

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-039-24733

30-045-27612

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 ☐
SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Blackwood & Nichols Co., Ltd. 2505

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
925' FSL - 910' FEL
At proposed prod. zone
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
20 miles SE of Ignacio, Colorado

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 910'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 95'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6342' GL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12 1/4"	9 5/8"	36#	300'
8 3/4"	7"	23#	3025'
6 1/4"	5 1/2"	17#	2925'-3200'

5. LEASE DESIGNATION AND SERIAL NO.
SF078988

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
Northeast Blanco

8. FARM OR LEASE NAME
Northeast Blanco Unit

9. WELL NO.
499

10. FIELD AND POOL, OR WILDCAT
Basin Fruitland Coal

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 20, T31N, R6W, NMPM

12. COUNTY OR PARISH
San Juan

13. STATE
NM

17. NO. OF ACRES ASSIGNED TO THIS WELL
E/320 acres

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*
April 1, 1990

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

Propose to spud in the San Jose formation. Will drill a 12 1/4" surface hole to a TD of 300'. Surface casing will be run and cemented with cement returns to surface. WOC 12 hours. Test to 600 psi/30 mins. Drill an 8 3/4" hole to a TD of 3025' using fresh water mud. No abnormal pressures or poisonous gases are anticipated. Run intermediate casing and cement with cement returns to surface. WOC 12 hours. Test to 1500 psi/30 mins. Drill a 6 1/4" hole to a TD of 3200' using water and air. Run a mud logging unit while drilling this interval. Run the production liner. A 4 1/2" liner will be run and cemented if the well's natural flow capacity indicates the need for fracture stimulation.

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FEB 16 1990

OIL CON. DIV.

Surface ownership is BLM.

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 surface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED William F. Clark TITLE Operations Manager DATE 8 Jan 90

