

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
JOHN H. BEMIS  
WILLIAM P. SLATTERY  
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JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

November 27, 1989

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case No. 9819:  
Application of Blackwood & Nichols Co. Ltd., for Compulsory Pooling and  
an Unorthodox Gas Well Location, San Juan and Rio Arriba Counties, New  
Mexico


Oil Conservation Division Case No. 9820:  
Application of Blackwood & Nichols Co. Ltd., for Compulsory Pooling and  
a Non-Standard Gas Proration Unit, San Juan County, New Mexico

Dear Mr. LeMay:

Blackwood & Nichols Co. Ltd., hereby requests that the above-referenced cases scheduled  
for hearing before a Division Examiner on November 29, 1989 be continued to the  
Examiner hearings scheduled for January 10, 1990.

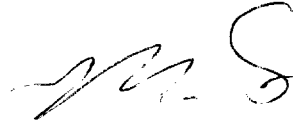
Your attention to this request is appreciated.

Very truly yours,

  
WILLIAM F. CARR

WFC:mlh

cc: Mr. Steve Cromwell  
Devon Energy Corp.  
1500 Mid-America Tower  
Oklahoma City, Oklahoma 73102



NOV 27 1989  
OIL CONSERVATION DIVISION



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

GARREY CARRUTHERS  
GOVERNOR

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Date: 10-17-89

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

*Can No.  
9818*

Re: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL X \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 9-28-89  
for the Blackwood Nichols W.F. B. II. # 440  
Operator Lease & Well No.

B-11-31N-7W and my recommendations are as follows:  
Unit, S-T-R

Re: Rejected For Hearing  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

E. R. Beal

KELLAHIN, KELLAHIN and AUBREY  
*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

Fax: 505/982-2047

October 12, 1989

HAND DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RECEIVED

OCT 12 1989

OIL CONSERVATION DIVISION

9818

Re: Application of Blackwood & Nichols  
Co., Ltd., for Administrative  
Approval of an Unorthodox Basin  
Fruitland Coal Gas Well Location,  
Northeast Blanco Unit Well No. 440,  
530 feet FNL and 2135 feet FEL,  
Section 11, T31N, R7W,  
San Juan County, New Mexico

Dear Mr. LeMay:

By letter dated September 26, 1989, Blackwood & Nichols  
Co., Ltd., have advised Quinoco Petroleum, Inc., of a re-  
quest for an unorthodox well location. A copy of that let-  
ter is attached.

On behalf of Quinoco Petroleum, Inc., and in accordance  
with Division Rules 104(f), this letter constitutes  
Quinoco's timely objection to the proposed well location.  
We request that this Administrative application be denied.

Very truly yours

W. Thomas Kellahin

WTK/tic  
Encl.

cc: William F. Carr, Esq.  
Campbell & Black  
P.O. Box 2208  
Santa Fe, New Mexico 87504

Quinoco Petroleum, Inc.  
P.O. Box 37811  
Denver, Colorado 80237

Blackwood & Nichols Co., Ltd.  
P.O. Box 1237  
Durango, Colorado 81302-1237

KELLAHIN, KELLAHIN and AUBREY  
*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
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Jason Kellahin  
Of Counsel

Santa Fe, New Mexico 87504-2265

Fax: 505/982-2047

October 12, 1989

HAND DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

RECEIVED

OCT 18 1989

OIL CONSERVATION DIVISION

Re: Application of Blackwood & Nichols  
Co., Ltd., for Administrative  
Approval of an Unorthodox Basin  
Fruitland Coal Gas Well Location,  
Northeast Blanco Unit Well No. 440,  
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Section 11, T31N, R7W,  
San Juan County, New Mexico

9818

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Very truly yours,

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WTK/tic  
Encl.

cc: William F. Carr, Esq.  
Campbell & Black  
P.O. Box 2208  
Santa Fe, New Mexico 87504

Quinoco Petroleum, Inc.  
P.O. Box 37811  
Denver, Colorado 80237

Blackwood & Nichols Co., Ltd.  
P.O. Box 1237  
Durango, Colorado 81302-1237

## BLACKWOOD &amp; NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

RECEIVED

September 26, 1989

SEP 26 1989

WESTERN REGION

Quinoco

4582 South Ulster Street Parkway, Suite 1700  
Denver, Colorado 80237

Attention: Ms. Kathleen Volk

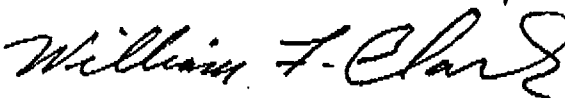
Re: Unorthodox Gas Well Location  
Northeast Blanco Unit Well No. 440  
530' FNL, 2135' FEL  
Section 11, T31N, R7W  
San Juan County, New Mexico

Dear Ms. Volk:

The Northeast Blanco Unit Well No. 440 is proposed to be drilled in 1989. Your cooperation is appreciated. Please give me or Jim Abbey a call if you have any questions concerning our unorthodox location or future offset development.

