

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. 149052 (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

1708' FSL & 1768' FWL

At proposed prod. zone

Same

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

1 air mile NE of Lybrook

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

888'

16. NO. OF ACRES IN LEASE

2461.69

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

7693'

19. PROPOSED DEPTH

6,650' -

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

7,092' ungraded

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'	≈250 cu. ft. & to surface
7-7/8"	J-55 4-1/2"	10.5	6,650' -	≈3,050 cu. ft. & to surface

This document is subject to procedural review pursuant to 43 CFR 3155.3 and appeal pursuant to 43 CFR 3165.4.

SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

RECEIVED

2001 JUN 26 AM 8:32

070 Farmington, NM



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

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

6-15-01

(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:

/s/ Joel Farren

AUG 2

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

NMOCD

STATE OF NEW MEXICO
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

2001 JUN 26 AM 8:35

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

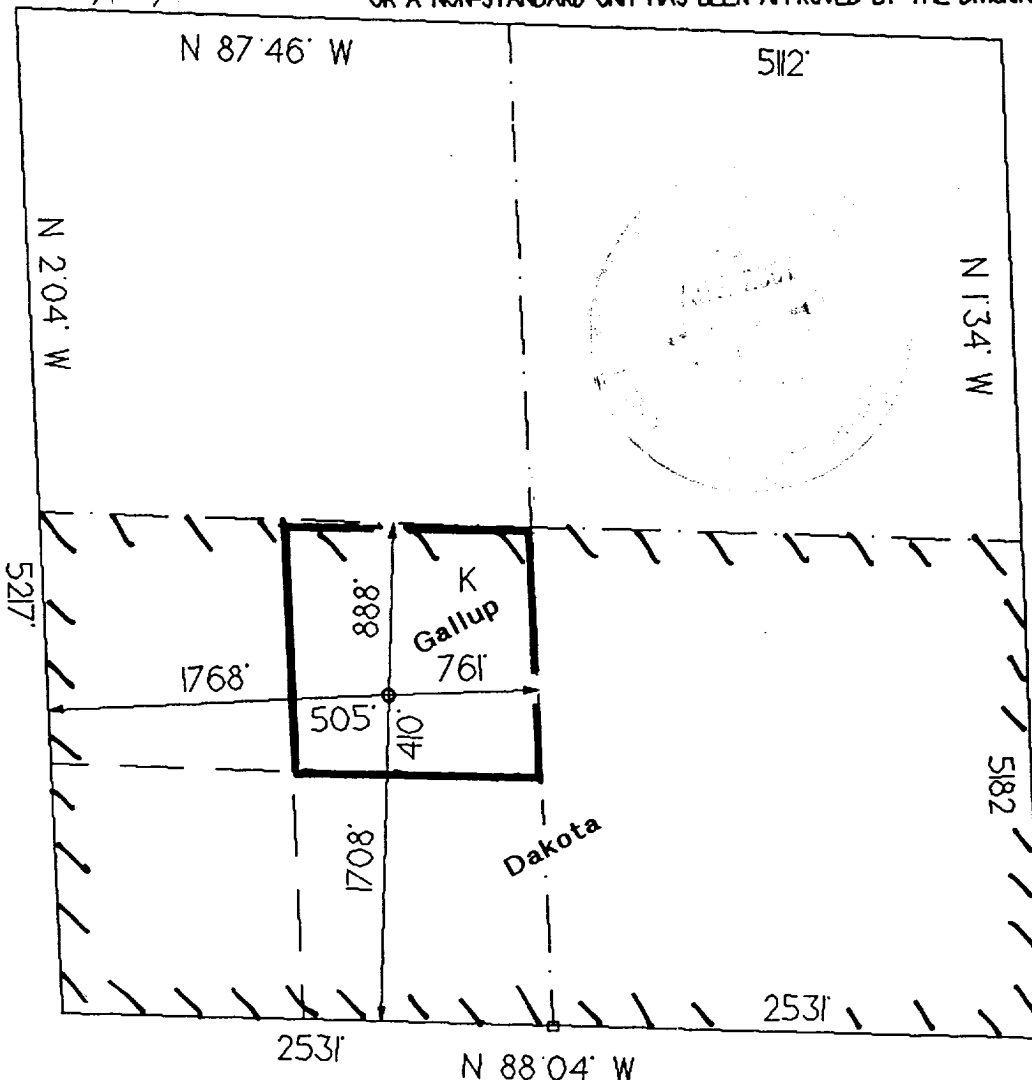
APA Number 30-039-26768	Pool Code 42289 & 71599	Pool Name LYBROOK GALLUP & BASIN DAKOTA
Property Code 23039	Property Name RINCON	Well Number 20
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 7092'

Surface Location									County
UL or Lot K	Sec. II	Twp. 23 N.	Rge. 7 W.	Lot km.	Feet from > 1708	North/South SOUTH	Feet from > 1768	East/West WEST	RIO ARriba

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

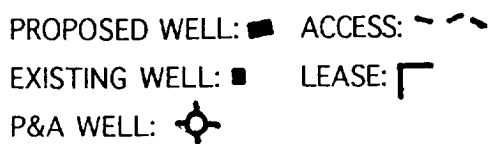
Dedication 320 5/8	Joint? N	Consolidation	Order No.
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40 NE 1/4 SW 1/4 NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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 JUNE 15, 2001	
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 FEBRUARY 2001	
Signature and Professional Seal 	

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PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS

Elm Ridge Resources, Inc.
Rincon 20
1708' FSL & 1768' FWL
Sec. 11, T. 23 N., R. 7 W.
Rio Arriba County, New Mexico

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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	6,650'

Surface casing will be cemented to the surface with ≈ 250 cubic feet (≈ 250 sx) Class B with 1/4#/sk Flocele + 2% CaCl₂. Volume is based on 100% 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.

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Production casing will be cemented to the surface in 2 stages with a stage tool set at \approx 4,350'. First stage volume will be \approx 1,315 cu ft consisting of \approx 320 sx Halliburton Lite with 1/4 #/sk Flocele followed by \approx 595 sx Class B with 2% CaCl₂. Second stage volume will be \approx 1,735 cu ft consisting of \approx 940 sx of Halliburton Lite with 2% CaCl₂ followed by \approx 45 sx Class B with 2% CaCl₂ to cover the Mesa Verde, Pictured Cliffs, and Ojo Alamo. Volume is based on 75% excess, but caliper log will be used to determine actual volume needed. Centralizers will be installed on the middle of the shoe joint and on every joint thereafter for a total of \approx 28 centralizers. Thread lock the guide shoe, bottom of float collar, and bottom of stage tool only. Use API casing dope.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>pH</u>
0' - 350'	Fresh water gel chem	9.0	50	NC	9
350' - TD'	Fresh water gel chem	9.0	38-50	6.0	9

Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well site while drilling. Mud will be checked hourly by rig personnel. Material to soak up possible oil or fuel spills will be on site.

6. CORING, TESTING, & LOGGING

No cores or DSTs are planned. DIL/GR logs will be run from TD to surface. CNL/FDC logs may be run over selected segments. Samples will be collected every 10' from 200' above the Pt. Lookout to the base of the Pt. Lookout and through the Gallup and Dakota. Samples will be collected every 30' elsewhere.