

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

1185' FNL & 950' FEL

At proposed prod. zone

Same

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

13 air miles E of Counselor

15. DISTANCE FROM PROPOSED\*

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

1,185'

16. NO. OF ACRES IN LEASE

1,920

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

NE 1/4, NE 1/4 40 ~~80~~

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

2,543'

19. PROPOSED DEPTH

7,175'

20. ROTARY OR CABLE TOOLS

Rotary

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

7,245' ungraded

22. APPROX. DATE WORK WILL START\*

Sept. 20, 2001

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	7,175'	≈3,390 cu. ft. & to surface



cc: BIA, BLM, Elm (D&F), 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

*[Signature]*

TITLE

Consultant (505) 466-8120

DATE

7-7-01

(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:

*Att. d-d*

APPROVED BY

*5/ SW Anderson*

TITLE

*Asst. Field Mgr.*

DATE

DEC 14 2001

\*See Instructions On Reverse Side

State of New Mexico  
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

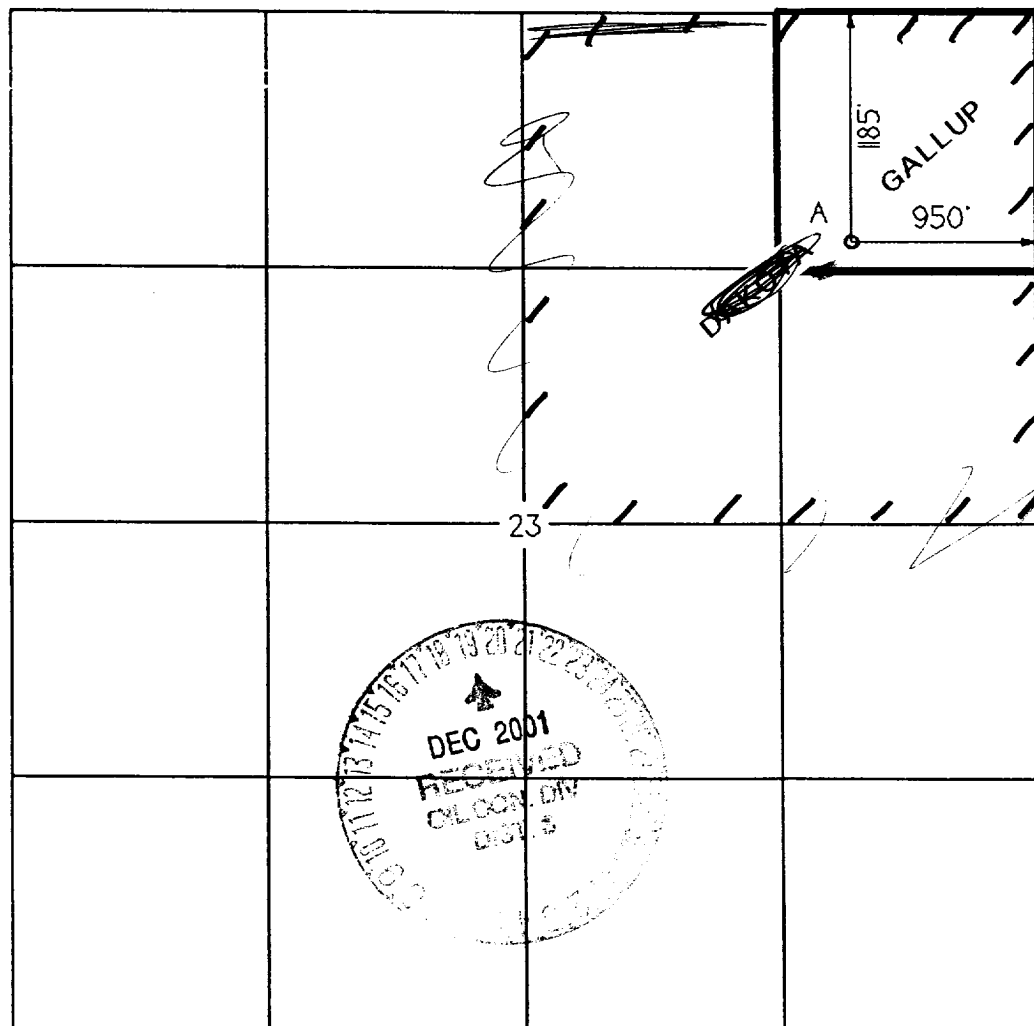
APA Number <b>30-043-20954</b>	Pool Code <b>39179</b>	Pool Name <b>SOUTH LINDRITH GALLUP DAKOTA</b>
Property Code <b>29142</b>	Property Name <b>BONITA CANYON</b>	Well Number <b>1</b>
GRID No. <b>149052</b>	Operator Name <b>ELM RIDGE RESOURCES</b>	Elevation <b>7245'</b>

Surface Location									
UL or Lot <b>A</b>	Sec. <b>23</b>	Twp. <b>23 N.</b>	Rge. <b>4 W.</b>	Lot Ltr.	Feet from >	North/South <b>NORTH</b>	Feet from >	East/West <b>EAST</b>	County <b>SANDOVAL</b>

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

Dedication <b>40 AC</b>	Joint ?	Consolidation	Order No. <b>NSL 4659</b>
----------------------------	---------	---------------	------------------------------

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 **JULY 7, 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.