Sincerely,

BLACKWOOD &amp; NICHOLS CO., LTD.



William F. Clark  
Operations Manager

Attachment

OIL CONSERVATION DIVISION  
RECEIVED

**BLACKWOOD & NICHOLS CO., LTD.**

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

'89 OCT 16 AM 9 52

(303) 247-0728

October 12, 1989

Quinoco  
4582 S. Ulster Street Parkway  
Suite 1700  
Denver, CO 80237

Attn: Kathleen Volk

Re: Non-Standard Location  
NEBU Well No. 440  
530' FNL, 2135' FEL 7  
Section 11, T31N, R6W  
San Juan County, New Mexico

Dear Ms. Volk:

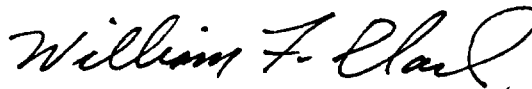
During our telephone conversation on October 11, 1989, you informed me that Blackwood & Nichols had not provided Quinoco with the attachments sited in the September 26 letter to Mr. William LeMay. I apologize for this oversight. Enclosed are copies of the C-102, a vicinity map and the archaeological report for your review.

In addition, I have prepared a Topography Plat and an Area Map which shows existing and proposed wells. The majority of the northeast of Section 11 consists of the Negro Andy Canyon which has caused the existing wells, Nos. 65 and 202, to be located in the NW 1/4 of the NE 1/4. Immediately north of the No. 65 well is a significant archaeological site which has caused us to move the proposed No. 440 further north to a non-standard footage of 535'.

Hopefully this information will enable you to understand the basis for the non-standard location request. If you have additional questions, please advise.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.



William F. Clark  
Operations Manager

WFC:ew

Attachments

cc: Mr. William LeMay  
New Mexico Oil Conservation Division

BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

September 26, 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 Well No. 440  
530' FNL, 2135' FEL  
Sec. 11, T31N, R7W, San Juan County, NM

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 archaeology and topography. A vicinity map, archaeological report, and C-102 are attached for your reference. The current location is bounded on the south by archaeological site MAR-89-48. Well locations NEBU #65 and NEBU #202 along with Negro Andy Canyon occupy the south and west sides of the well spotting window. The proposed location is close to existing well locations and roads which will sponsor less environmental impact to the area. The north half of Section 11, T31N, R7W will be dedicated to this well.

A copy of this application is being submitted to Quinoco (offset Operator) 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.

Faithfully submitted,

BLACKWOOD & NICHOLS CO., LTD.



William F. Clark  
Operations Manager

Attachments  
cc: Quinoco

WAIVER:

\_\_\_\_\_ hereby waives objection to Blackwood & Nichols Co., Ltd.'s application for an unorthodox location for their NEBU No. 440 as proposed above.

By: \_\_\_\_\_ Date: \_\_\_\_\_

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

RICHI  
Box 1980, Hobbs, NM 88240

RICHI  
Drawer DD, Artesia, NM 88210

RICHI  
Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Blackwood & Nichols Co., LTD.			Lease Northeast Blanco Unit		Well No. 440
Letter	Section	Township	Range	County	
	11	31 North	7 West	San Juan	
NMPM					
Well Location of Well:					
30	feet from the North	line and	2135	feet from the East	line
and level Elev.	Producing Formation		Pool		Dedicated Acreage:
475'	Fruitland Coal		Basin Fruitland Coal		320.00 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

