



SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
NSL NSP SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

[D] Other: Specify



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
(505) 466-8120
FAX 466-9682

CONSULTANT

12-3-01

e-mail Address

brian@permitswest.com

REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD LOCATION
FOR ELM RIDGE RESOURCES, INC.
STATE OF NEW MEXICO 16 #21 WELL
BASIN FRUITLAND FIELD & POOL
890' FNL & 1920' FWL SEC. 16, T. 23 N., R. 8 W., SAN JUAN COUNTY, NM

I. The well is on BLM surface and a State oil and gas lease (LG-3926). The proposed location is non-standard for the Fruitland. A standard Fruitland location is in the southwest quarter or the northeast quarter. This well is in the northwest quarter to take advantage of an existing well bore which is no longer productive in its original (Gallup) zone. Elm Ridge has no plans now to drill a Fruitland well in the southwest quarter. The APD is attached.

II. A Form C-102 showing the well location and proration unit (W2 for the Fruitland) is attached. Two state leases will be communitized. The well is on LG-3926 which comprises 280 acres in the NW4, W2NE4, and SENE Sec. 16. It will be communitized with state lease LH-0007/V-5960 which comprises 280 acres in the SW4, N2SE4, and SESE Sec. 16. Both leases (solid lines) and the communitized acreage dedication (dashed lines) are shown on the attached copy of the Lybrook NW USGS topo map.

III. According to NM Oil Conservation Division records reviewed in their Santa Fe office on December 1, 2001; the closest producer is Elm Ridge's State of New Mexico 16-43. It is a Gallup oil well which is 3,793' southeast at 1600' FSL & 790' FEL 16-23n-8w. There are no existing or proposed Fruitland wells in Section 16, in the 8 surrounding sections which touch Section 16, nor in at least a 6,170' radius.

A copy of the Lybrook NW 7.5' USGS map is attached. The map shows the well site, proposed Fruitland acreage dedication (dashed line including all of west half of Sec. 16), leases (solid lines), and other existing well bores within a one mile radius (0 Fruitland + 1 Chacra + 2 P&A + 2 Gallup = 5). There is only one lease within a minimum 890' radius. Elm Ridge is the operator of the Fruitland rights in the two state leases to be communitized.

Registered letters were sent on December 3, 2001 to all offset interest owners. Copies of all the letters and postal receipts are attached.



