5. LEASE

UNITED STATES DEPARTMENT OF THE MERENURD GEOLOGICAL SURVEY ALL ROOM

| DEPARTMENT OF THE MYERIUMD GEOLOGICAL SURVEYAL ROOM | NM 03358 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
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| SUNDRY HOLICES AND REPORTS ON: 20ELLS | 7. UNIT AGREEMENT NAMENEBU Agreement No. 1, Sec. 929 |
| Do not use this form for proposals to difficulting the proposals to different eservoir. Use Form 9-331-C for such proposals I of 101, NEV MEXICO | 8. FARM OR LEASE MAME Northeast Blanco Unit |
| 1. oil gas well other | 9. WELL NO. 206 |
| 2. NAME OF OPERATOR Blackwood & Nichols Co., Ltd. | 10. FIELD OR WILDCAT NAME South Los Pinos-Fruitland-PC |
| 3. ADDRESS OF OPERATOR P. O. Box 1237, Durango, Colorado 81301 4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA M-10-31N-7W |
| below.) AT SURFACE: 790' F/SL - 1190' F/WL AT TOP PROD. INTERVAL: Same | 12. COUNTY OR PARISH 13. STATE San Juan New Mexico |
| AT TOTAL DEPTH: Same 6. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, | 14. API NO. |
| REPORT, OR OTHER DATA REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF: | 15. ELEVATIONS (SHOW DF, KDB, AND WD) 6637' KB |
| REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF: EST WATER SHUT-OFF FRACTURE TRIAT SHOOT OR ACIDIZE FULL OR ALTER CASING CHANGE ZOHES GABANDON* (other) Plug back and test for water disposal X | (NOTE: Report results of multiple completion or zone change on Form 9–330.) |
| 17. DESCRIBE TROPOSED OR COMPLETED OPERATIONS (Clearly statincluding estimated date of starting any proposed work. If well is measured and true vertical depths for all markers and zones pertine Propose to plug this non-commercial Pictured plug at 3450' and then spotting 60 sacks of the existing Upper Pictured Cliffs perforation from 3414' to 3432'. Cement will be left in 3505'. WOC; then tag cement with tubing; if be set; test casing to 2000 psi. Run GR-CCL sands with 1 SPF in the following intervals: 2466' - 76' (10'), 2491 - 2531' (40'). Swab formation water quality. Record water information to NMOCD. Future stimulation/in testing. Intent is equip well with plastic type retreivable packer at approximately 240 approval of SWD application by NMOCD. | nito this work.)* Cliffs zone by drilling out the bridge Class B cement at 3505' which will cover ons (Fruitland sands in previous reports) side 4 1/2" casing from 3200' (±) to cement is below 3250' another plug will from 2100' - 2600'. Perforate Ojo Alamo 2422 - 42' (20'), 2451 - 61' (10'), test perforated intervals to determine x rates. Determine maximum injectivity the injection test. Furnish test jection work to be determined by above lined 2 3/8" tubing set in a compression O' pending positive test results and |
| 18. I hereby certify that the foregoing is true and correct | anager _{DATE} April 21, 1988 |
| William F. Clark (This space for Federal or State office use) | |
| APPROVED BYTITLE CONDITIONS OF APPROVAL, IF ANY: | APPROVED |
| | APPROTEDE |

*See Instructions on Reverse Side