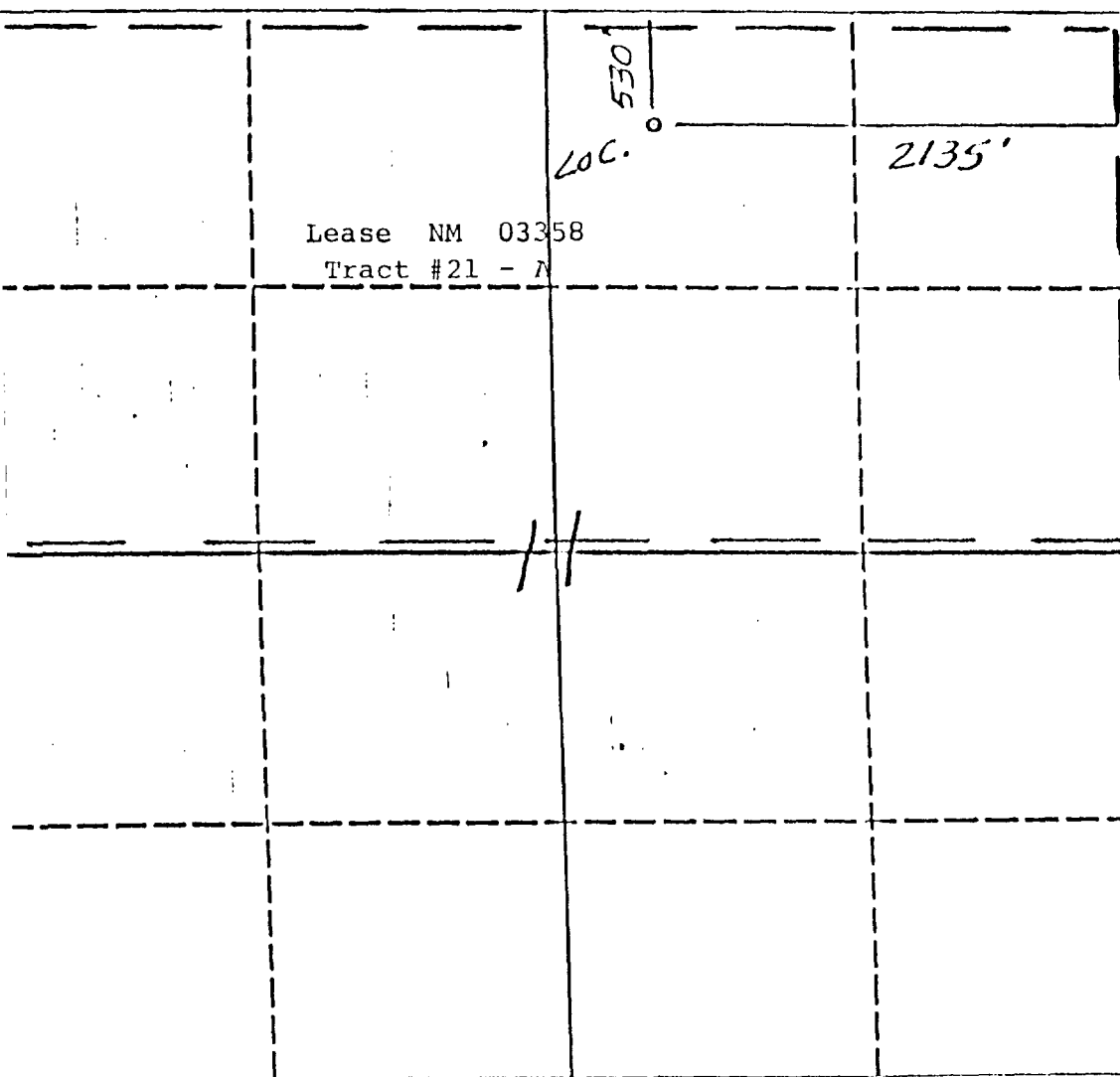
☐ Yes

☐ No

If answer is "yes" type of consolidation N/A

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

Date

August 9, 1989