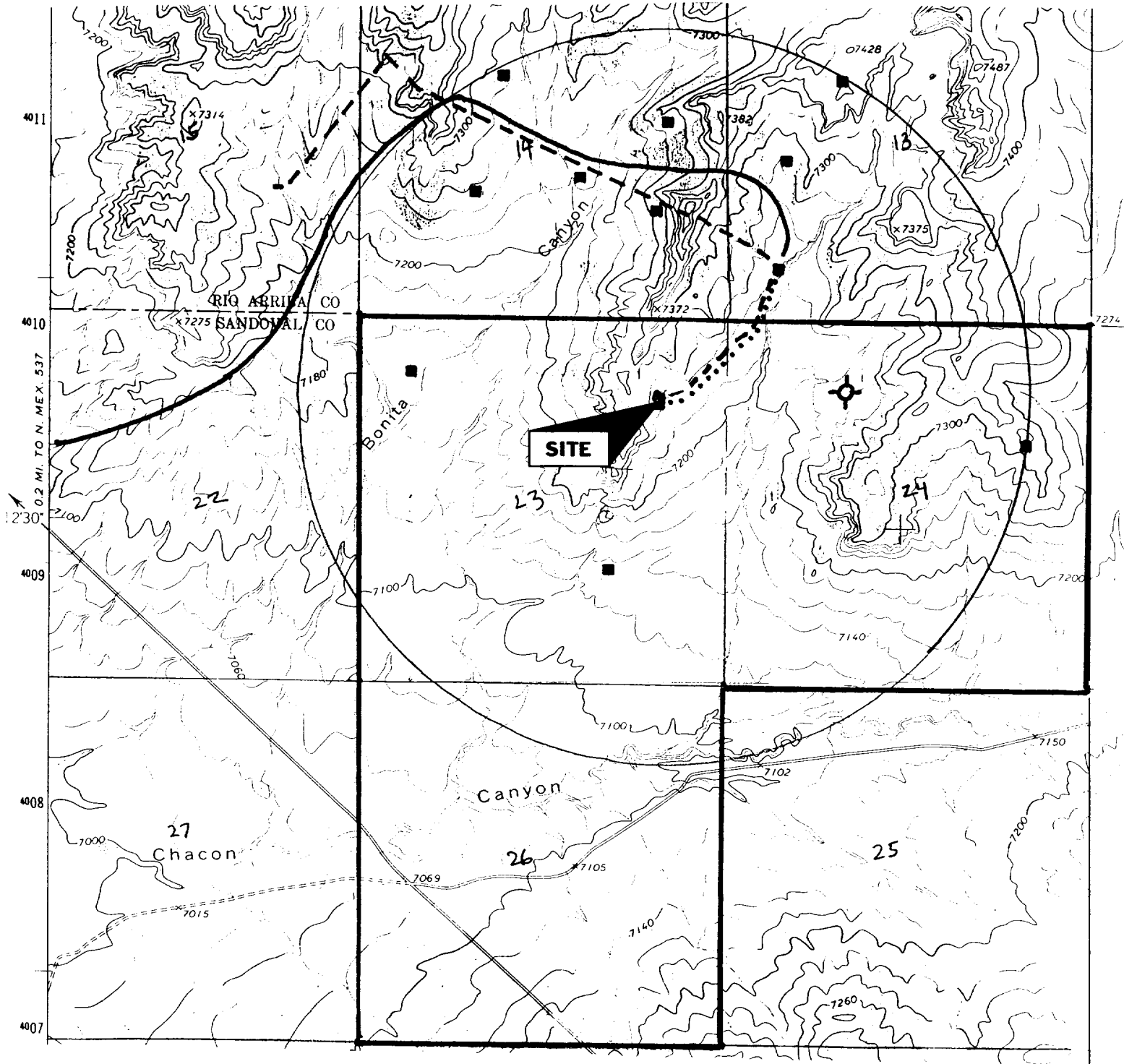
Date of Survey

Signature and Seal of Professional Surveyor



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

PAGE 12



PROPOSED WELL: ■ PROPOSED ROAD: ....  
 EXISTING WELL: ■ EXISTING ROAD: ~~~~~  
 P & A WELL: ⊕ PROPOSED GAS LINE: - - - -  
 LEASE: └

**PERMITS WEST** . INC.  
 PROVIDING PERMITS for LAND USERS

Elm Ridge Resources, Inc.  
Bonita Canyon 1  
1185' FNL & 950' FEL  
Sec. 23, T. 23 N., R. 4 W.  
Sandoval 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	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% CaCl<sub>2</sub>. 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 4 1/2 must be at least @ 250' below surface*