PERMITS WEST, INC.
PROVIDING PERMITS FOR LAND USERS

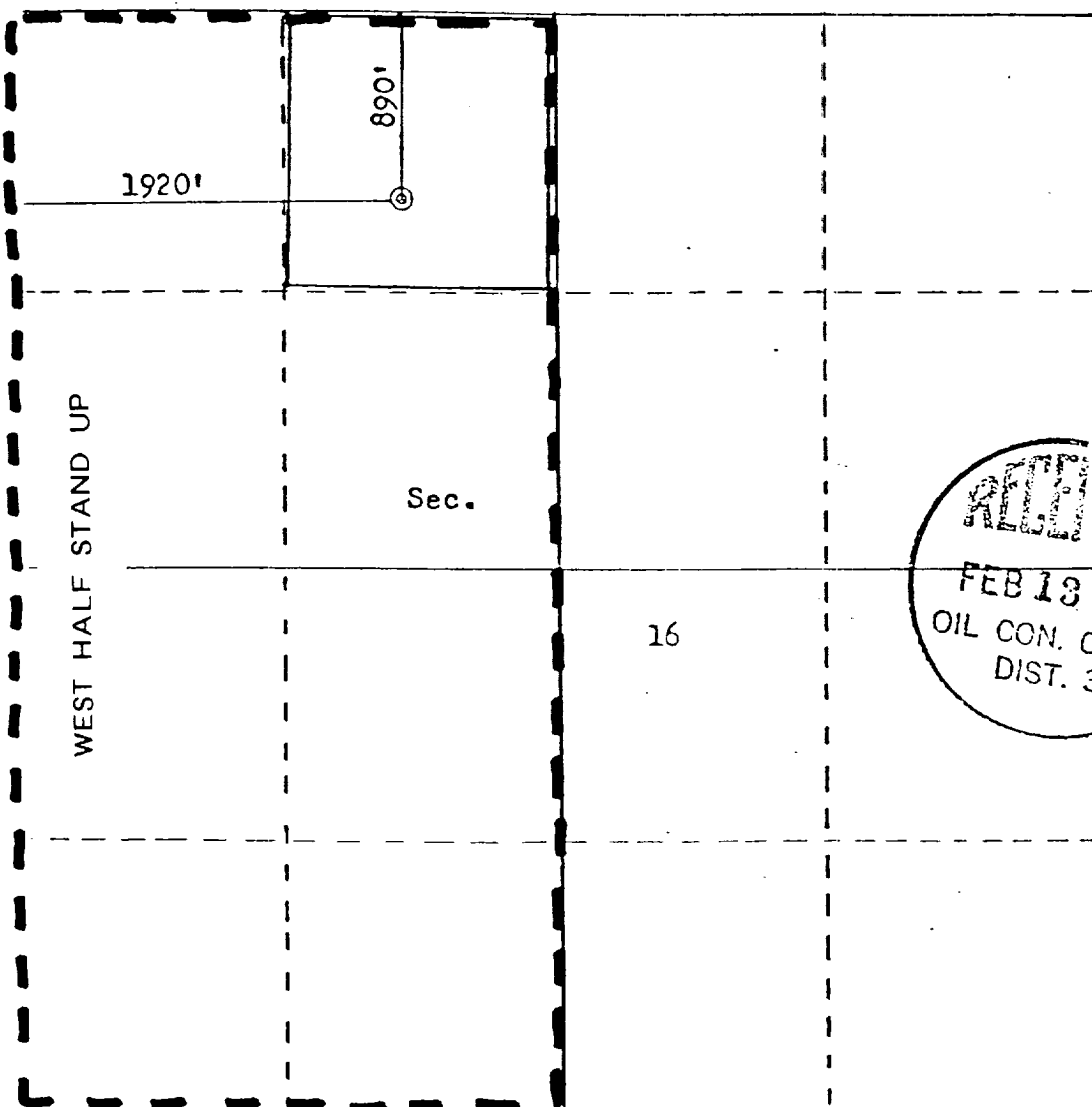
Operator ELM RIDGE RESOURCES, INC.		Lease STATE OF NEW MEXICO-16		Well No. 21
Unit Letter C	Section 16	Township 23N	Range 8W	County San Juan
Actual Footage Location of Well: 890 feet from the North line and 1920 feet from the West line				
Ground Level Elev: 7013	Producing Formation FRUITLAND COAL		Pool BASIN FRUITLAND	Dedicated Acreage: 320