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, 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

8-11-89

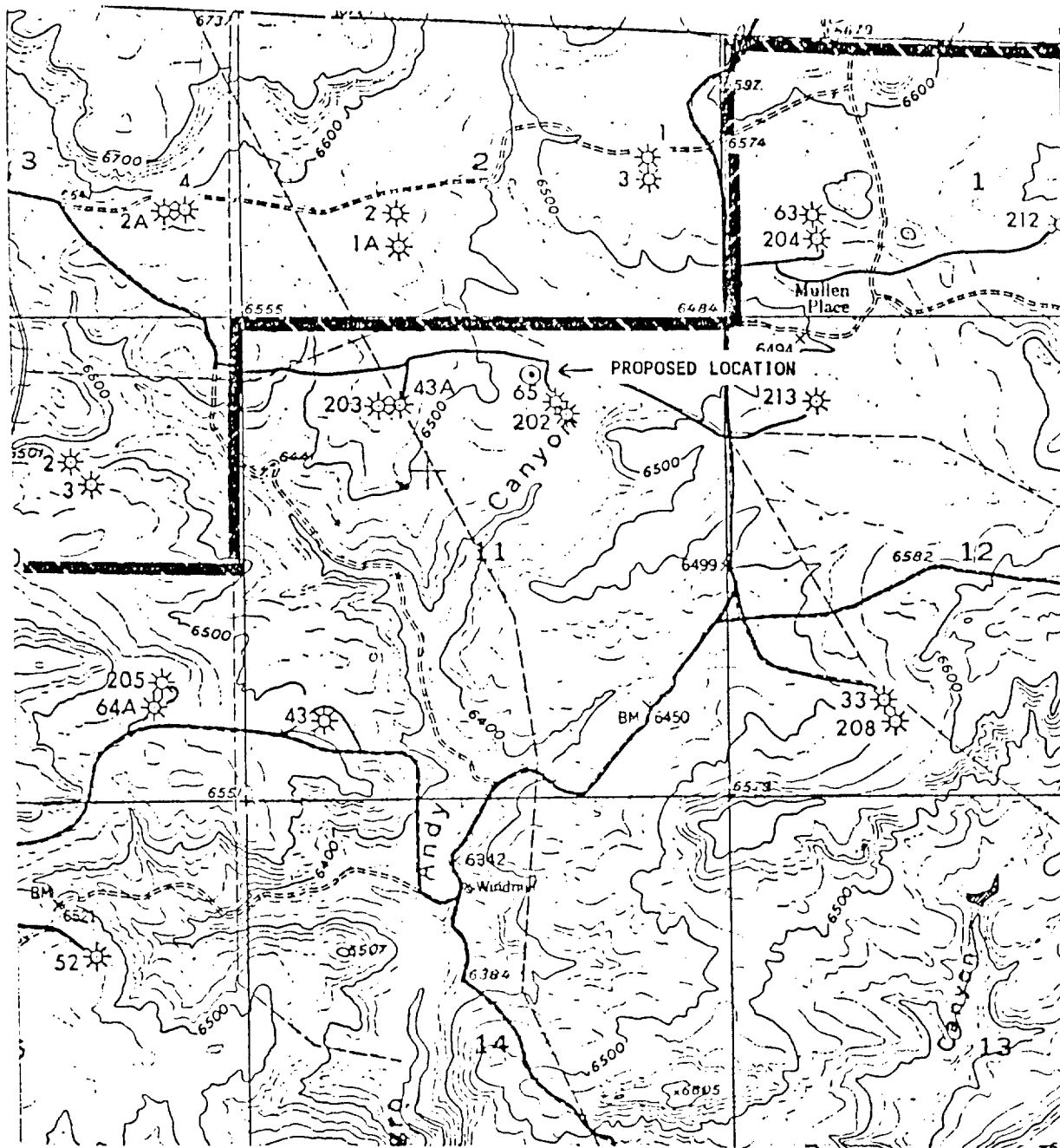
Signature & Seal of Professional Surveyor

