

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Elm Ridge Resources, Inc.

(505) 632-3476

3. ADDRESS AND TELEPHONE NO.

P. O. Box 189, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

2195' FNL & 2107' FWL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 air miles S of Farmington

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

533'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

S/2, NW 1/4

80

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

899'

19. PROPOSED DEPTH

5,400'

20. ROTARY OR CABLE TOOLS

Rotary

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

6,476' ungraded

22. APPROX. DATE WORK WILL START*

Sept. 25, 2002

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24	350'	~300 cu. ft. & to surface
7-7/8"	J-55 4-1/2"	10.5	5,400'	~2,500 cu. ft. & to surface

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

On site inspection with Marcella Martinez

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"



cc: BIA, BLM, Elm (D&F), NAPI, OCD (via BLM), Tribe

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED

TITLE

Consultant (505) 466-8120

DATE

3-21-02

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ David J. Markiewicz

TITLE

DATE

MAR 11 2004

*See Instructions On Reverse Side

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

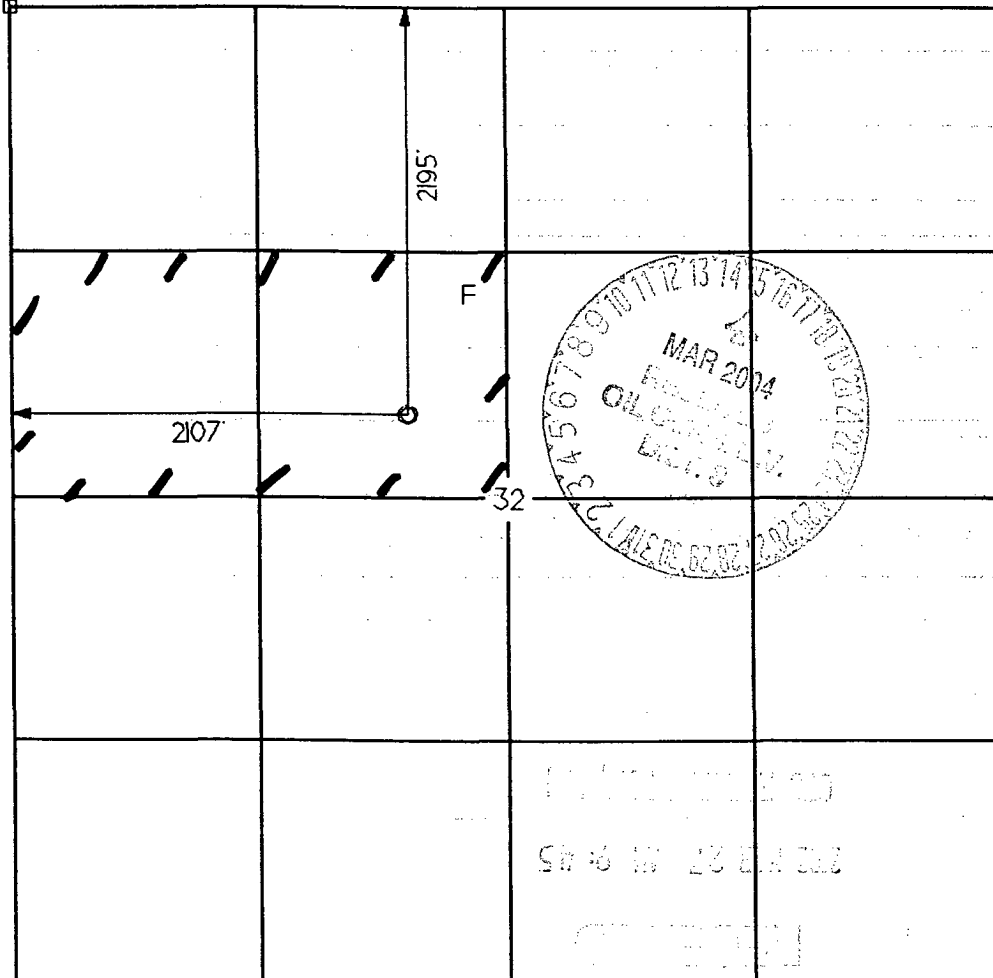
APA Number 30-045-31042	Pool Code 05890	Pool Name BISTI LOWER GALLUP
Property Code 33628	Property Name SOUTH BISTI F	
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	
		Well Number 1
		Elevation 6476

Surface Location									
UL or Lot F	Sec. 32	Twp. 26 N.	Rge. 13 W.	Lot Lth.	Feet from >	North/South	Feet from >	East/West	County SAN JUAN
					2195'	NORTH	2107'	WEST	

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Lth.	Feet from >	North/South	Feet from >	East/West	County

Dedication 80	Joint ?	Consolidation	Order No.
-------------------------	---------	---------------	-----------

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>Brian Wood</i>	
Printed Name BRIAN WOOD	
Title CONSULTANT	
Date MAR. 21, 2002	
SURVEYOR CERTIFICATION I hereby certify that the well location 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 belief. Date of Survey	
Signature and Seal of Professional Surveyor 	

Elm Ridge Resources, Inc.
South Bisti F #1
2195' FNL & 2107' FWL
Sec. 32, T. 26 N., R. 13 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	12'	+6,476'
Ojo Alamo Ss	100'	112'	+6,376'
Fruitland Coal	1,451'	1,463'	+5,025'
Pictured Cliffs Ss	1,541'	1,553'	+4,935'
Lewis Sh	1,621'	1,633'	+4,855'
Cliff House Ss	2,286'	2,298'	+4,190'
Menefee Sh	2,841'	2,853'	+3,635'
Pt. Lookout Ss	3,966'	3,978'	+2,510'
Mancos Sh	4,126'	4,138'	+2,350'
Gallup Ss	5,056'	5,068'	+1,420'
Total Depth	5,400'	5,412'	+1,076'

* all elevations reflect the ungraded ground level of 6,476'

2. NOTABLE ZONES

<u>Oil &/or Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Fruitland	Nacimiento	Fruitland
Pictured Cliffs	Fruitland	
Gallup	Pictured Cliffs	

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

Elm Ridge Resources, Inc.
South Bisti F #1
2195' FNL & 2107' FWL
Sec. 32, T. 26 N., R. 13 W.
San Juan County, New Mexico

PAGE 2

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 3,000 psi model is on PAGE 3.

A $\geq 3,000$ psi BOP and choke manifold system will be installed and tested to 2,000 psi before drilling surface casing plug. It will remain in use until the well is completed or abandoned. A safety valve and sub with a full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and opened and closed at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
12-1/4"	8-5/8"	24	K-55	ST&C	New	350'
7-7/8"	4-1/2"	10.5	J-55	LT&C	New	5,400'

Surface casing will be cemented to the surface with ≈ 300 cubic feet (≈ 254 sx) Class B with 1/4#/sk Flocele + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 105% excess. Centralizers will be installed on the middle of the shoe joint and every other centralizer thereafter. Thread lock the guide shoe and bottom of float collar only. Use API casing dope.

Production casing will be cemented to the surface in 2 stages with a stage tool set @ $\approx 3,800'$. Centralizers will be installed on the middle of the shoe joint and on every joint thereafter (total ≈ 23 centralizers). Thread lock the guide shoe, bottom of float collar, and bottom of stage tool only. Use API casing dope.