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

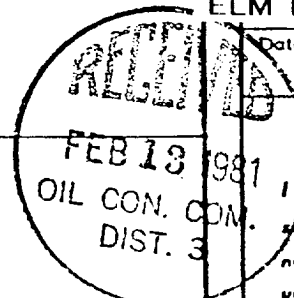
Brian Wood

Name **BRIAN WOOD**

Position **CONSULTANT**

Company **ELM RIDGE RESOURCES, INC.**

Date **12-3-01**



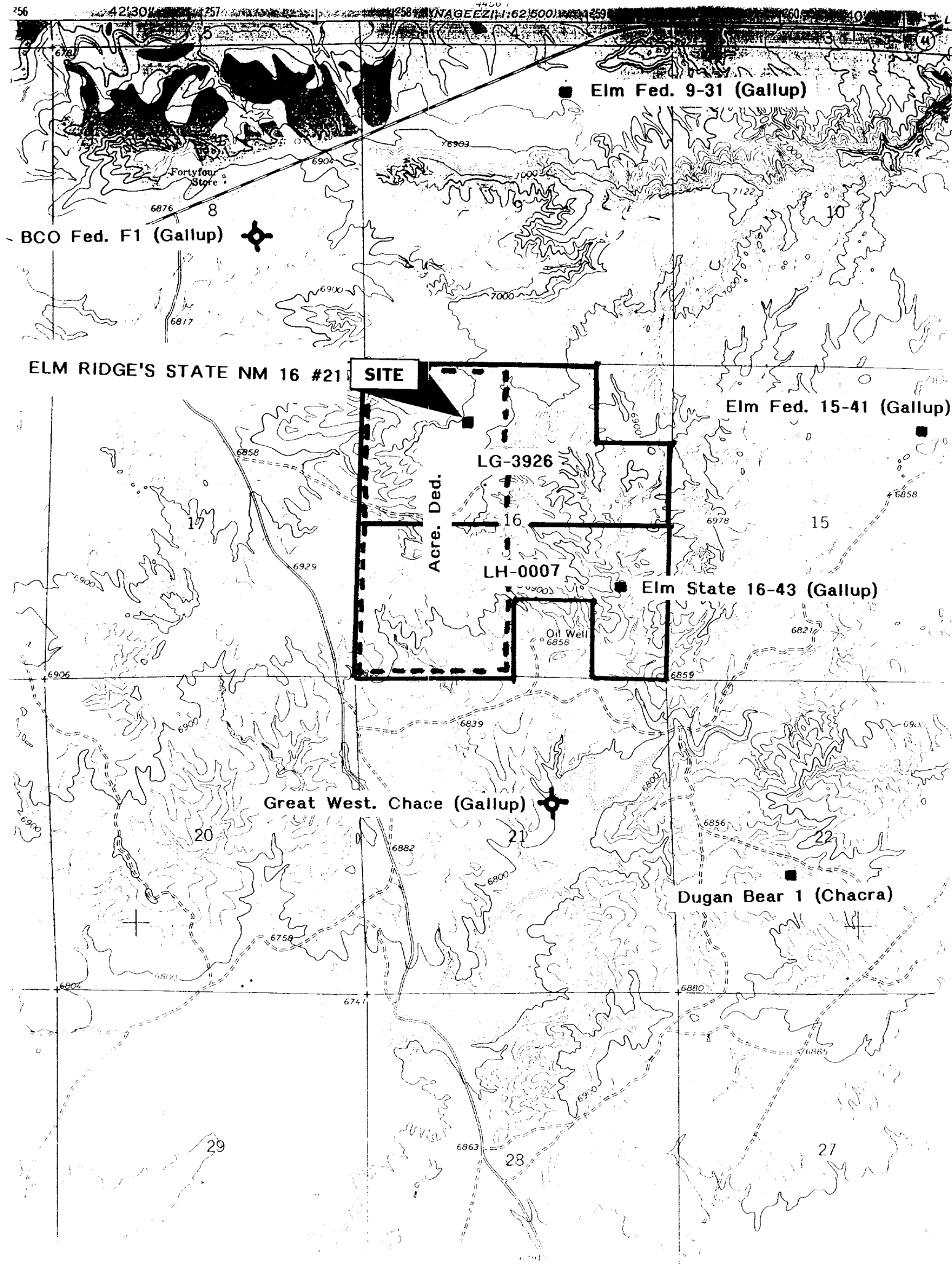
I hereby certify that the well location shown on this plat was plotted from notes of actual surveys made by me under my supervision, and that the information is true and correct to the best of my knowledge and belief.

Date Surveyed **October 10, 1980**

Registered Professional Engineer and Land Surveyor

Fred B. [Signature]

Certification No. _____



Elm Fed. 9-31 (Gallup)

BCO Fed. F1 (Gallup)

ELM RIDGE'S STATE NM 16 #21

SITE

Elm Fed. 15-41 (Gallup)

LG-3926

16

LH-0007

Elm State 16-43 (Gallup)

Oil Well

Great West. Chace (Gallup)

Dugan Bear 1 (Chacra)

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY
37 Verano Loop, Santa Fe, New Mexico 87505 (505) 464-8120
466

December 3, 2001

Cherry Hlava
BP Amoco
P. O. Box 3092
Houston, Tx. 77253

Dear Cherry,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Elm Ridge Resources, Inc. is applying to reenter and develop the Fruitland coal zone in its State of NM 16 #21 (currently a TSI Gallup oil well). Standard Fruitland coal wells are located in the northeast or southwest quarter of each section. Thus, this is a non-standard location. It is 890' from the closest lease boundary. It is 3,793' from the closest producing well.

Well Name: State of New Mexico 16 #21

Total Depth: 5,508'

Proposed NSL Producing Zone: Fruitland coal

NSL Acreage Dedication: 320.00 ac. (W2 Sec. 16) to Fruitland

Location: 890' FNL & 1920' FWL Sec. 16, T. 23 N., R. 8 W.,
San Juan County, NM on state lease LG-3926

Approximate Location: ≈3 air miles southeast of Nageezi, NM

Applicant Name: Elm Ridge Resources, Inc. (505) 632-3476

Applicant's Address: P. O. Box 189, Farmington, NM 87499

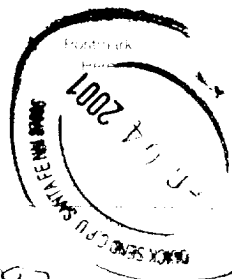
Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

questions.

