

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

2005 SEP 28 PM 2 16

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

5. Lease Serial No.  
NMSF-078155

6. If Indian, Allottee or Tribe Name

670 FARMINGTON NM RCVD SEP 14 '07

7. If Unit or CA Agreement, Name and No.

N/A OIL CONS. DIV.

8. Lease Name and Well No.

JETER COM 2 T DIST. 3

9. API Well No.

30-045-33370

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 EXPLORATION COMPANY, LLC

3a. Address P. O. BOX 156  
BLOOMFIELD, NM 87413

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

10. Field and Pool, or Exploratory  
BASIN FRUITLAND COAL

4. Location of Well (Report location clearly and in accordance with any State requirements \*)

At surface 1190 FNL & 1450 FWL

At proposed prod. zone SAME

11. Sec., T. R. M. or Blk. and Survey or Area

C 12-25N-13W NMPM

14. Distance in miles and direction from nearest town or post office\*

22 AIR MILES S OF FARMINGTON

12. County or Parish

SAN JUAN

13. State

NM

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any) 130' (1450' to CA)

16. No. of acres in lease

1,599.72

17. Spacing Unit dedicated to this well

N2 320

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

2,847' (#2)

19. Proposed Depth

1,475'

20. BLM/BIA Bond No. on file

BLM STATE WIDE 886201C NM 2958

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,295' GL

22. Approximate date work will start\*

05/01/2006

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.

25. Signature

*Brian Wood*

Name (Printed/Typed)

BRIAN WOOD

Date

09/21/2005

Title

CONSULTANT

PHONE: (505) 466-8120

FAX: (505) 466-9682

Approved by (Signature)

*D. J. Mankie*

Name (Printed/Typed)

Date

9/13/07

Title

*AFM*

Office

*PFO*

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, 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.

\*(Instructions on page 2)

NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT

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

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

NMOCD 9-18-07  
aw

*B*

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

Form C - 102

SEP 28 PM 2 16

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION

APA Number	Pool Code 71629	Property Name BASIN FRUITLAND COAL
Property Code 27301	Property Name JETER COM	Well Number 2 T
OGPD No. 149052	Operator Name ELM RIDGE EXPLORATION COMPANY, LLC	Elevation 6295'