*W. C. Edwards*

Certificate No.

6857



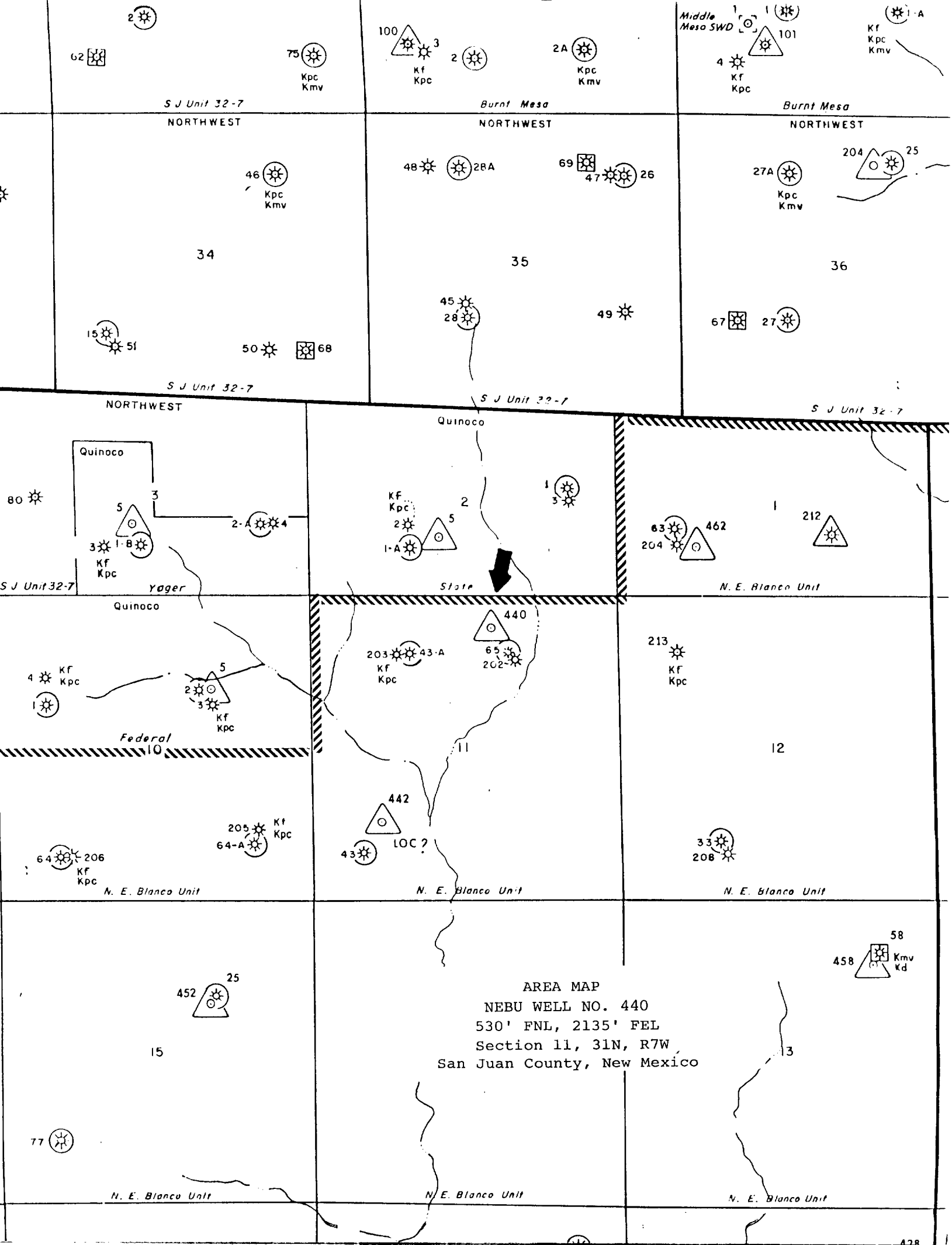


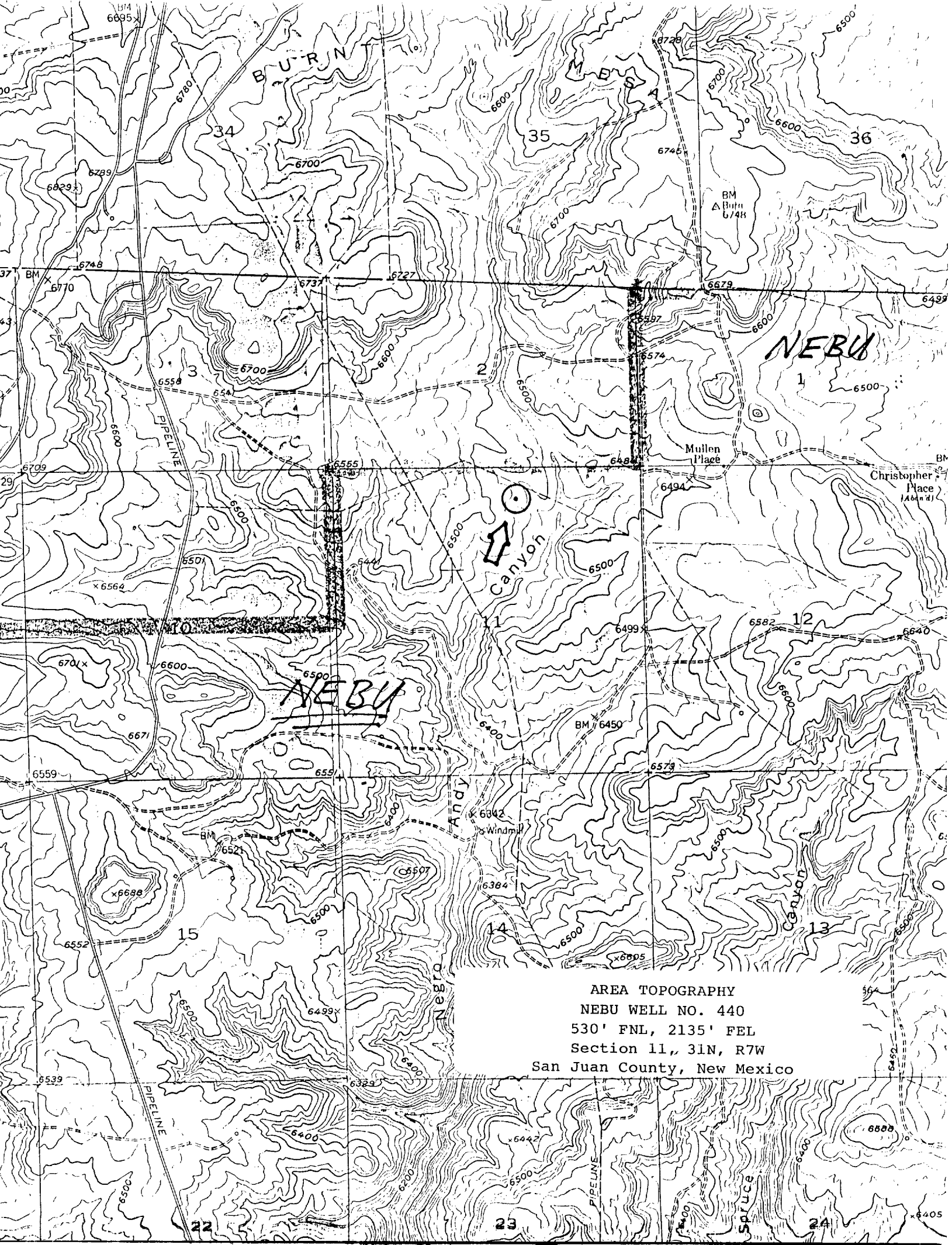
T  
31  
N

R7W

# VICINITY MAP

Blackwood & Nichols Co., Ltd.  
 Northeast Blanco Unit No. 440  
 530' FNL, 2135' FEL  
 Section 11, T31N, R7W  
 San Juan County, New Mexico





