

CAMPBELL & BLACK, P.A.
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TELEPHONE: (505) 988-4421
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November 3, 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

RECEIVED

NOV - 3 1989

OIL CONSERVATION DIVISION

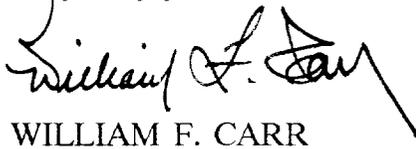
Case 9819

Re: In the Matter of the Application of Blackwood & Nichols Co., Ltd., for
Compulsory Pooling and an Unorthodox Gas Well Location, San Juan and
Rio Arriba Counties, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the above-referenced Application of Blackwood & Nichols Co.,
Ltd. Blackwood & Nichols respectfully requests that this matter be placed on the docket
for the Examiner hearings scheduled on November 15, 1989.

Very truly yours,


WILLIAM F. CARR

WFC:mtb

Enclosures

cc w/enclosures: Mr. Steve Cromwell
Devon Energy Corporation
1500 Mid-America Tower
Oklahoma City, Oklahoma 73012

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
BLACKWOOD & NICHOLS CO. LTD., FOR
COMPULSORY POOLING AND AN UNORTHODOX
GAS WELL LOCATION, SAN JUAN AND
RIO ARriba COUNTIES, NEW MEXICO.

NOV 1978
OIL CONSERVATION DIVISION

CASE NO. 9819

APPLICATION

BLACKWOOD & NICHOLS CO. LTD., hereby makes application to the Oil Conservation Division pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all of the mineral interests from the surface to the base of the Fruitland formation, Basin-Fruitland Coal Gas Pool, for any and all formations and/or pools developed on 320-acre spacing under the W/2 of Section 4, Township 30 North, Range 7 West, N.M.P.M., San Juan and Rio Arriba Counties, New Mexico, and approving an unorthodox coal gas well location, and in support thereof states:

1. Applicant owns approximately 75% of the working interest in and under the proposed pooled unit comprised of the W/2 of Section 4, and Applicant has the right to drill thereon.
2. Applicant also seeks an exception to the provisions of Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to permit it to drill its Northeast Blanco Unit Well No. 424 in the NW/4 of Section 4 at a location 2075 feet from the North line and 1330 feet from the West line.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the W/2 of said Section 4 except for the following owners of working interest:

Robert C. Witten
535 East 86th Street
New York, New York 10028

Robert C. Witten and Frederick S. Nathan
Co-Personal Representatives of the Estate
of Barbara Y. Witten, Deceased
535 East 86th Street
New York, New York 10028

Morris Mizel and Floral Mizel
6560 East 41st Street
Tulsa, Oklahoma 74145

Sam Mizel and Deanna Mizel
Post Office Box 6754
Abilene, Texas 79608

Myran Gimp Raffkind and Daniel Raffkind
3800 Danbury Street
Amarillo, Texas 79109

Judy Gimp Zweiback
9008 Pacific
Omaha, Nebraska 68114

4. Said pooling of interests and approval of an unorthodox gas well location will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