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
AS AMENDED

FEB 13 1990

AREA MANAGER

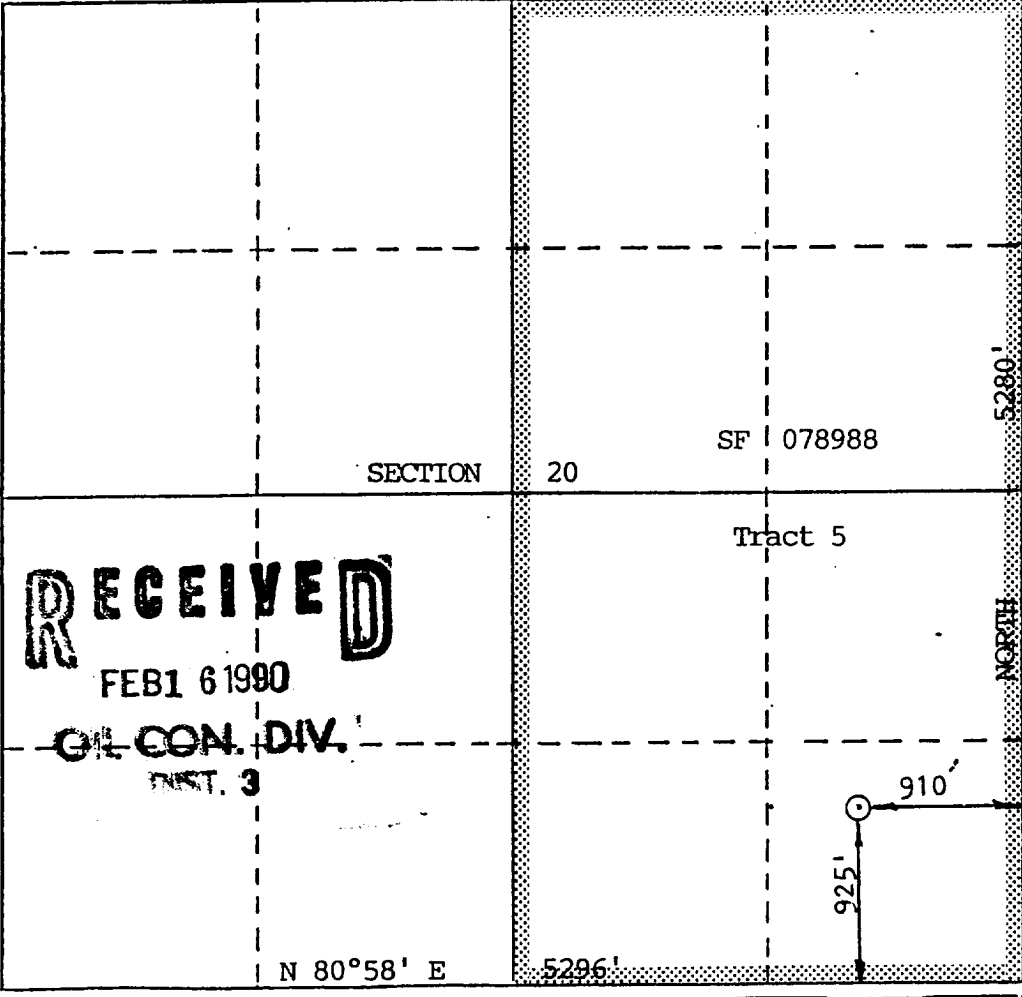
NSL-2754

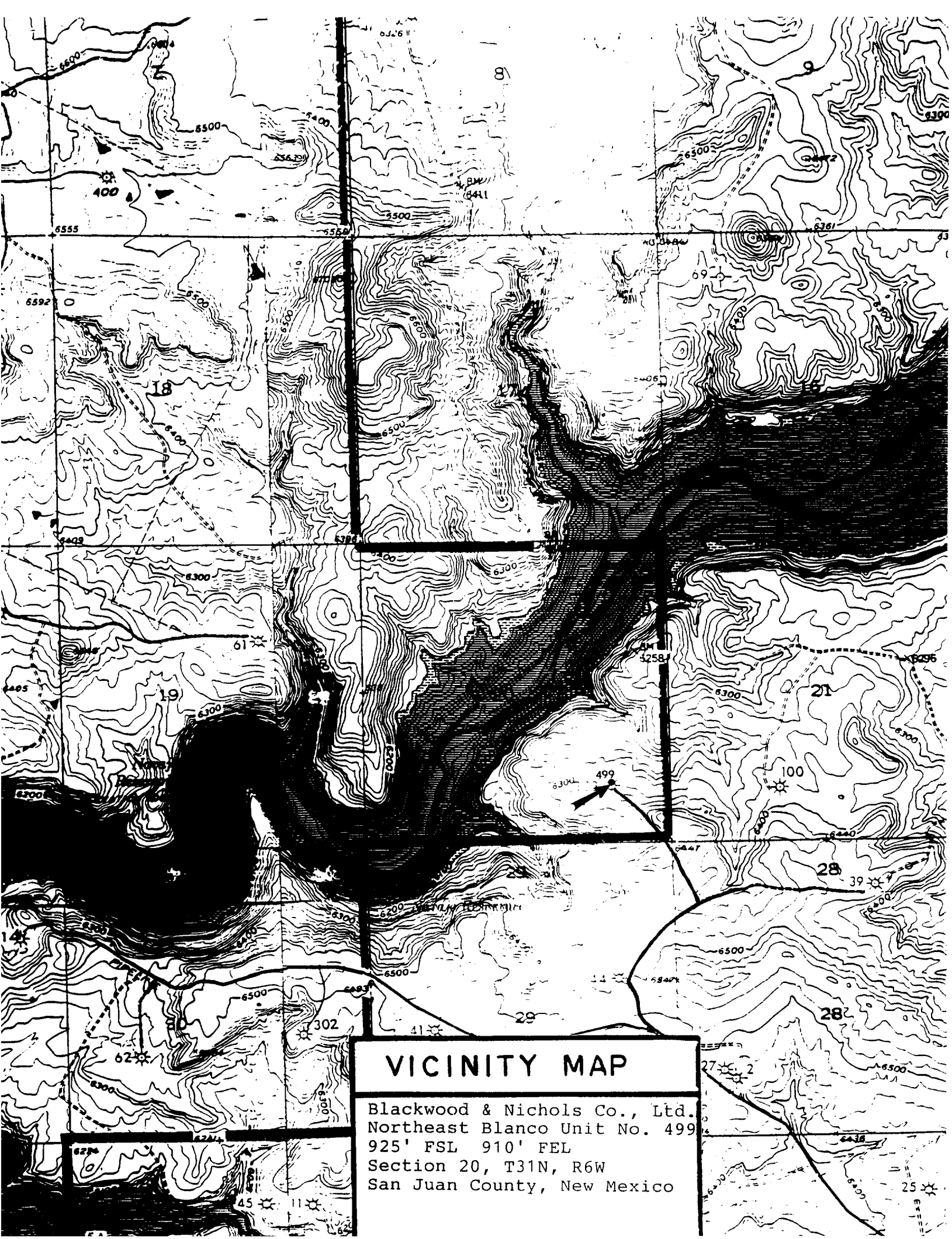
OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-78