AREA TOPOGRAPHY  
NEBU WELL NO. 440  
530' FNL, 2135' FEL  
Section 11, 31N, R7W  
San Juan County, New Mexico

## PROJECT AREA

Alternate Northeast Blanco Unit 440

Legal Description: T. 31N, R. 7 W, Section 11, NW1/4 NW1/4 NE1/4  
 Section 11, 530' F/NL, 2135' F/EL

New Mexico Prime Meridian, San Juan County, New Mexico, 6475' Elevation

Map Source: U.S.G.S. 7.5' Burnt Mesa, New Mexico 1954 (Photorevised 1971)

Land Jurisdiction: Bureau of Land Management, Farmington Resource Area

Project Area: 350' x 250' (Well Pad)

450' x 350' (Well pad with construction zone)

Surveyed Area: 650' x 550' (Well pad with construction and buffer zones)  
 8.21 Acres

Environment: The proposed location is on a rolling mesa top (Figure 1). The thick soil supports a scrubland (15-30% cover) of sagebrush, grama and galleta grass, snakeweed and some pinyon pine.

Project Description: This is a proposed alternate gas well location. The original location (T31N, R7W, Sec. 11, 715' F/NL, 1915' F/WL) was abandoned for non-archaeological reasons and is reported in M.A.R. Report 89-41E. The east side of this proposed location borders on NEBU # 63 and access will be from an existing road to the northeast.

Cultural Resources: One archaeological site and five isolated loci (IL) were found during the survey (Figure 2 and Table 1). Documentation of the ILs has sufficiently exhausted their research potential for this project.

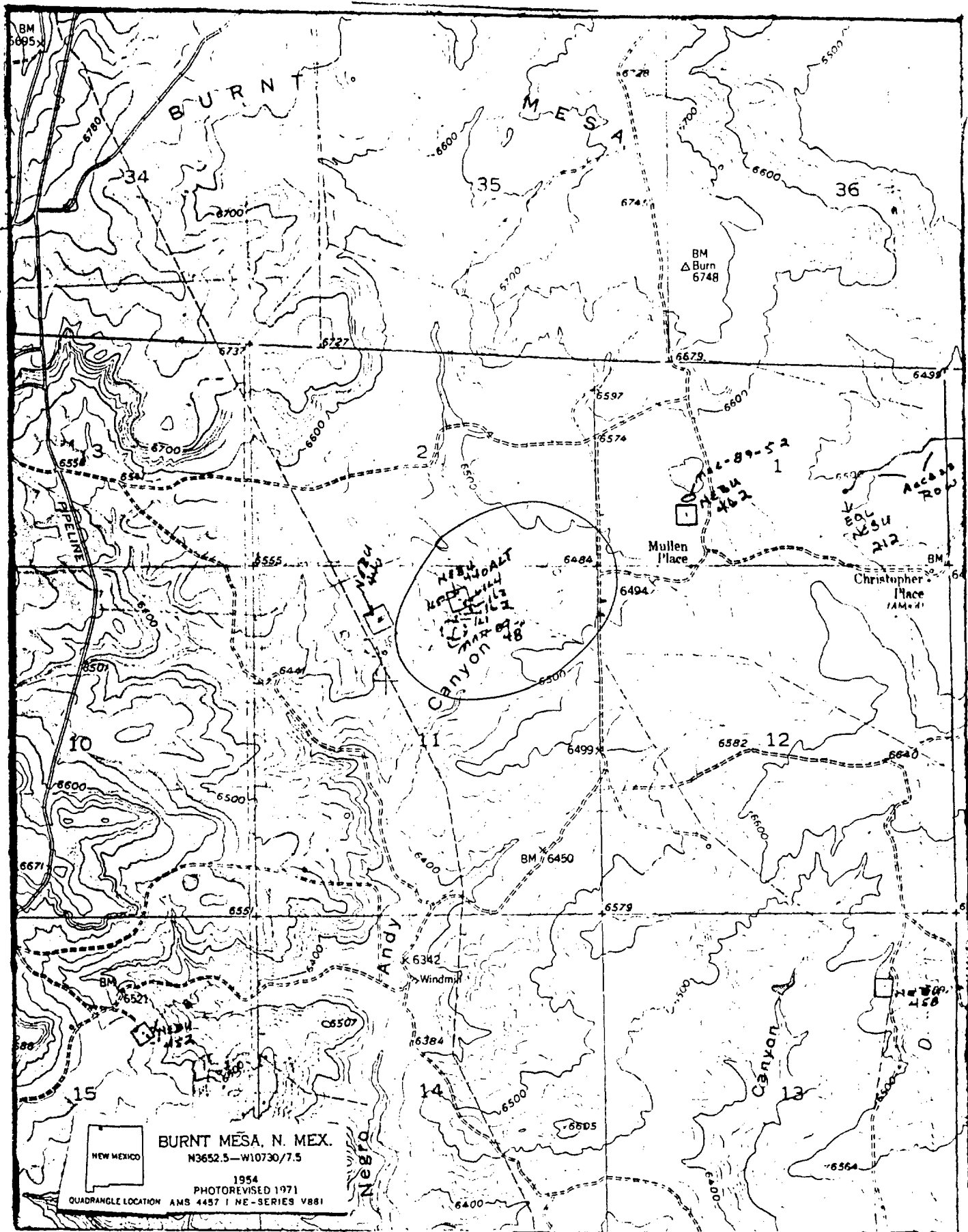
Site MAR-89-48 is a habitation site, from which both hunting and gathering activities seemed to have been conducted. There is a concentration of burned adobe with beam marks which seem to represent a structure of some kind. No ceramics were found. The lithic artifacts are primarily flaked stone but there are also 3 fragments of groundstone, there is the tip of a Jemez obsidian point and a small concretion which may have functioned as a bowl. Lithic materials include chert, obsidian, quartzite and sandstone. There may be intact buried deposit therefore the site may be eligible for nomination to the National Register of Historic Places.

