

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

2004 MAR 32 AM 11:09

5. Lease Serial No.  
**NMNM-033917**

6. If Indian, Allottee or Tribe Name  
**N/A**

7. If Unit or CA Agreement, Name and No.  
**N/A**

8. Lease Name and Well No.  
**WEST BISTI COAL 12 1-T**

9. API Well No.  
**30-045- 32384**

10. Field and Pool, or Exploratory  
**BASIN FRUITLAND COAL**

11. Sec., T., R., M., or Blk. and Survey or Area  
**012-25n-13w NMPM**

12. County or Parish  **SAN JUAN**

13. State  
**NM**

1a. Type of Work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

2. Name of Operator  
**ELM RIDGE RESOURCES, INC.**

3a. Address **P. O. BOX 189  
FARMINGTON, NM 87499**

3b. Phone No. (include area code)  
**(505) 632-3476**

4. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface **955' FSL & 1700' FEL**  
At proposed prod. zone **SAME**

14. Distance in miles and direction from nearest town or post office\*  
**20 AIR MILES S OF FARMINGTON**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **955'\***

16. No. of Acres in lease **720**

17. Spacing Unit dedicated to this well **S2 = 320 ACRES**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **1,754'**

19. Proposed Depth **1,550'**

20. BLM/BIA Bond No. on file **#886201C (BLM - STATE WIDE)**

21. Elevations (Show whether DF, KDB, RT, GL, etc.) **6,470' GL**

22. Approximate date work will start\* **UPON APPROVAL**

23. Estimated duration **2 WEEKS**



24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification.
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

Comments

\*955' to closest communitization line & 365' to closest lease line  
Well was moved after Notice of Staking from NMSF-078155 to NMNM-033917

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

Elm Ridge well #3657  
Elm Ridge lease #808

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

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

25. Signature *Brian Wood* Name (Printed/Typed) **BRIAN WOOD** Date **5-29-04**

Title **CONSULTANT** PHONE: 505 466-8120 FAX: 505 466-9682

Approved by (Signature) *AFM* Name (Printed/Typed) **AFM** Date **3-1-05**

Title **AFM** Office **FFO**

Application approval does not warrant or certify the 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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Form C - 102

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

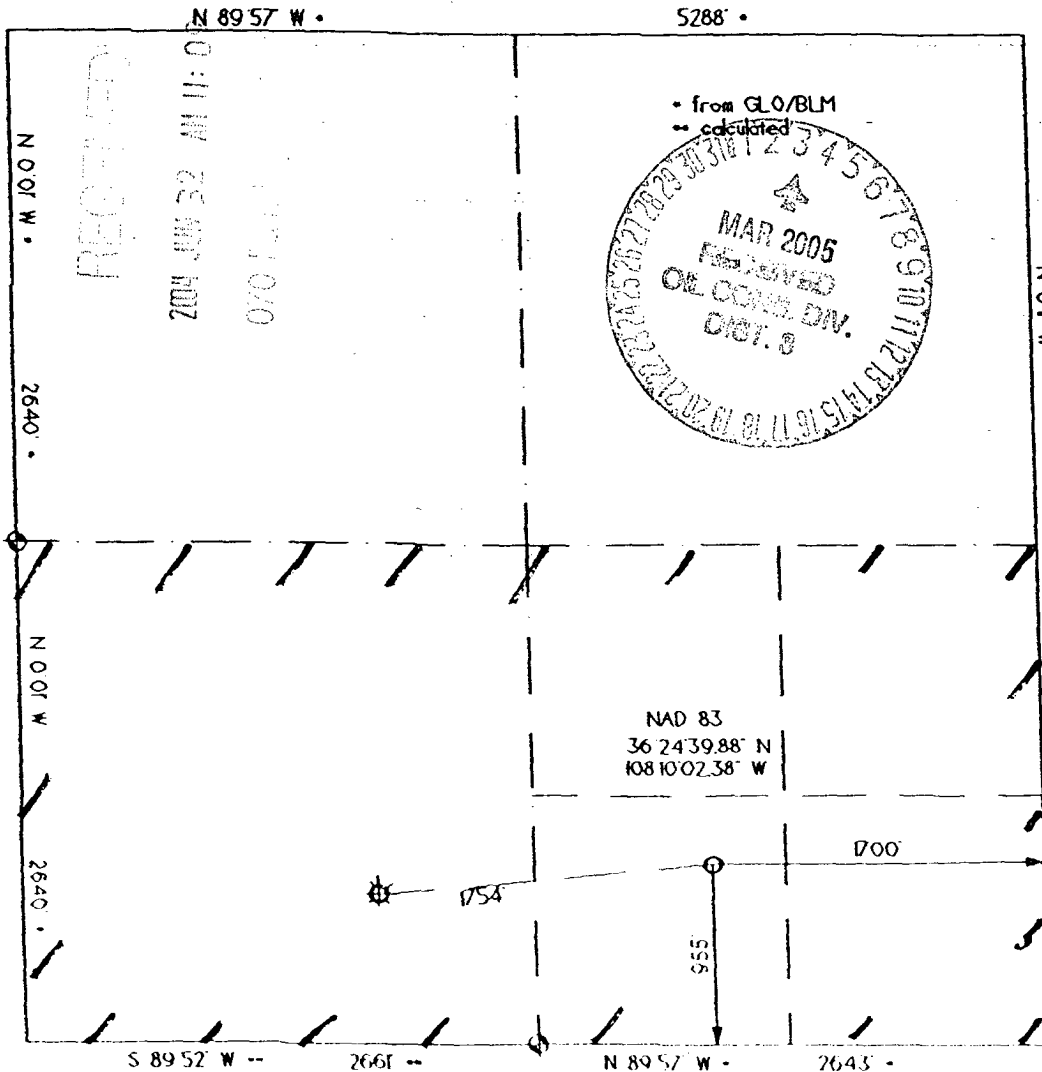
APA Number <b>30045-32384</b>	Pool Code <b>71629</b>	Pool Name <b>BASIN FRUITLAND COAL</b>
Property Code <b>27216</b>	Property Name <b>WEST BISTI COAL 12</b>	
OGFD No. <b>149052</b>	Operator Name <b>ELM RIDGE RESOURCES</b>	
		Well Number <b>1T</b>
		Elevation <b>6470'</b>