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

Operator BLACKWOOD NICHOLS CO. LTD.		Lease NORTHEAST BLANCO UNIT		Well No. 499
Unit Letter P	Section 20	Township 31 N.	Range 6 W.	County RIO ARriba
Actual Footage Location of Well: 925 feet from the SOUTH line and 910 feet from the EAST line				
Ground Level Elev. 6342	Producing Formation Fruitland Coal	Pool Basin Fruitland Coal	Dedicated Acreage: 320 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>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?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes," type of consolidation <u>NA</u></p> <p>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>				

 <p>RECEIVED FEB 16 1990 OIL CON. DIV. DIST. 3</p> <p>SECTION 20 Tract 5 SF 078988 N 80°58' E 5296'</p>	<p>CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>William F. Clark</i></p> <p>Name William F. Clark</p> <p>Position Operations Manager</p> <p>Company Blackwood & Nichols Co., LTD</p> <p>Date 8 Jan 1990</p> <p>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.</p> <p><i>R. Howard Daggett</i></p> <p>Date Surveyed 9/25/89</p> <p>R. HOWARD DAGGETT</p> <p>Registered Land Surveyor</p> <p>Certification Registered Professional Land Surveyor 9679</p>
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VICINITY MAP

Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 499
925' FSL 910' FEL
Section 20, T31N, R6W
San Juan County, New Mexico

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

GARREY CARRUTHERS
GOVERNOR

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

February 8, 1990

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

Attention: William F. Clark,
Operations Manager

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FEB 12 1990
OIL CON. DIV
DIST. 3

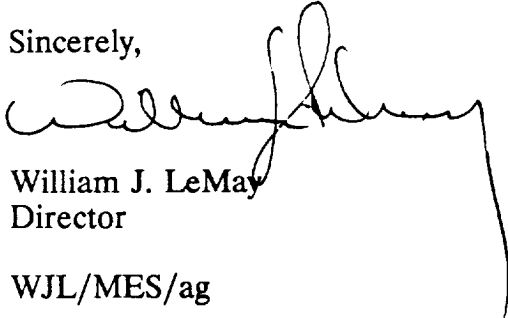
Administrative Order NSL-2754

Dear Mr. Clark:

Reference is made to your application of January 9, 1990 for a non-standard coal gas well location for your Northeast Blanco Unit Well No. 499 to be located 925 feet from the South line and 910 feet from the East line (Unit P) of Section 20, Township 31 North, Range 6 West, NMPM, Basin Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico. The E/2 of said Section 20 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington



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) 334-0178

Date: 1-19-90

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

Re: Proposed MC _____
Proposed DHC _____
Proposed NSL & _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 1-11-90
for the BLACKWOOD & NICHOLS N.E.B.U. # 999
Operator Lease & Well No.

P-20-310-610 and my recommendations are as follows:
Unit, S-T-R

Approve

Yours truly,

Ernie Bussell

BLACKWOOD & NICHOLS CO., LTD.

P.O. BOX 1237

DURANGO, COLORADO 81302-1237

(303) 247-0728
January 9, 1990

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. 499
925' FSL, 910' FEL, Sec. 20, T31N, R6W
Rio Arriba County, New Mexico

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 topography. A Vicinity Map and C-102 are attached for your reference. As evidenced by the Vicinity Map, no legal location exists in the southwest quarter due to Navajo Reservoir coverage. A legal footage location was staked in the southeast quarter as the alternative. This location should provide adequate separation from any Fruitland coal well that could be drilled in the northeast quarter of Section 29. A location farther north was not considered feasible because of archaeology sites.