Recommendations: Archaeological clearance is recommended with the stipulation that all construction near site MAR-89-48 be monitored.

## REFERENCES

Moore, Susan K.

1989 An archaeological survey of proposed well location Northeast Blanco Unit 440 on Burnt Mesa, San Juan County, New Mexico. MAR Technical Report No. 89-41E



640 acre Sections

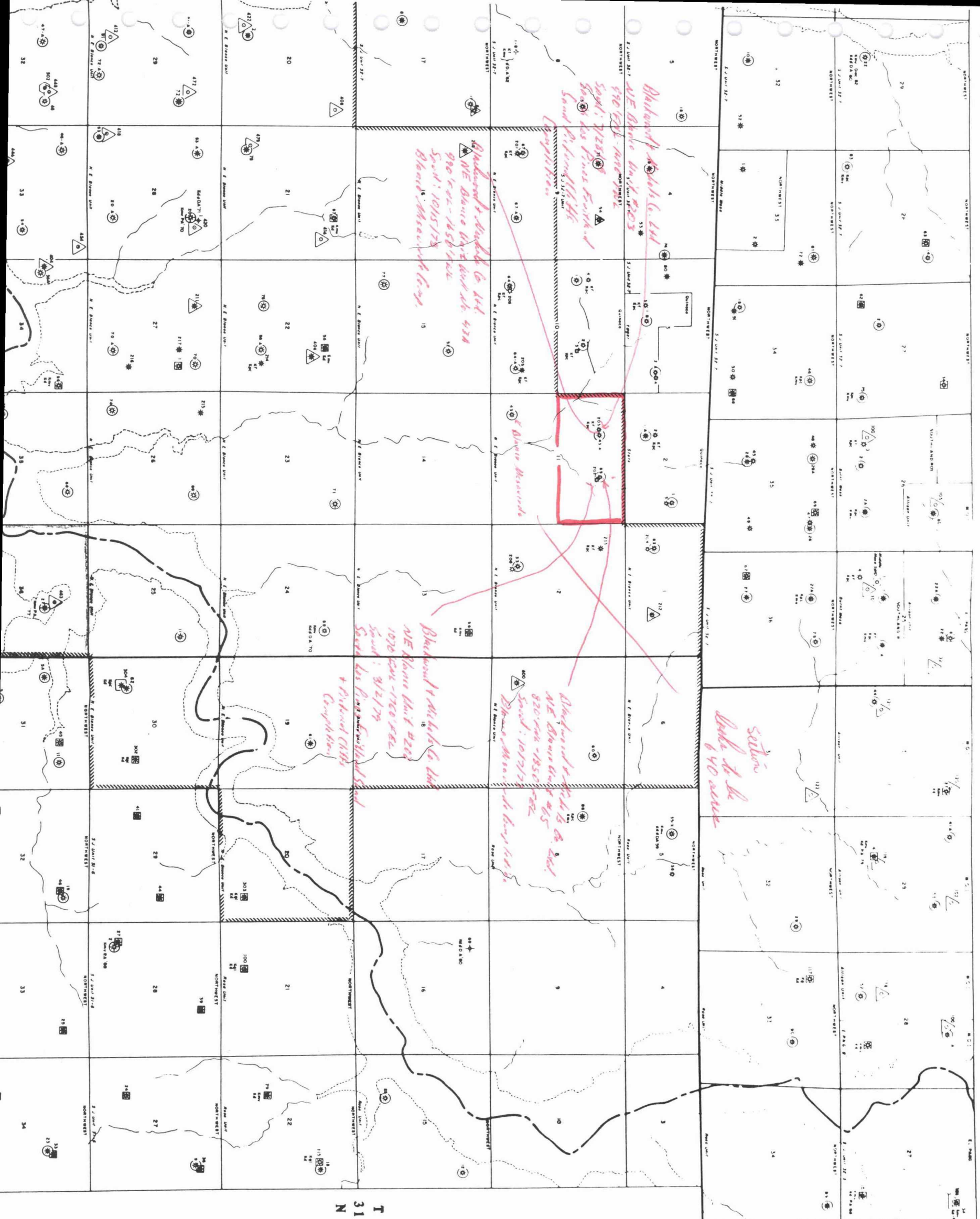

SECTION 11

TOWNSHIP 31 North

RANGE 7 West



R 6 W

32  
N



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

October 13, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

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

Attention: William F. Clark  
Operations Manager

RE: Unorthodox Gas Well Location Application,  
Northeast Blanco Unit Well No. 440; 530' FNL -  
2135' FEL (Unit B), Section 11, Township 31  
North, Range 7 West, NMPM, Basin-Fruitland  
Coal Gas Pool, San Juan County, New Mexico.

Dear Mr. Clark:

The subject application was received by this agency on September 29, 1989. On October 12, 1989 an objection to this matter was filed by Quinoco Petroleum, Inc. This objection was filed in a timely manner and pursuant to Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool. Therefore this case will be placed on the next available docket for hearing before a Division Examiner, presently scheduled for November 15, 1989.

At that time please be prepared to submit evidence regarding the topographical and archeological conditions, preferably with testimony from the Bureau of Land Management; the feasibility of directional drilling and provisions for a restriction on production in order to protect correlative rights. Notice should be given as required in General Rule 1207.

If you should have any questions, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington  
William J. LeMay  
Robert G. Stovall  
Victor T. Lyon  
Quinoco Petroleum, Inc.  
W. Thomas Kellahin



KELLAHIN, KELLAHIN and AUBREY

*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4235  
Area Code 505

Fax: 505/982-2047

Jason Kellahin  
Of Counsel

October 12, 1989

HAND DELIVERED

Mr. William J. LeMay  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

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San Juan County, New Mexico

RECEIVED

OCT 12 1989

OIL CONSERVATION DIVISION