Surface Location									
UL or Lot	Sec.	Top.	Rge.	Lot Id.	Feet from >	North/South	Feet from >	East/West	County
0	12	25 N	13 W		955'	SOUTH	1700	EAST	SAN JUAN

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

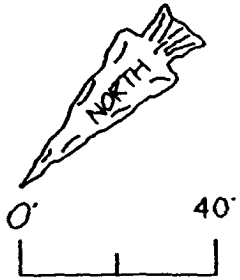
Dedication <b>320</b>	Joint ? -	C	Consolidation	Order No. .
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<b>OPERATOR CERTIFICATION</b>	
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	<b>BRIAN WOOD</b>
Title	<b>CONSULTANT</b>
Date	<b>MAY 29, 2004</b>
<b>SURVEYOR CERTIFICATION</b>	
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	
#03X03	
Signature and Seal	<i>GERALD HADDLE</i>

West Bisti Coal 12 # 1 T  
well pad and section



Scale 1" = 40'

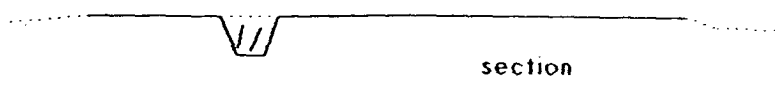
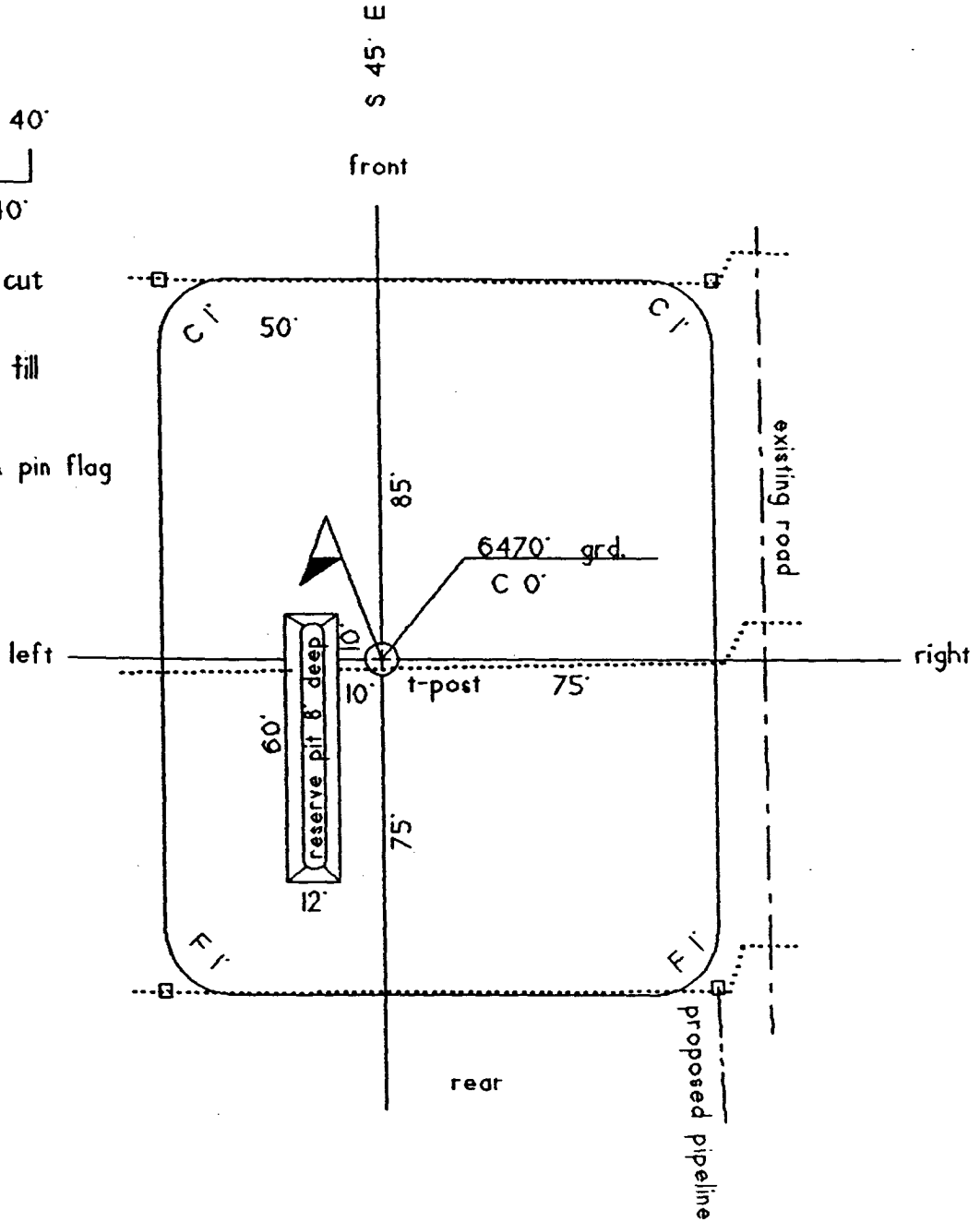


cut



fill

□ set stake & pin flag



Elm Ridge Resources, Inc.  
 West Bisti Coal 12 1-T  
 955' FSL & 1700' FEL  
 Sec. 12, T. 25 N., R. 13 W.  
 San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Sub Sea Elevatio</u>
Nacimiento	000'	5'	+6,470'
Kirtland shale	420'	425'	+6,050'
Fruitland	1,195'	1,200'	+5,275'
Pictured Cliffs	1,395'	1,400'	+5,075'
Lewis shale	1,520'	1,525'	+4,950'
Total Depth (TD)*	1,550'	1,555'	+4,920'

\* all elevations reflect the ungraded ground level of 6,470'

2. NOTABLE ZONES

Oil & Gas Zones

Fruitland Coal

Pictured Cliffs

Water Zones

Nacimiento

Coal Zones

Fruitland

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.

3. PRESSURE CONTROL

The exact drill rig and BOP model to be used are not yet known. (A typical 2,000 psi model is on PAGE 3.) BOP and choke manifold system will be installed and tested to 500 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

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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>
8-5/8"	7"	20	K-55	S T & C	New	120'
6-3/4"	4-1/2"	10.5	J-55	L T & C	New	1,550'

Surface casing will be cemented to the surface with  $\approx 35$  cubic feet ( $\approx 30$  sacks) Class B + 1/4 pound per sack cello flake + 2%  $\text{CaCl}_2$ . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. Two centralizers will be run. Thread lock guide shoe and bottom of float collar.

