

BLACKWOOD & NICHOLS CO., LTD.

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

(303) 247-0728

October 27, 1988

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 No. 429
160' FNL - 1555' FEL, Sec. 17, T30N, R7W
Rio Arriba Co., 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, the standard locations would be located on the sandstone ledge immediately above the Navajo Reservoir. This area is inaccessible due the steep cliffs between the proposed location and a standard location.

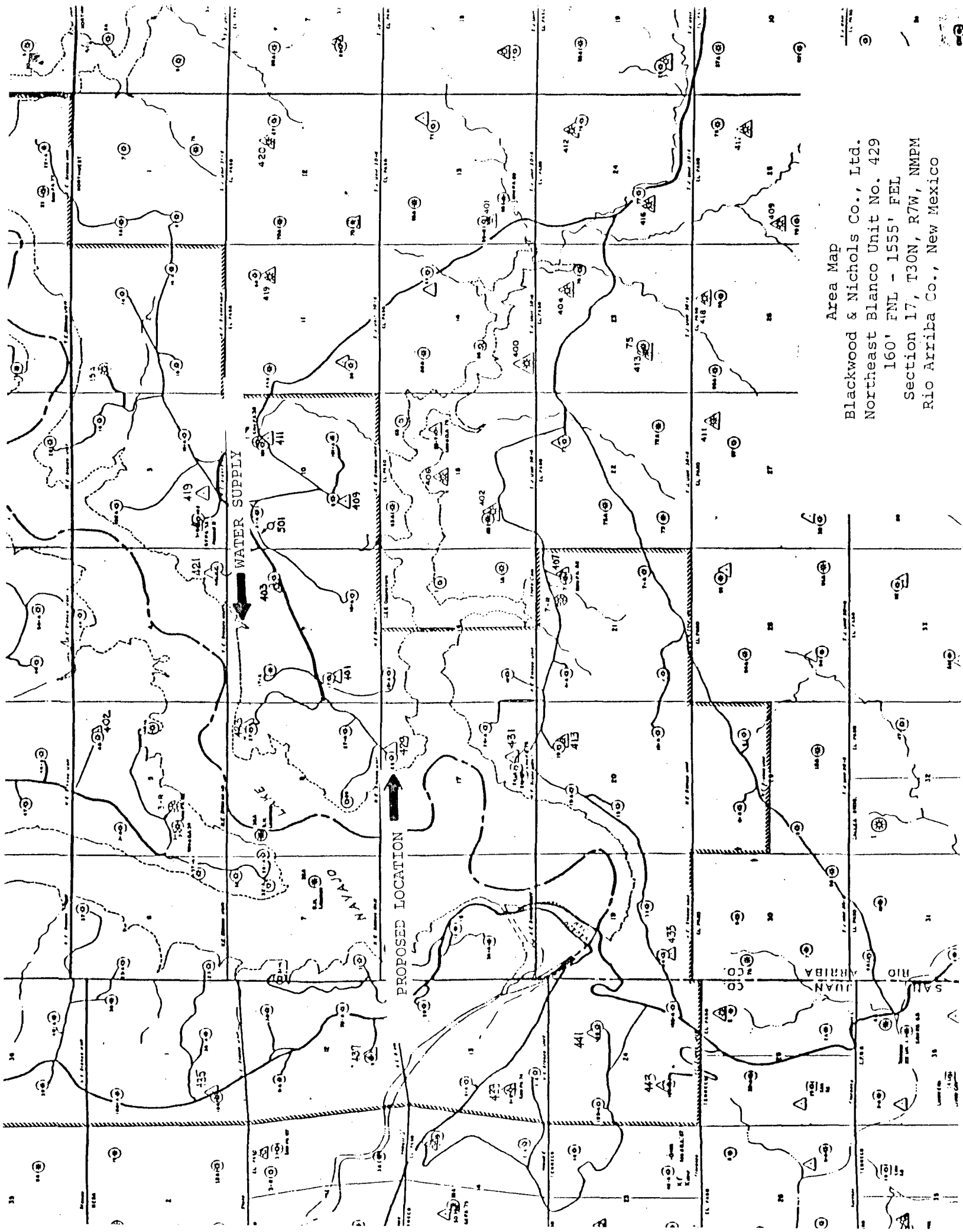
The north half of Section 17 will be dedicated to this well. All offset proration units are within the boundaries of the Northeast Blanco Unit.

Your prompt consideration of this request is appreciated.

Sincerely,

William F. Clark
Operations Manager
Blackwood & Nichols
Co., Ltd.