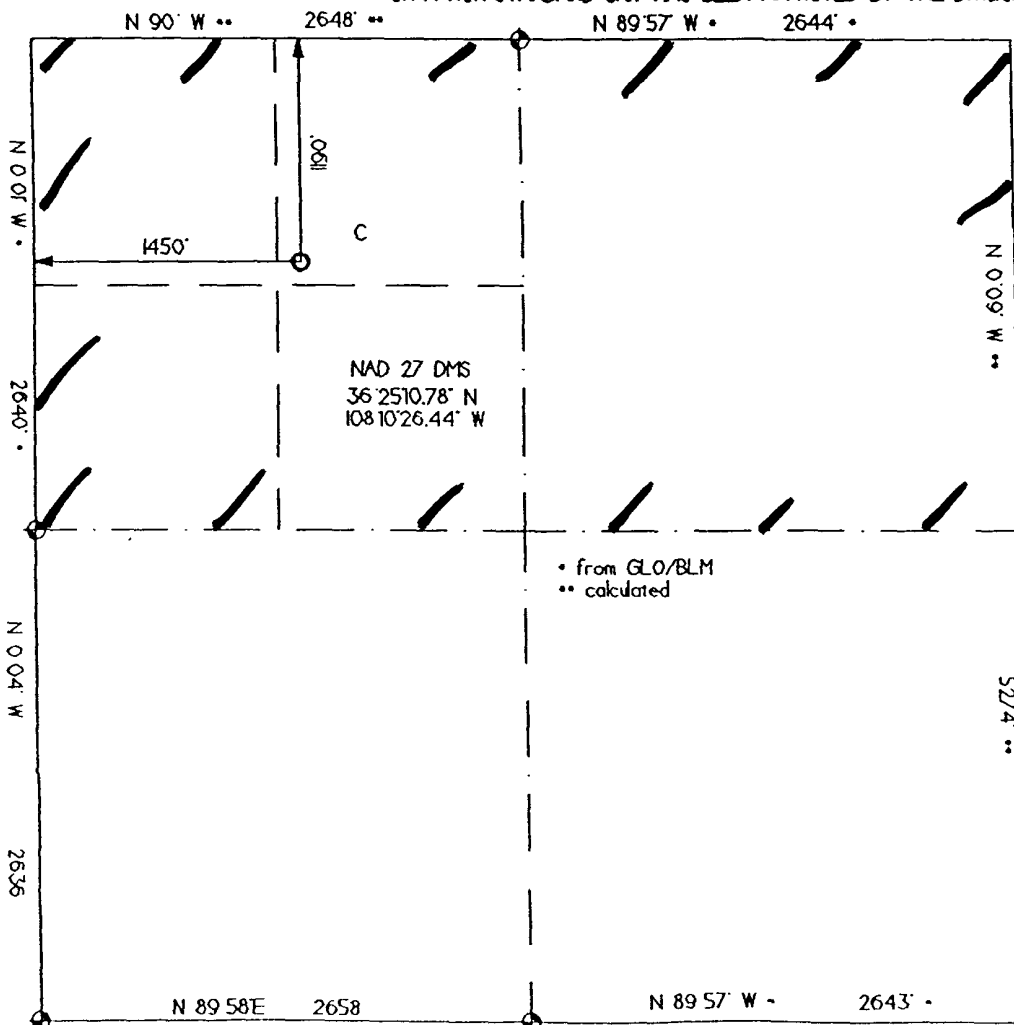
Surface Location

UL or Lot C	Sec. 12	Twp. 25 N.	Rge. 13 W.	Lot Ltn.	Feet from > 1190'	North/South NORTH	Feet from > 1450'	East/West WEST	County SAN JUAN
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Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Ltn.	Feet from >	North/South	Feet from >	East/West	County
Dedication 320	Joint ?	C	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

*Brian Wood*

Printed Name BRIAN WOOD

Title CONSULTANT

Date SEPT. 21, 2005

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

06.03.05

Signature and Seal of Professional Surveyor



Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.	30-045-
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. <del>State</del> Oil & Gas Lease No. NMSF-078155	
7. Lease Name or Unit Agreement Name JETER COM	
8. Well Number	2 T
9. OGRID Number	149052
10. Pool name or Wildcat BASIN FRUITLAND COAL	

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH  
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator ELM RIDGE EXPLORATION COMPANY, LLC

3. Address of Operator P.O. BOX 156, BLOOMFIELD, NM 87413

4. Well Location

Unit Letter C : 1190 feet from the NORTH line and 1450 feet from the WEST line  
Section 12 Township 25N Range 13W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6,295' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type DRILLING Depth to Groundwater >100' Distance from nearest fresh water well >5,280' Distance from nearest surface water ~500'

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume \_\_\_\_\_ bbls Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed & closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE

TITLE CONSULTANT

DATE SEPT. 21, 2005

Type or print name BRIAN WOOD

For State Use Only

E-mail address: brian@permitswest.com

Telephone No. (505)

Deputy Oil & Gas Inspector,  
District #3

466-8120

APPROVED BY:

TITLE

DATE

SEP 18 2007

Conditions of Approval (if any):

Elm Ridge Exploration Company, LLC  
Jeter Com 2-T  
1190' FNL & 1450' FWL  
Sec. 12, T. 25 N., R. 13 W.  
San Juan County, New Mexico

PAGE 1

## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	5'	+6,295'
Fruitland	995'	1,000'	+5,300'
Pictured Cliffs	1,220'	1,225'	+5,075'
Lewis shale	1,345'	1,350'	+4,950'
Total Depth (TD)	1,475'	1,480'	+4,820'

### 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  $\approx$ 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 the open position at all times for use when kelly is not in use.

Elm Ridge Exploration Company, LLC  
Jeter Com 2-T  
1190' FNL & 1450' FWL  
Sec. 12, T. 25 N., R. 13 W.  
San Juan County, New Mexico

PAGE 2

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>Setting Depth</u>
8-5/8"	7"	20	K-55	ST & C	New	120'
6-3/4"	4-1/2"	10.5	J-55	<del>ST</del> & C	New	1,475'

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. Thirty-five barrels of fresh water will then be circulated. Lead with  $\approx 225$  cubic feet ( $\approx 110$  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 will be  $\approx 350$  cubic feet based on  $>100\%$  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.