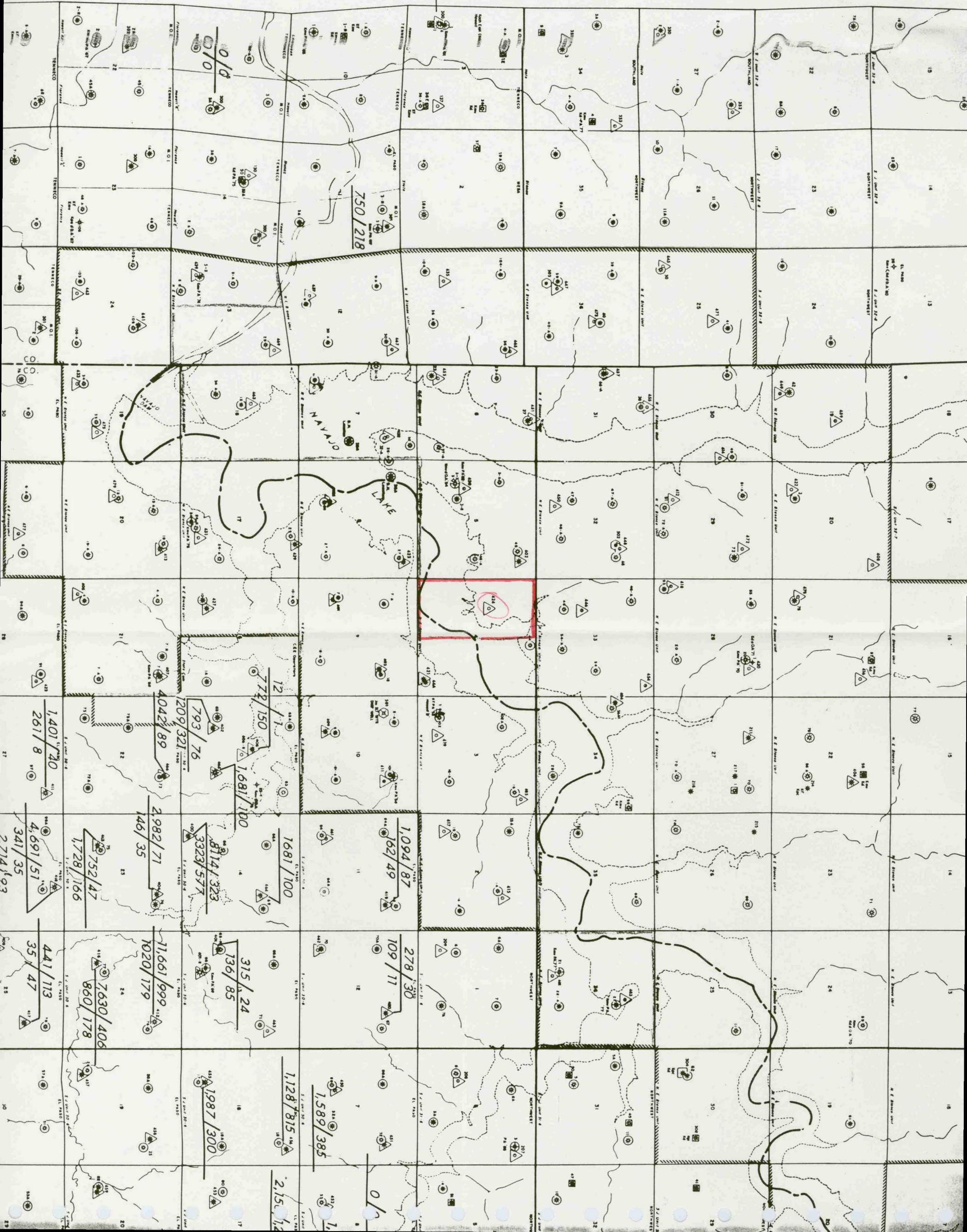
WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 15, 1989, and that after notice and hearing as required by law, the Division enter its order approving an unorthodox location for the Northeast Blanco Unit Well No. 424 and pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR BLACKWOOD &
NICHOLS CO. LTD.



750/218

422

1,401/20
261/8

4042/89

793/76
209/321

772/150
1681/100

1,094/87
162/49

2,982/71
146/35

8114/323
3323/577

1681/100

278/30
109/11

11,661/999
1020/179

315/24
136/85

7630/406
860/178

1,589/385

1,128/815

1987/300

2,150/12

0/0

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-045-27243

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 FARMINGTON RESOURCE AREA
 FARMINGTON, NEW MEXICO SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Blackwood & Nichols Co., Ltd.

3. ADDRESS OF OPERATOR
 P.O. Box 1237, Durango, Colorado 81302-1237

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 2100' FNL - 1330' FWL
 At proposed prod. zone: same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 16 miles NE of Blanco, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit hse, if any)
 540'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2450'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6140 GL

6. LEASE DESIGNATION AND SERIAL NO.
 SF079043
 8. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 Northeast Blanco
 8. FARM OR LEASE NAME
 Northeast Blanco Unit
 9. WELL NO.
 424
 10. FIELD AND POOL, OR WILDCAT
 Basin Fruitland Coal
 11. SEC., T., R., M., OR B.L.R. AND SURVEY OR AREA
 Sec. 4, T30N, R7W, NMI'M
 12. COUNTY OR PARISH
 San Juan
 13. STATE
 NM

16. NO. OF ACRES IN LEASE
 2314.56

17. NO. OF ACRES ASSIGNED TO THIS WELL
 W/ 319.38

10. PROPOSED DEPTH
 3016'

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 April 1, 1989

This action is subject to technical review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4.