*- Verbal Approval
from E. Burch 11/7/88*



Area Map
Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 429
160' FNL - 1555' FEL
Section 17, T30N, R7W, NMPM
Rio Arriba Co., New Mexico

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

Operator Blackwood & Nichols Co., LTD.		Lease Northeast Blanco Unit		Well No. 429
Unit Letter B	Section 17	Township 30 North	Range 7 West	County Rio Arriba
Actual Footage Location of Wells 160 feet from the North line and 1555 feet from the East line				
Ground Level Elev. 6257'	Producing Formation Fruitland Coal		Pool Basin Fruitland Coal	Dedicated Acreage 320

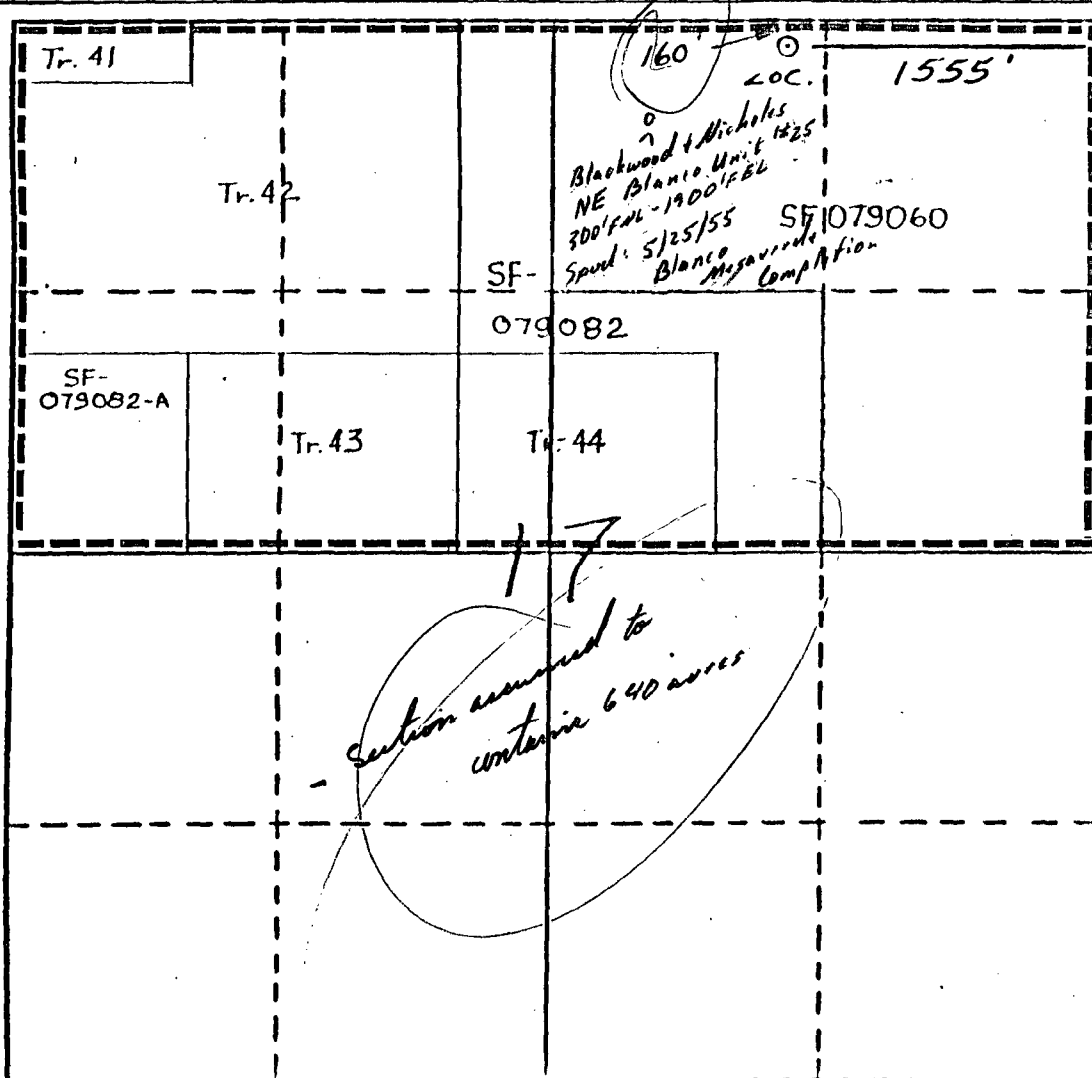
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).
3. If more than one lease of different ownership is dedicated 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 Unitization

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.

* Note: Non-standard due to terrain.



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
Oct 18, 1988

I hereby certify that the location shown on this plat was plotted from notes of actual survey made by me under supervision, and that the same is true and correct to the best of my knowledge and belief.