Elm Ridge Exploration Company, LLC  
Jeter Com 2-T  
1190' FNL & 1450' FWL  
Sec. 12, T. 25 N., R. 13 W.  
San Juan County, New Mexico

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6. CORES, TESTS, & LOGS

No core or drill stem test is planned. DIL/GR log will be run from TD to surface. CNL/FSC log will be run over certain intervals.

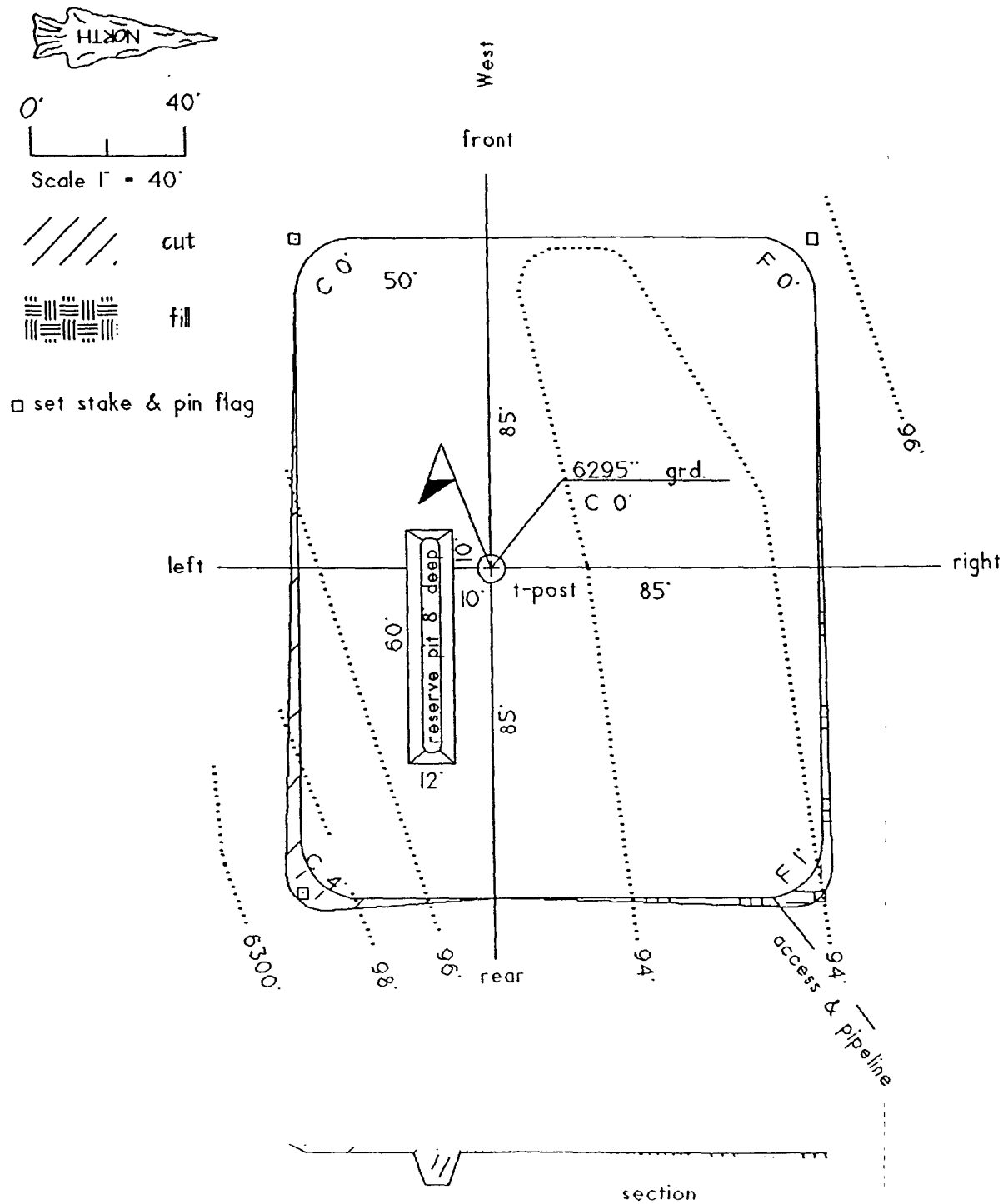
7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be  $\leq 590$  psi.

