#### SUBMIT IN TRIPLICATE\*

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

### UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT BIA #390 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN Jicarilla Apache 1a. TYPE OF WORK DRILL [] 7. UNIT AGREEMENT NAME DEEPEN -N/A b. TYPE OF WELL WELL MULTIPLE ZONE OTHER 2. NAME OF OPERATOR Bonita Canyon 1 Elm Ridge Resources, Inc. (505) 632-3476 O. Box 189, Farmington, NM 87499

LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*) 1185' FNL & 950' FEL 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA At proposed prod. zone Same A 23-23n-4w NMPM 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* 12. COUNTY OR PARISH | 13. STATE Sandoval 13 air miles E of Counselor NM 15. DISTANCE FROM PROPOSED\* 17. NO. OF ACRES ASSIGNED TO THIS WELL NEW 20. ROTART OR CABLE TOOLS 16. NO. OF ACRES IN LEASE LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) <u>1,185</u>' 1,920 40 ≰ 18. DISTANCE FROM PROPOSED LOCATION\*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 19. PROPOSED DEPTH 2,543 7,175 Rotary 22. APPROX. DATE WORK WILL START. Sept. 20, 2001 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7,245' ungraded 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 24 12-1/4" K-55 8-5/8 350' ≈250 cu. ft. & to surface 7-7/8" 4-1/2" J-55 10.5 7,175 ≈3,390 cu. ft. & to surface zna, oñ cc: BIA, BLM, Elm (D&F), OCD (via BLM), Tribe IN ABOVE SPACE DESCRIBE PROPOSED PROGRA M: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or ocations and measured and true vertical depths. Give blowout preventer program, if any, deepen directionally, give pertinent data on subsurface 24 7-7-01 Consultant (505) 466-8120 (This space for Friend or State office use) APPROVAL DATE \_

CONDITIONS OF APPROVAL, IF ANY

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 them: if

**DEC** 1 4 2001

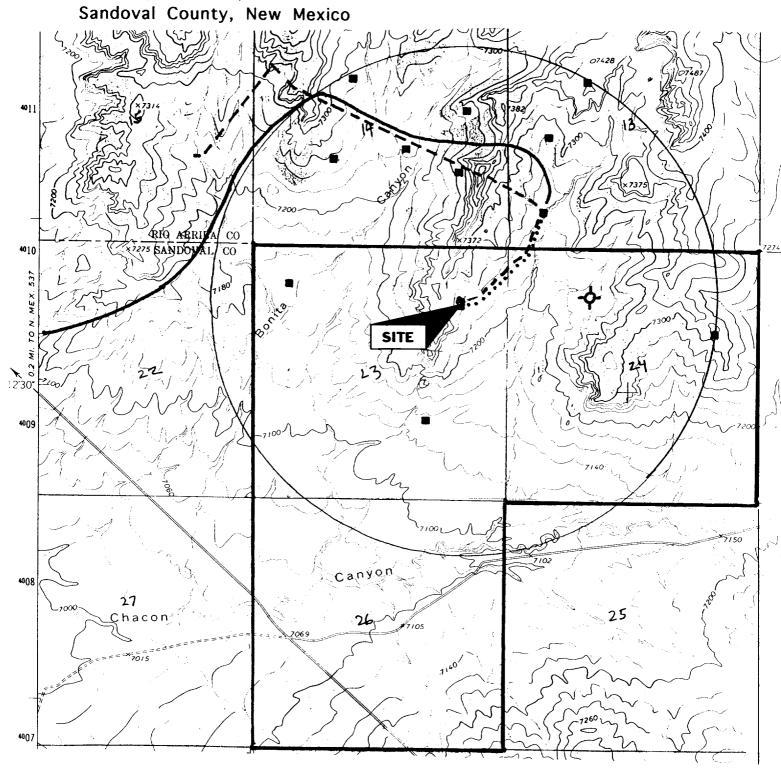
# State of New Mexico Energy. Minerals & Mining Resources Department

## OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

MENDED REPORT

Date JULY 7, 200  SURVEYOR CERTIFICATION  I hereby certify that the well locate on this plat was plotted from field notes of actual surveys made by or under my supervision, and that same is true and correct to the of my belief.  Date of Survey				WEL	L LOCATI	ON AND A	CREAGE [	EDICATION	PLAT				
BONTA CANYON  Ogriph No. 52  ELM RIDGE RESOURCES  Serface Location  U. or Lot Sec. Tsp. Rge. Lot lith. Feet from North/South Feet from Serface  U. or Lot Sec. Tsp. Rge. Lot lith. Feet from Serface  U. or Lot Sec. Tsp. Rge. Lot Reset From Serface  U. or Lot Sec. Ts	1		39			SOUTH LINDRI TH GALLUP				DAKOTA			
Surfoce Location  UL or Lot Sec. Top. Rge. Lot lib. Feet from: North/South Feet from: East/West SANDOVAL:  Botton Hole Location If Different From Surface  UL or Lot Sec. Top. Rge. Lat lib. Feet from: North/South Feet from: East/West County  Dedication Joint? Conecidation  NO ALLOWABLE WILL ASSIGNED TO THE COPPLETION UNIT. ALL NITERESTS HAVE BEEN CONSOLDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DMSON  OPERATOR CERTIFICATION the feet from the best of my knornledge and belief.  Signature Julian Lot.  OPERATOR CERTIFICATION the feet from belief.  Signature Julian Lot.  OPERATOR CERTIFICATION the feet from belief.  Signature Julian Lot.  Onder No. SURVEYOR CERTIFICATION that the province of the best of my knornledge and belief.  Signature Julian Lot.  Onder No. SURVEYOR CERTIFICATION that the unit or man belief.  Signature Julian Lot.  On this plot vac plotted from field notes of actual surveys mode by or under my supervision, and that same is true and correct to the of my belief.  Date of Survey.	Property Code			Property Name							Well, Number		
UL or Lot Sec. Top. Rgs. Lot Mr. Feet from North/South Feet from Sect/West SANDOVAL:  Batton Hole Location If Different From Serface  UL or Lot Sec. Top. Rgs. Lot Mr. Feet from North/South Feet from Serface  UL or Lot Sec. Top. Rgs. Lot Mr. Feet from North/South Feet from Sect/West County  Dedication Joint? Concoldation  NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNIT. ALL INTERESTS HAVE BEEN CONSOLDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DMSKIN  OPERATOR CERTIFICATION To the best of my Interest in true and comp to the best of my Interest in true and comp to the best of my Interest in the set	149	ზ52	· ·							1			
A 23 23 N. 4 WIIBS NORTH 950 · EAST · SANDOVAL  Bottom Hobe Location If Different From Surface  UL or Lot Sec. Top. Rgn. Lot ldn. Feet from North/South Feet Iron > East/West County  Dedication  Joint? Consolidation  NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNIT. ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIMSION  OPERATOR CERTIFICATION IN the best of my knowledge and belief.  Signature  JULY 7, 200  SURVEYOR CERTIFICATION LINE CONSULTAN  Date JULY 7, 200  SURVEYOR CERTIFICATION LINE STANDARD UNIT AND CONSULTAN Date JULY 7, 200 on this plot was plotted from field notes of actual strue and coarse and consultance of actual strue and coarse and coarse and coarse are strue and coarse are strue and coarse and coarse are strue and coarse													
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DEC 2001  Signoty and Salking Co. Professional Stroyon  (6844)				y RE	2001		A	GALLUP 950.	Print Title Date on t note of p Date	PRVE reby control of this place of sander many belief	me BRIAN WOOD  CONSULTANT  JULY 7, 2001  YOR CERTIFICATION  Certify that the well location it was plotted from field actual surveys made by me my supervision, and that the use and correct to the best self.  WELL 12001, and surveys made surveys well surveys made some and correct to the best self.		

PAGE 12



PROPOSED WELL:

PROPOSED ROAD: ••••

EXISTING WELL:

EXISTING ROAD:

P & A WELL:

PROPOSED GAS LINE: ----

LEASE:



Elm Ridge Resources, Inc. Bonita Canyon 1 1185' FNL & 950' FEL Sec. 23, T. 23 N., R. 4 W. Sandoval County, New Mexico

### 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>	Weight (lb/ft)	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<b>GL Setting Depth</b>
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	7,175'

Surface casing will be cemented to the surface with  $\approx 250$  cubic feet ( $\approx 250$  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.

Cement top on 4½ must be at least @ 250 below surface.