PROPOSED CASING AND CEMENTING PROGRAM

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"
 207 cuft to circulate
 781 cuft to circulate
 39 cuft to circulate

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	9 5/8"	36#	300'
8 3/4"	7"	23#	2790'
6 1/4"	5 1/2"	17#	2690'-3016'

Propose to spud in the San Jose formation. Will drill a 12 1/4" surface hole to a TD of 300'. Run and cement surface casing with cement, returns to surface. WOC 12 hours. Test to 600 psi. Drill a 8 3/4" hole to a TD of 2790' using fresh water mud. No poisonous gases or abnormal pressures are anticipated. Casing will be run and cemented with cement returns to surface. Release drilling rig, move in completion rig. Test to 1500 psi. Drill a 6 1/4" hole to a TD of 3016' using water and air. Run a production liner. The liner may or may not be cemented, depending on hole conditions.

RECEIVE

This APD requests a gas pipeline ROW as shown on the attached Vicinity Map MAR 21 1989

Surface ownership is Bureau of Reclamation

**OIL CON. DIV
DIST. 3**

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNER: William F. Clark TITLE: Operations Manager DATE: Jan 23, 1989

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ APPROVED AS AMENDED

CONDITIONS OF APPROVAL, IF ANY:

NMCC

MAR 17 1989

*See Instructions On Reverse Side

AREA MANAGER

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-77

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

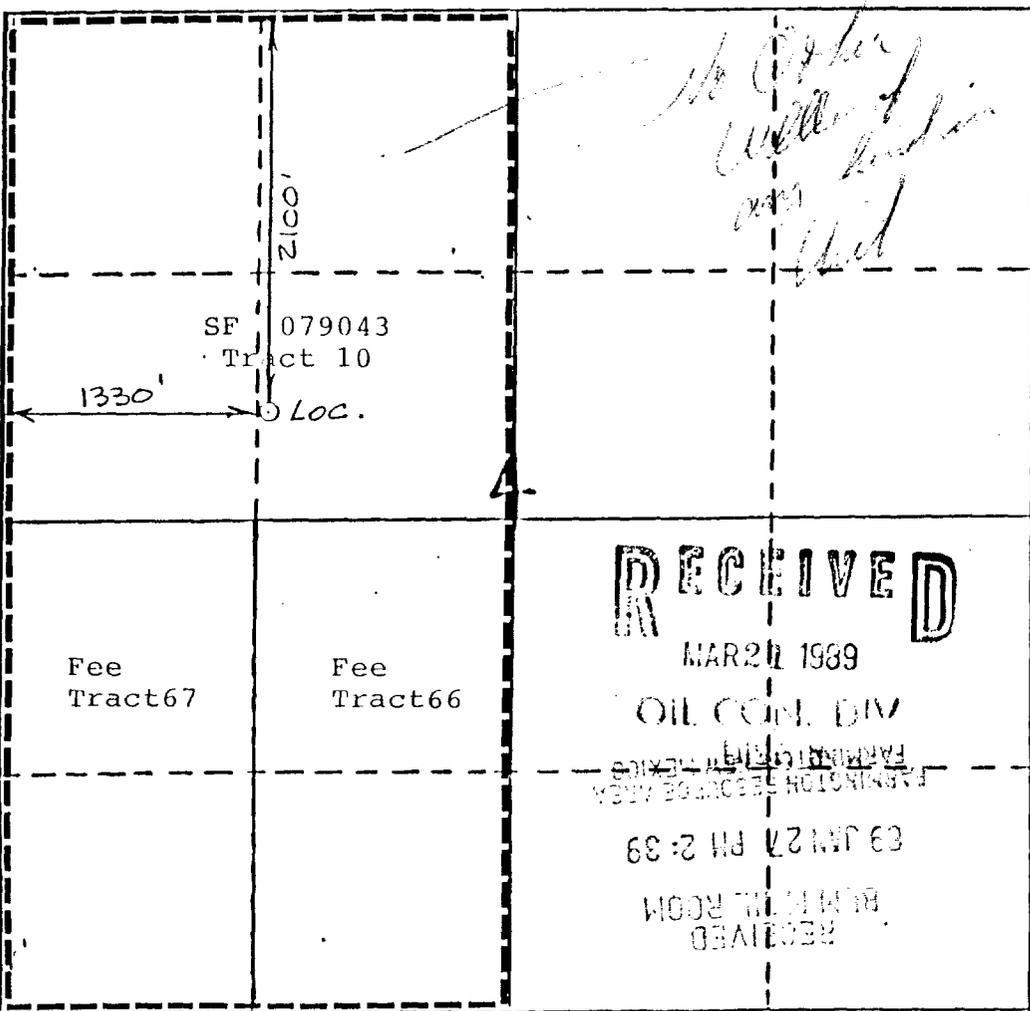
Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 424
Unit Letter F	Section 4	Township 30 North	Range 7 West	County San Juan
Actual Footage Location of Wells 2100 feet from the North line and 1330 feet from the West line				
Ground Level Elev. 6140	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage 319.38 Acres	

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.) 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.