The east half of Section 20, T31N, R6W, will be dedicated to this well. Also attached is an Area Map which indicates an offset operator to be Northwest Pipeline Corp. A copy of this application has been sent to them by certified mail with the below requested waiver.

Your prompt consideration of this request is appreciated.

Sincerely,

BLACKWOOD & NICHOLS CO., LTD.

William F. Clark
William F. Clark
Operations Manager

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JAN 11 1990

OIL CON. DIV.
DIST. 3

Attachments

cc: NMOCD, Aztec Office

WAIVER:

_____ hereby waives objection to Blackwood & Nichols Co., Ltd.'s application for an unorthodox location for their NEBU No. 489 as proposed above.

By: _____ Date: _____

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

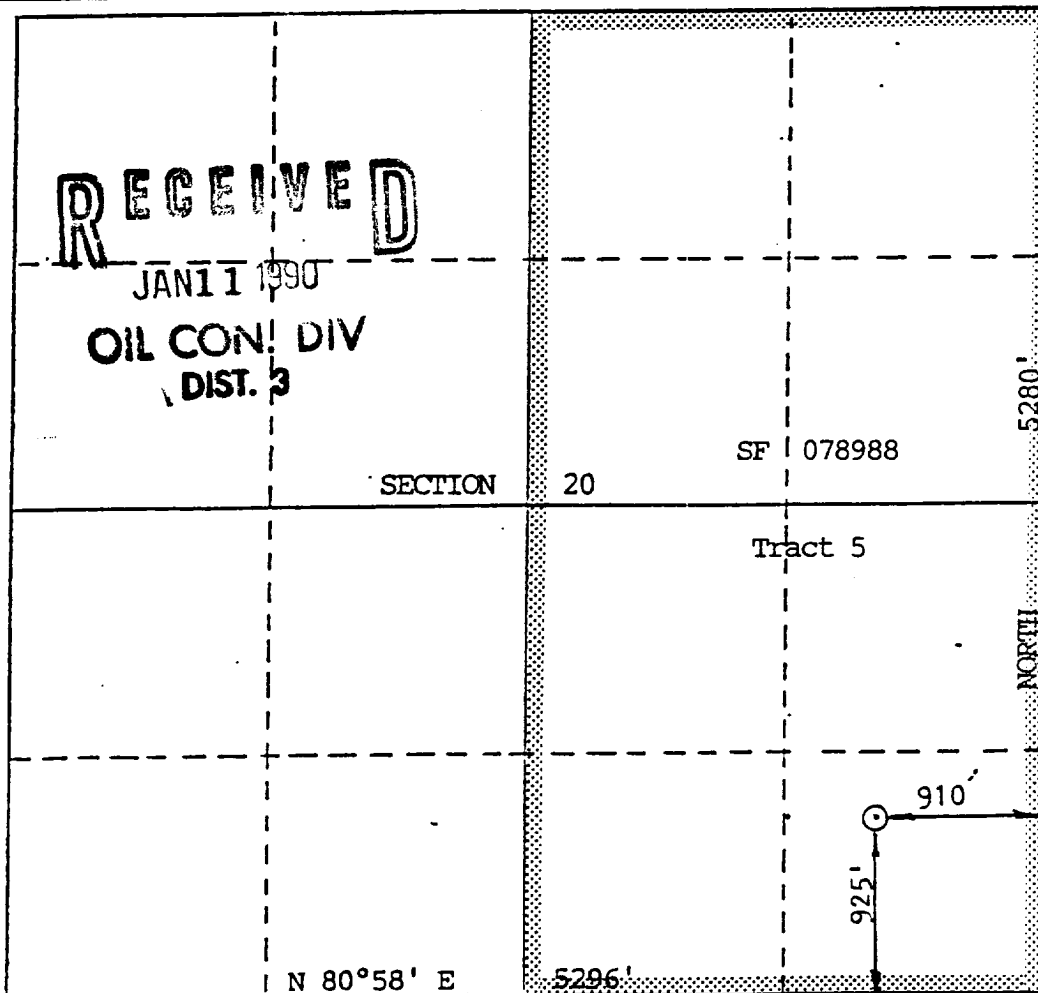
Operator BLACKWOOD NICHOLS CO. LTD.			Lease NORTHEAST BLANCO UNIT		Well No. 499
Unit Letter P	Section 20	Township 31 N.	Range 6 W.	County RIO ARriba	
Actual Postage Location of Well: 925 feet from the SOUTH line and 910 feet from the EAST line					
Ground Level Elev. 6342	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal		Dedicated Acreage: 320 Acres

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☐ Yes ☐ No If answer is "yes," type of consolidation NA

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.



