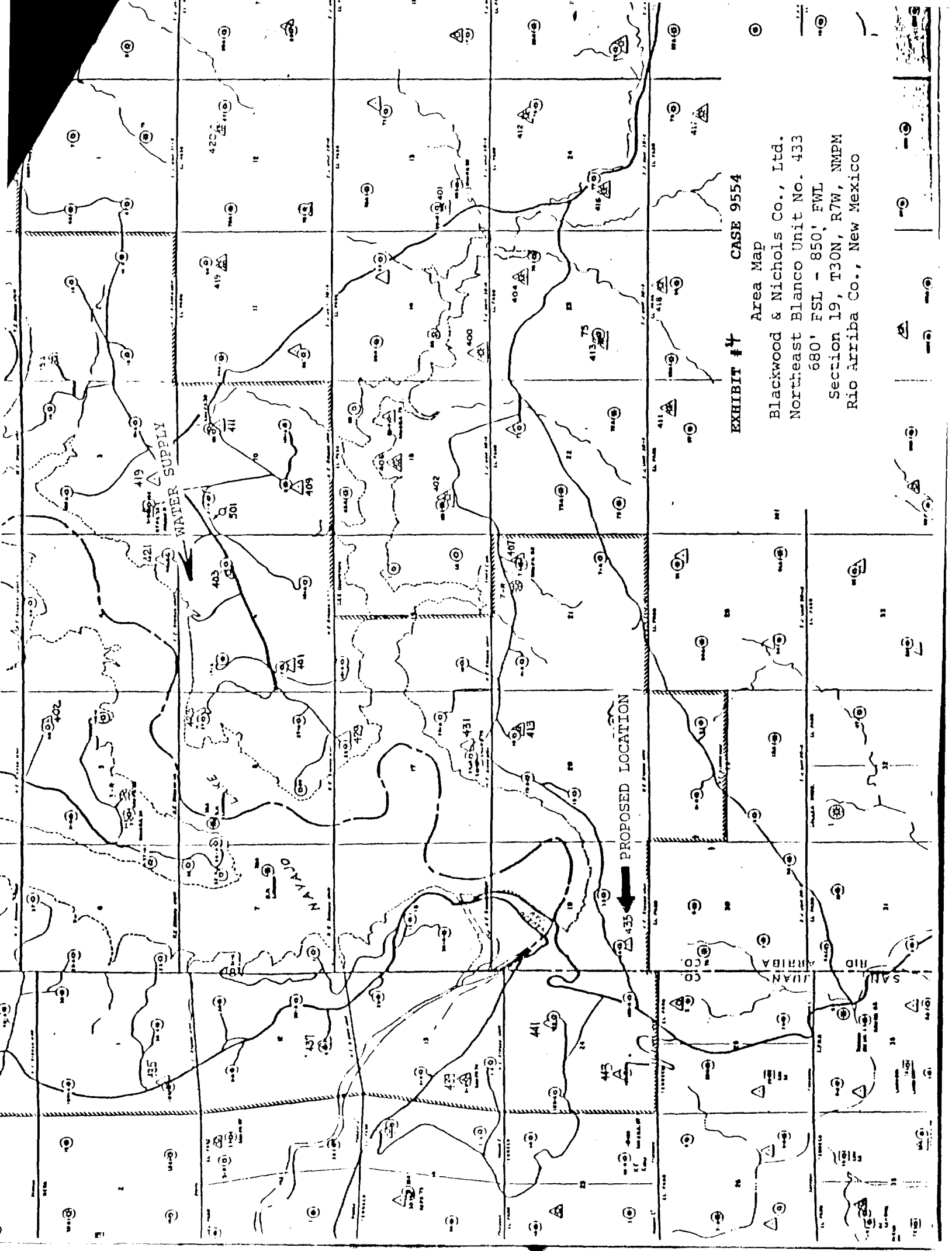


EXHIBIT #3
CASE 9554

— PORTION OF —
**NORTHEAST
 BLANCO
 UNIT**
 SAN JUAN & RIO ARRIBA
 COUNTIES
 NEW MEXICO

- Completed Oil Well
- Location or Drilling Well
- ◇ Dry Hole
- ▣ Abandoned Location
- * Gas Well