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On behalf of Quinoco Petroleum, Inc., and in accordance with Division Rules 104(f), this letter constitutes Quinoco's timely objection to the proposed well location. We request that this Administrative application be denied.

Very truly yours

  
W. Thomas Kellahin

WTK/tic  
Encl.

cc: William F. Carr, Esq.  
Campbell & Black  
P.O. Box 2208  
Santa Fe, New Mexico 87504

Quinoco Petroleum, Inc.  
P.O. Box 37811  
Denver, Colorado 80237

Blackwood & Nichols Co., Ltd.  
P.O. Box 1237  
Durango, Colorado 81302-1237

## BLACKWOOD &amp; NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728

September 26, 1989

RECEIVED

SEP 28 1989

WESTERN REGION

Quinoco  
4582 South Ulster Street Parkway, Suite 1700  
Denver, Colorado 80237

Attention: Ms. Kathleen Volk

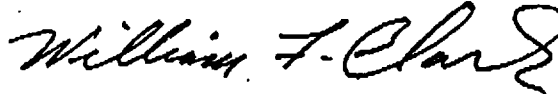
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San Juan County, New Mexico

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Sincerely,

BLACKWOOD &amp; NICHOLS CO., LTD.



William F. Clark  
Operations Manager

Attachment

BLACKWOOD & NICHOLS CO., LTD.  
P.O. BOX 1237  
DURANGO, COLORADO 81302-1237

(303) 247-0728

November 13, 1989

OIL CONSERVATION DIVISION  
RECEIVED  
89 NOV 17 AM 8 50

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. 440  
530' FNL, 2135' FEL  
Sec. 11, T31N, R7W, San Juan County, NM

Dear Mr. LeMay:

By letter of September 26, 1989, Blackwood & Nichols Co., Ltd. requested administrative approval of a nonstandard location for the referenced well. This matter was set for hearing as Case No. 9818 for November 15, 1989.

Blackwood & Nichols hereby requests this case be dismissed. After extensive archaeological work a suitable standard location was staked.

Thank you for your cooperation in this matter.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.

*William F. Clark*

William F. Clark  
Operations Manager

Attachments

cc: Quinoco



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

December 7, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Mr. William F. Carr  
Campbell & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 9818  
ORDER NO. R-9070

Applicant:

~~Blackwood & Nichols Co., Ltd.~~

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other Thomas Kellahin