Neale C. Edwards
Date Surveyed

9-11-88

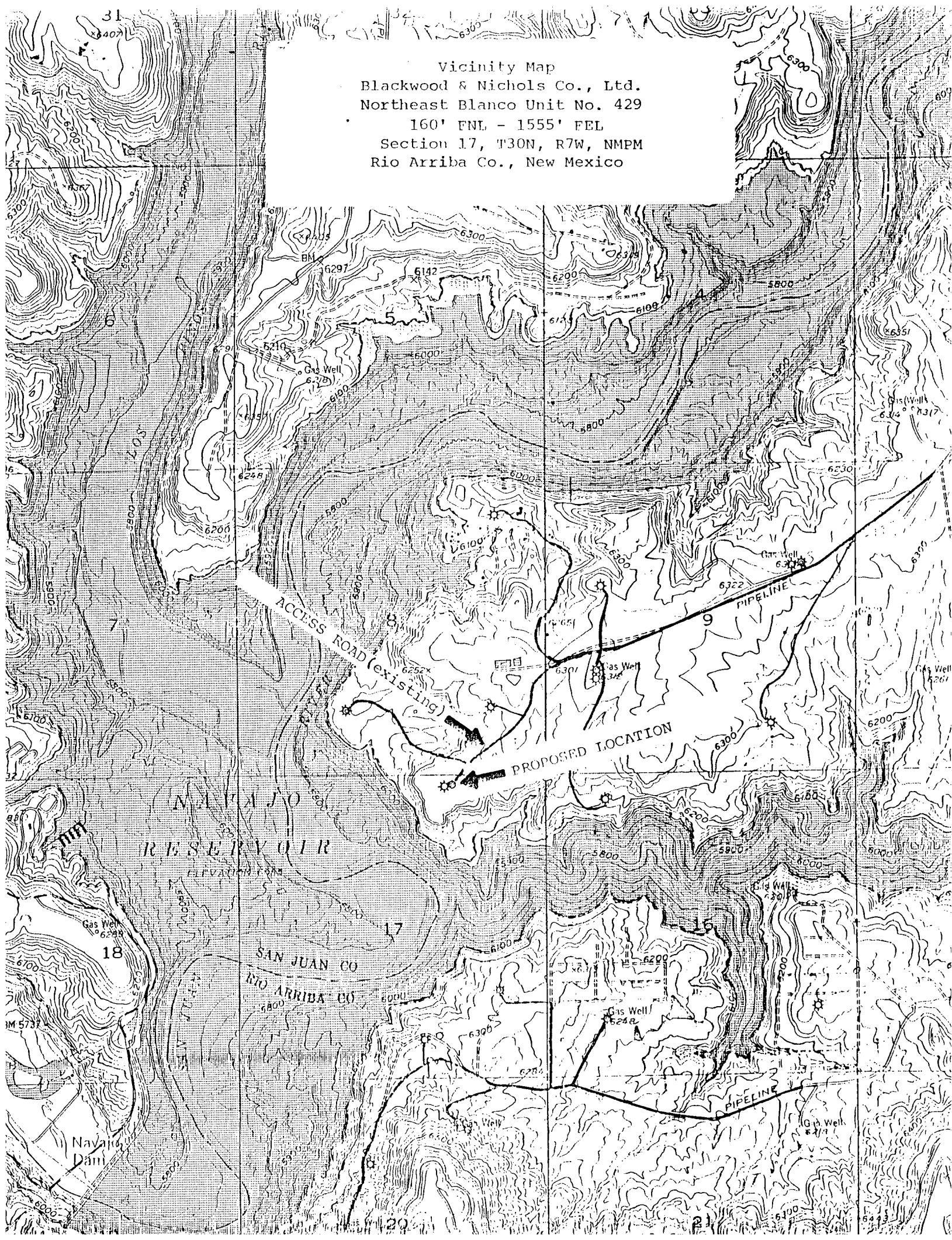
Registered Professional Engineer and/or Land Surveyor

Neale C. Edwards

Certificate No.

6857

Vicinity Map
Blackwood & Nichols Co., Ltd.
Northeast Blanco Unit No. 429
160' FNL - 1555' FEL
Section 17, T30N, R7W, NMPM
Rio Arriba Co., New Mexico

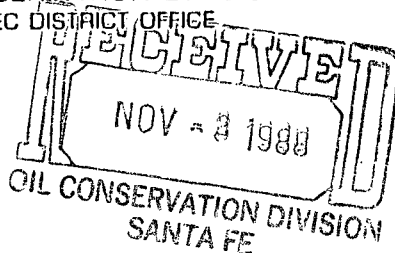




STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

AZTEC DISTRICT OFFICE



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

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 11-1-88

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL X _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 10-31-88
for the Blackwood & Nichols NEBU #425 B-17-30N-7W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

Earl Burch