SCALE: 1" = 3000' DAM SITE

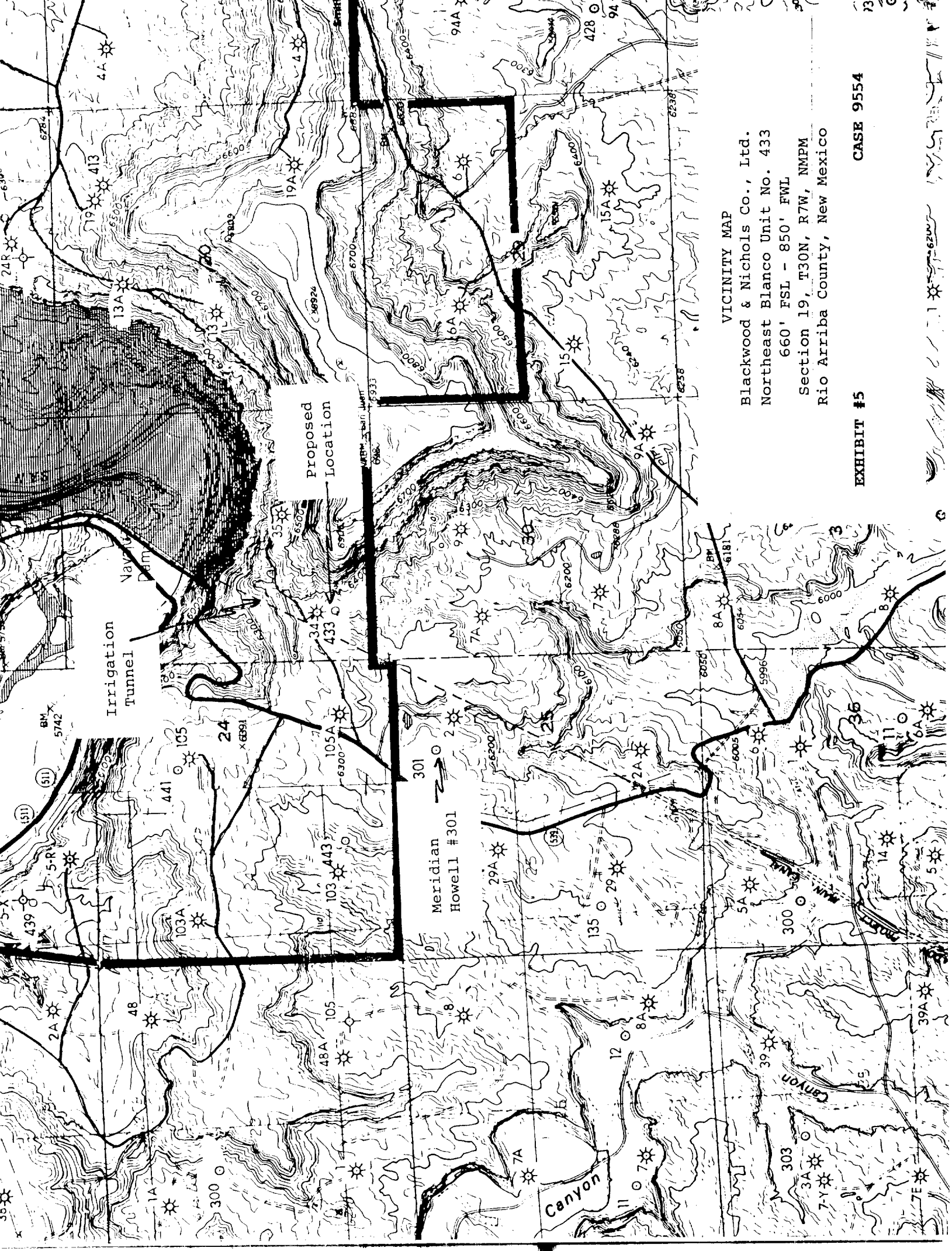


WATER SUPPLY

PROPOSED LOCATION

EXHIBIT #4

CASE 9554
Area Map
Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 433
680' FSL - 850' FWL
Section 19, T30N, R7W, NMPM
Rio Arriba Co., New Mexico



Irrigation Tunnel

Proposed Location

Meridian Howell #301

VICINITY MAP

Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 433

660' FSL - 850' FWL
Section 19, T30N, R7W, NMPM
Rio Arriba County, New Mexico

EXHIBIT #5

CASE 9554

MERIDIAN OIL

March 23, 1988

Mr. William LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Dear Mr. LeMay:

This is a request for administrative approval for an unorthodox gas well location in the Undesignated Fruitland Pool.


It is intended to locate the Meridian Oil Inc.'s Howell L #301 at 685' from the North line and 1650' from the East line of Section 25, T-30-N, R-8-W, San Juan County, New Mexico.

Extremely rough terrain, pipelines, and irrigation tunnel makes it impossible to build an orthodox location in the southwest quarter of this section.

A copy of this application is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection, and return one copy to this office.

Plats showing the proposed well location and the terrain in Section 25, along with an ownership plat, are attached.

Sincerely yours,



Peggy Doak

encl.

WAIVER

Blackwood & Nichols hereby waives objection to Meridian Oil Inc.'s application for an unorthodox location for their Howell J #300 as proposed above

By: William F. Clark

Date: March 25, 1988

cc: Tenneco Oil
Blackwood & Nichols

EXHIBIT #6A

CASE 9554

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

Operator MERIDIAN OIL, INC.		Lease HOWELL L (SF-078385A)			Well No. 301
Unit Letter B	Section 25	Township 30-N	Range 8-W	County SAN JUAN	
Actual Footage Location of Wells: 685 feet from the NORTH line and 1650 feet from the EAST line					
Ground Level Elev. 6282	Producing Formation Fruitland		Pool Undesignated	Dedicated Acreage: 160 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 _____

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.