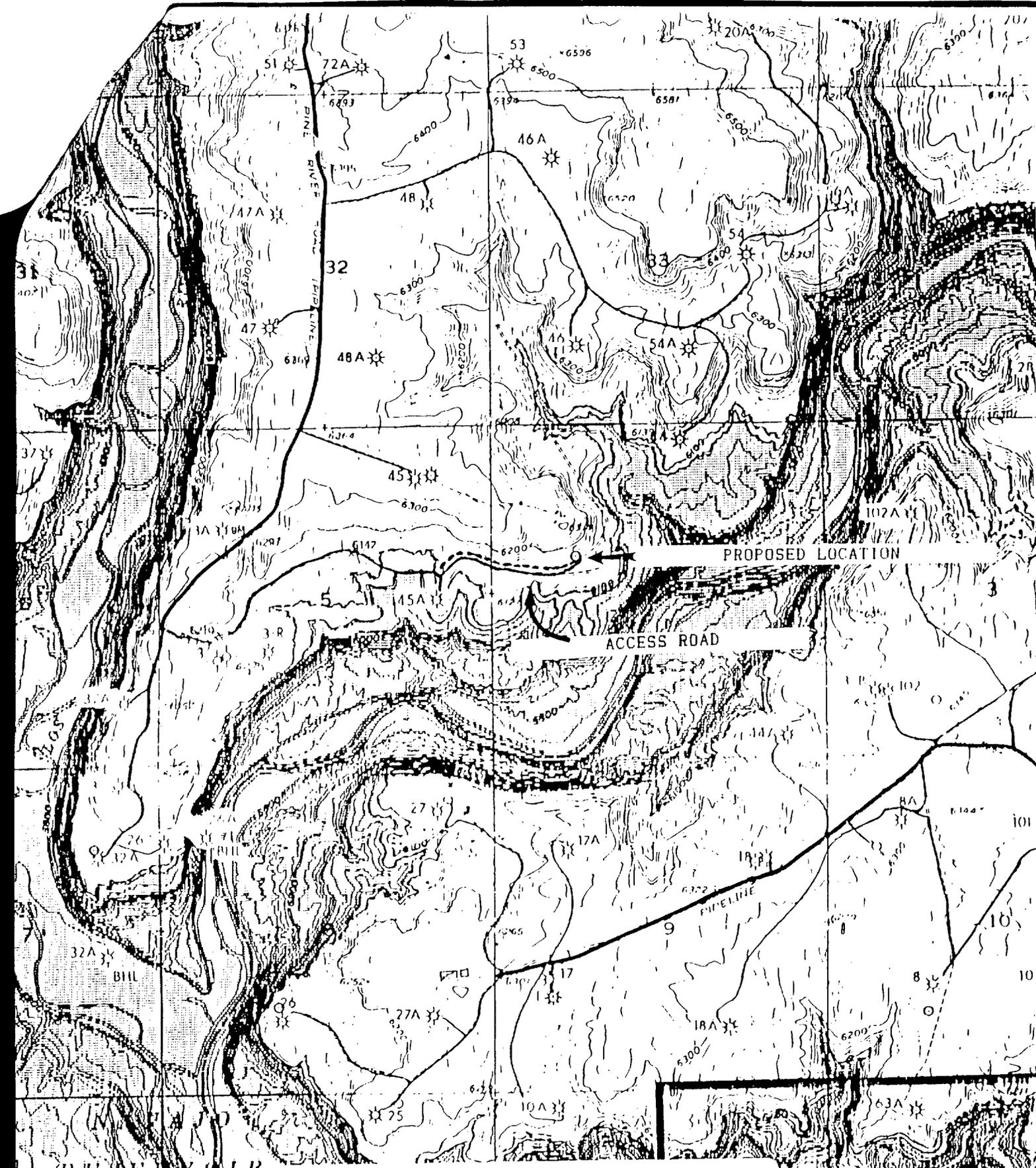
Date
Jan 23, 1989

I hereby certify that the location shown on this plat was 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
12/2/88

Registered Professional Engineer and/or Land Surveyor

W. C. Edwards
Certificate No. 6857



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 - - -

14

14

14

14

SECTION

4

TOWNSHIP

30

RANGE

24