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August 2, 1990

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
AUG 2 1990
OIL CONSERVATION DIVISION

12/50

Re: In the Matter of the Application of Blackwood & Nichols Co. Ltd., for
Directional Drilling and a Non-Standard Spacing or Proration Unit, San Juan
County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Blackwood & Nichols Co. Ltd., in the above-referenced case. Blackwood & Nichols Co. Ltd., respectfully requests that this matter be placed on the docket for the August 22, 1990 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: Mr. Bill Penhall
Devon Energy Corporation

Al Rector
Blackwood & Nichols Co. Ltd.

BEFORE THE
OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF
BLACKWOOD & NICHOLS CO. LTD., FOR
DIRECTIONAL DRILLING, AND A NON-
STANDARD SPACING OR PRORATION UNIT,
SAN JUAN COUNTY, NEW MEXICO.

RECEIVED
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OIL CONSERVATION DIVISION
CASE NO. 10050

APPLICATION

COMES NOW BLACKWOOD & NICHOLS CO. LTD., through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its Northeast Blanco Unit Well No. 461, Basin-Fruitland Coal Gas Pool, and for a non-standard spacing or proration unit, and in support of this application states:

1. Applicant is the operator of the Basin-Fruitland Coal Gas Pool, underlying the following described lands:

TOWNSHIP 30 NORTH, RANGE 7 WEST, N.M.P.M.

Section 7: Lots 7, 8, 13 and 14 and E/2 W/2

Section 18: Lots 7 and 8 and E/2 NW/4

containing 298.90 acres, more or less.

2. Applicant proposes to directionally drill its Northeast Blanco Unit Well No. 461 from a surface location of 1830 feet from the South line and 830 feet from the East line of Section 12, Township 30 North, Range 8 West, N.M.P.M., to a bottomhole location of 1376 feet from the South line and 840 feet from the West line of Section 7, Township

30 North, Range 7 West, N.M.P.M., San Juan County, New Mexico, with the intent of testing the Fruitland formation, Basin-Fruitland Coal Gas Pool.

3. Applicant proposes to dedicate to the Northeast Blanco Unit Well No. 461 the non-standard spacing or proration unit described in Paragraph No. 1 of this application.

4. The subject well is located in close proximity to Navajo Lake and must be directionally drilled to enable the applicant to produce the reserves which underlie the above-described proration unit.

5. Attached hereto and incorporated herein is a copy of OCD Form C-102 showing the proposed surface and bottomhole location for the subject well and a plat showing the general topography of the proposed proration unit.

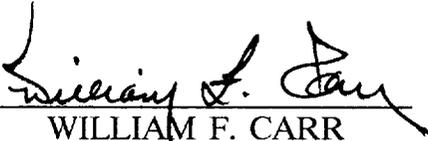
6. Approval of this Application will enable the Applicant to produce hydrocarbons that otherwise would not be produced and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 22, 1990, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting the Applicant permission to directionally drill its Northeast Blanco Unit Well No. 461 and approving the proposed 298.90 acre non-standard spacing or proration

unit for this well.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By: 
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ATTORNEYS FOR BLACKWOOD
& NICHOLS CO. LTD.