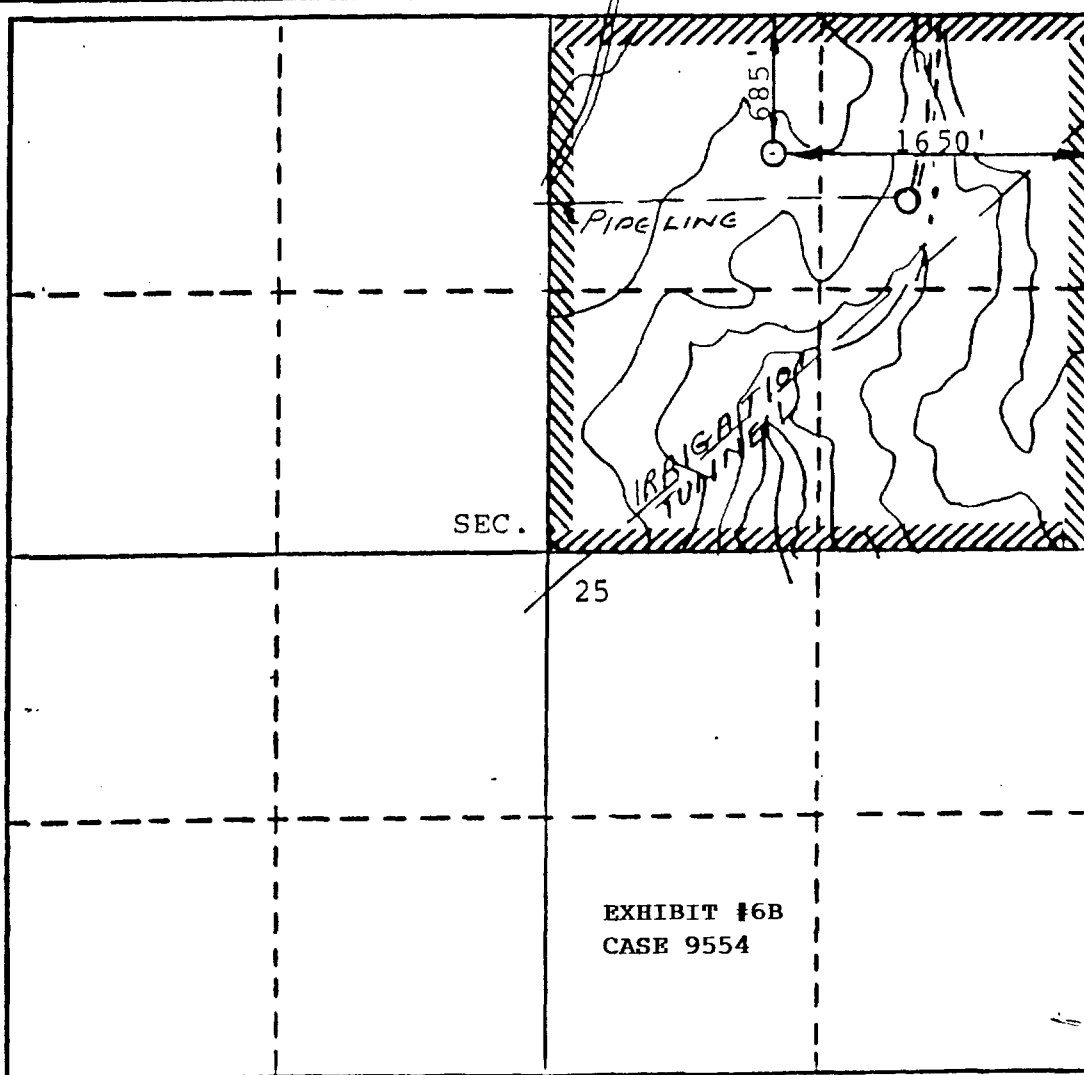


EXHIBIT #6B
CASE 9554

CERTIFICATION

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

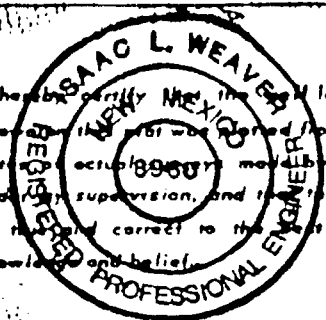
Name
Drilling Clerk

Position
Meridian Oil Inc.

Company

Date

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



FEBRUARY 9, 1988

Date Surveyed
ISAAC L. WEAVER

Registered Professional Engineer
and/or Land Surveyor

Certificate No.
8966