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

William F. Clark

Position

Operations Manager

Company

Blackwood & Nichols Co., LTD

Date

8 Jan 1990

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.

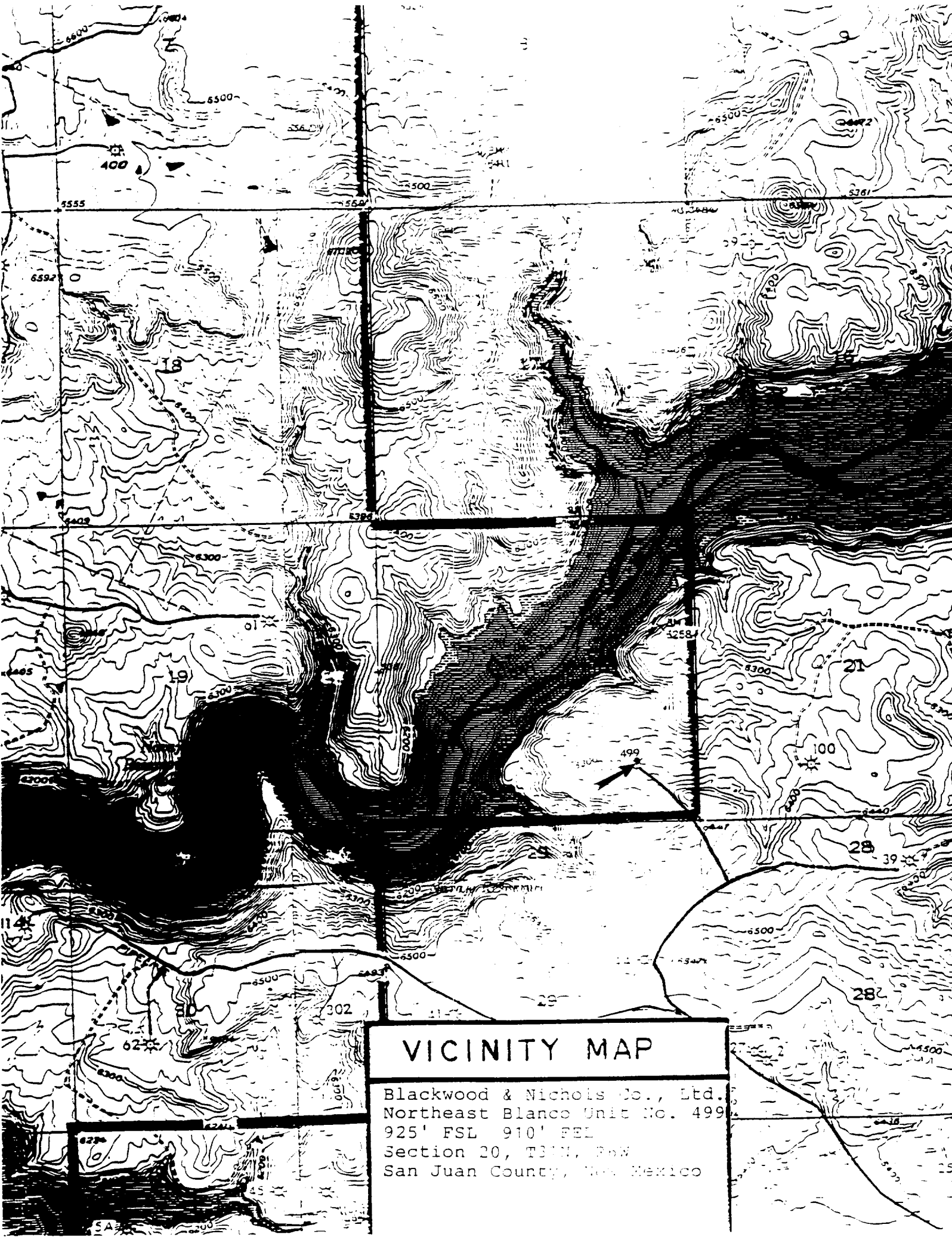
Date Surveyed

R. HOWARD DAGGETT

Registered Land Surveyor