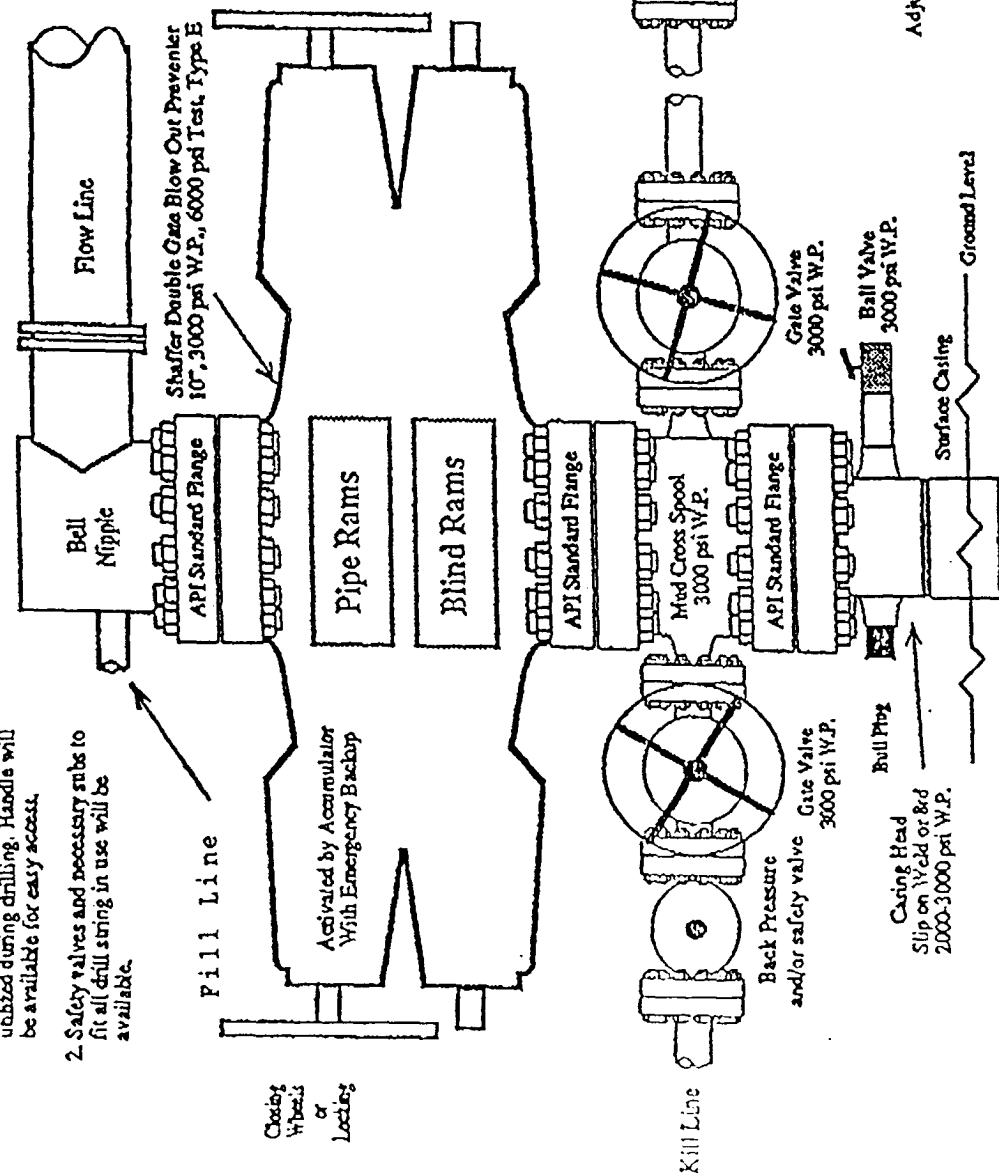
Production casing hole will be cleaned of rock chips by circulating  $\geq 150\%$  of the hole volume with mud to the surface. Forty barrels of fresh water will then be circulated. Lead with  $\approx 245$  cubic feet ( $\approx 119$  sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack and weight = 12.5 pounds per gallon). Tail with  $\approx 125$  cubic feet ( $\approx 105$  sacks) of Class B with 2%  $\text{CaCl}_2$  (yield = 1.18 cubic feet per sack and weight = 15.2 pounds per gallon). Total cement volume is  $\approx 370$  cubic feet based on  $>70\%$  excess and circulating to surface.

#### 5. MUD PROGRAM

A 9 pound polymer and fresh water mud system with a viscosity of  $\approx 35$  will be used. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.

# Pressure Control Equipment

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handha will be available for easy access.
2. Safety valves and necessary stubs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Minimum 2" Choke Line.  
 Minimum 2" Kill Line.  
 At Least One 2" Minimum Kill Line Valve.