8. OTHER INFORMATION

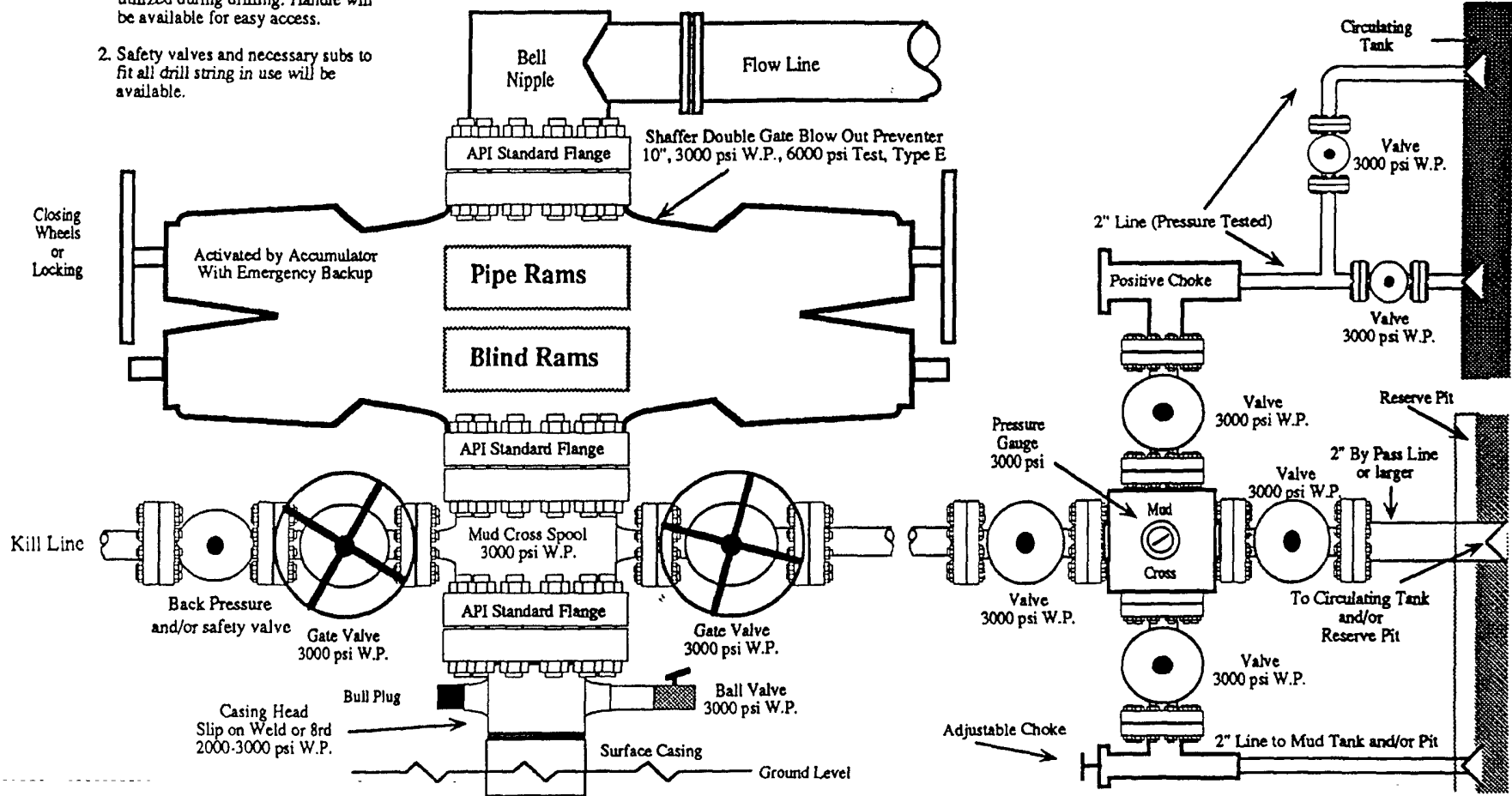
The anticipated spud date is upon approval. It is expected it will take 5 days to drill and 1 week to complete the well.

Jeter Com 2 T  
well pad and section



# 2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs 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.