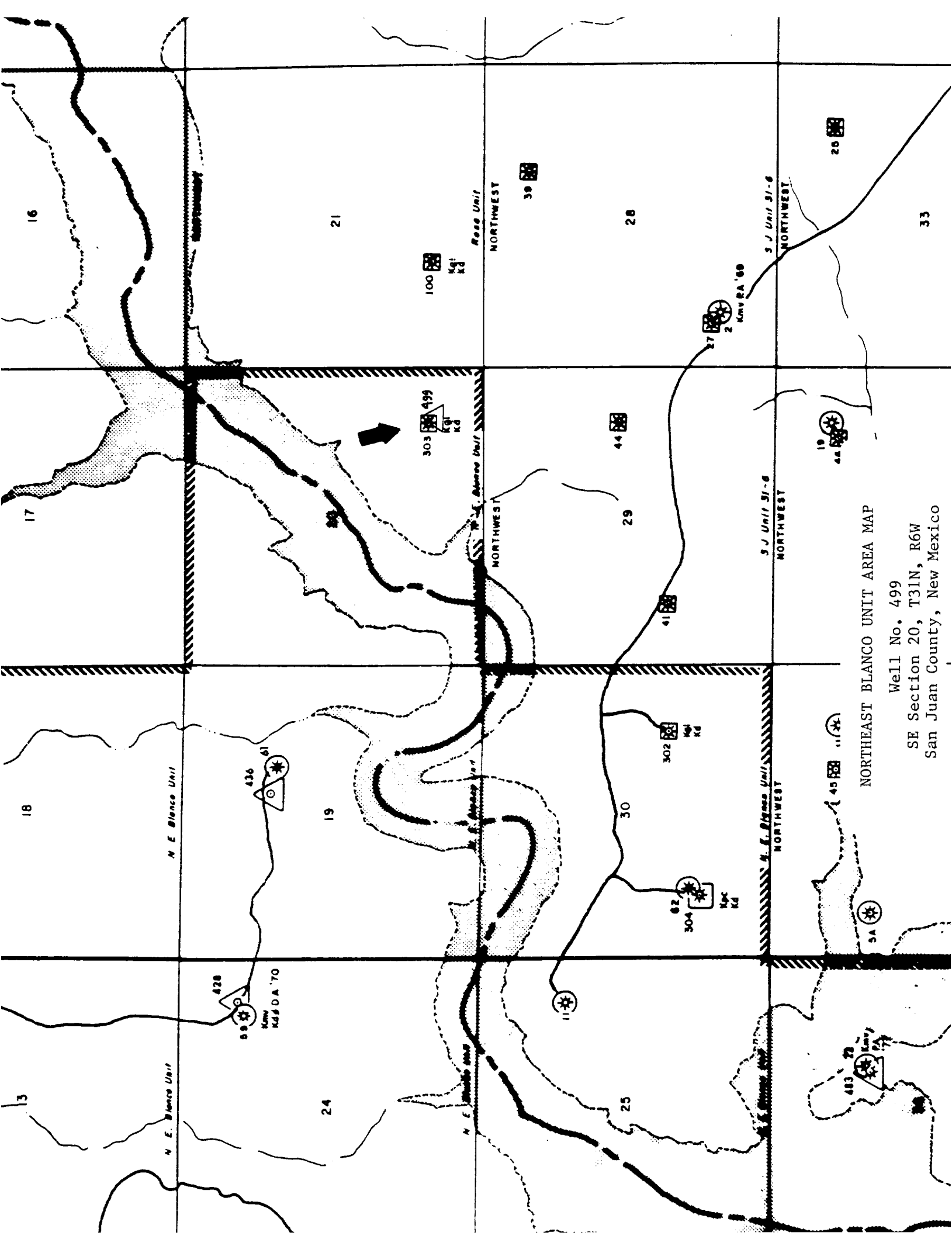
Certificate No. 9679

Land Surveyor



VICINITY MAP

Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 499
925' FSL 910' FEL
Section 20, T31N, R6W
San Juan County, New Mexico



NORTHEAST BLANCO UNIT AREA MAP

Well No. 499
SE Section 20, T31N, R6W
San Juan County, New Mexico