Sincerely,

Brian Wood



Brian Wood

BP Amoco
PO Box 3092
Houston Tx 77253

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY
47 Verano Loop, Santa Fe, New Mexico 87505 (505) 984-8120

466

December 3, 2001

BLM
1235 LaPlata Highway
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant's Address: P. O. Box 189, Farmington, NM 87499

Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

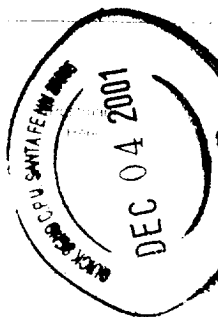
questions.

Sincerely,


Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage \$.34
Postage Due \$ 2.10
Postage Refund \$ 1.50
Total Postage & Fees \$ 3.94



BLM
1235 LaPlata Hwy
Farmington NM 87401

7000 1670 0012 535L 8681

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY
37 Merano Loop, Santa Fe, New Mexico 87505 (505) 984-8120

466

December 3, 2001

Dave Pogue
Dugan Production Corp.
P. O. Box 420
Farmington, NM 87499

Dear Dave,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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San Juan County, NM on state lease LG-3926

Approximate Location: ≈3 air miles southeast of Nageezi, NM

Applicant Name: Elm Ridge Resources, Inc. (505) 632-3476

Applicant's Address: P. O. Box 189, Farmington, NM 87499

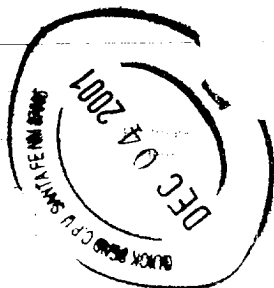
Submittal Information: Application for a non-standard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the regulations, then it will be approved. The New Mexico address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Phone number is (505) 476-3440.

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

questions.

Sincerely,

Brian Wood



Dugan
PO Box 420
Farmington NM 87499

4298 4555 2100 0670 0000 7000 1670 0012 5355 0674

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY
47 Verano Loop, Santa Fe, New Mexico 87505 (505) 464-8120
466

December 3, 2001

Jeff Albers
NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following non-standard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Elm Ridge Resources, Inc. is applying to reenter and develop the Fruitland coal zone in its State of NM 16 #21 (currently a TSI Gallup oil well). Standard Fruitland coal wells are located in the northeast or southwest quarter of each section. Thus, this is a non-standard location. It is 890' from the closest lease boundary. It is 3,793' from the closest producing well.

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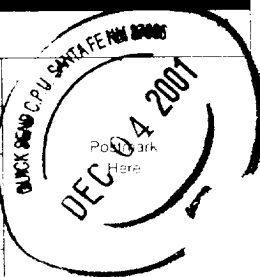
questions.

Sincerely,

Brian Wood
Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ 34
Certified Fee	210
Return Receipt Fee (Endorsement Required)	150
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 394



State Land
PO Box 1148
Santa Fe NM 87504

7000 1670 0012 5356 6616

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Elm Ridge Resources, Inc. P. O. Box 189, Farmington, NM 87499		² OGRID Number 149052
(505) 632-3476		³ API Number 045-24861
⁴ Property Code .	⁵ Property Name State of NM 16	⁶ Well No. 21

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot kln	Feet from the	North/South line	Feet from the	East/West line	County
C	16	23n	8w		890	North	1920	West	SJ

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot kln	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 Basin Fruitland Coal						¹⁰ Proposed Pool 2 .			

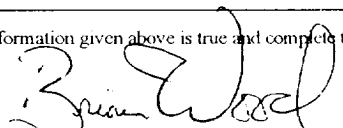
¹¹ Work Type Code A	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 7,013'
¹⁶ Multiple No	¹⁷ Proposed Depth 1,600'	¹⁸ Formation Fruitland	¹⁹ Contractor .	²⁰ Spud Date 1-2-02

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 - 1/4"	8 - 5/8"	23	259'	275 sx	Surface
7 - 7/8"	5 - 1/2"	14	5,508'	1125 sx	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

Well was originally spudded & completed in 1981 as a Gallup oil well.
Elm Ridge has recently been unsuccessful in returning Gallup to production.
Elm Ridge will set a CIBP at $\approx 1,750'$ and attempt to complete & produce from Fruitland.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: Brian Wood		Approved by:	
Title: Consultant		Title:	
Date: December 3, 2001		Approval Date:	Expiration Date:
Phone: (505) 466-8120		Conditions of Approval:	
		Attached <input type="checkbox"/>	

All distances must be from the corner boundaries of the Section.

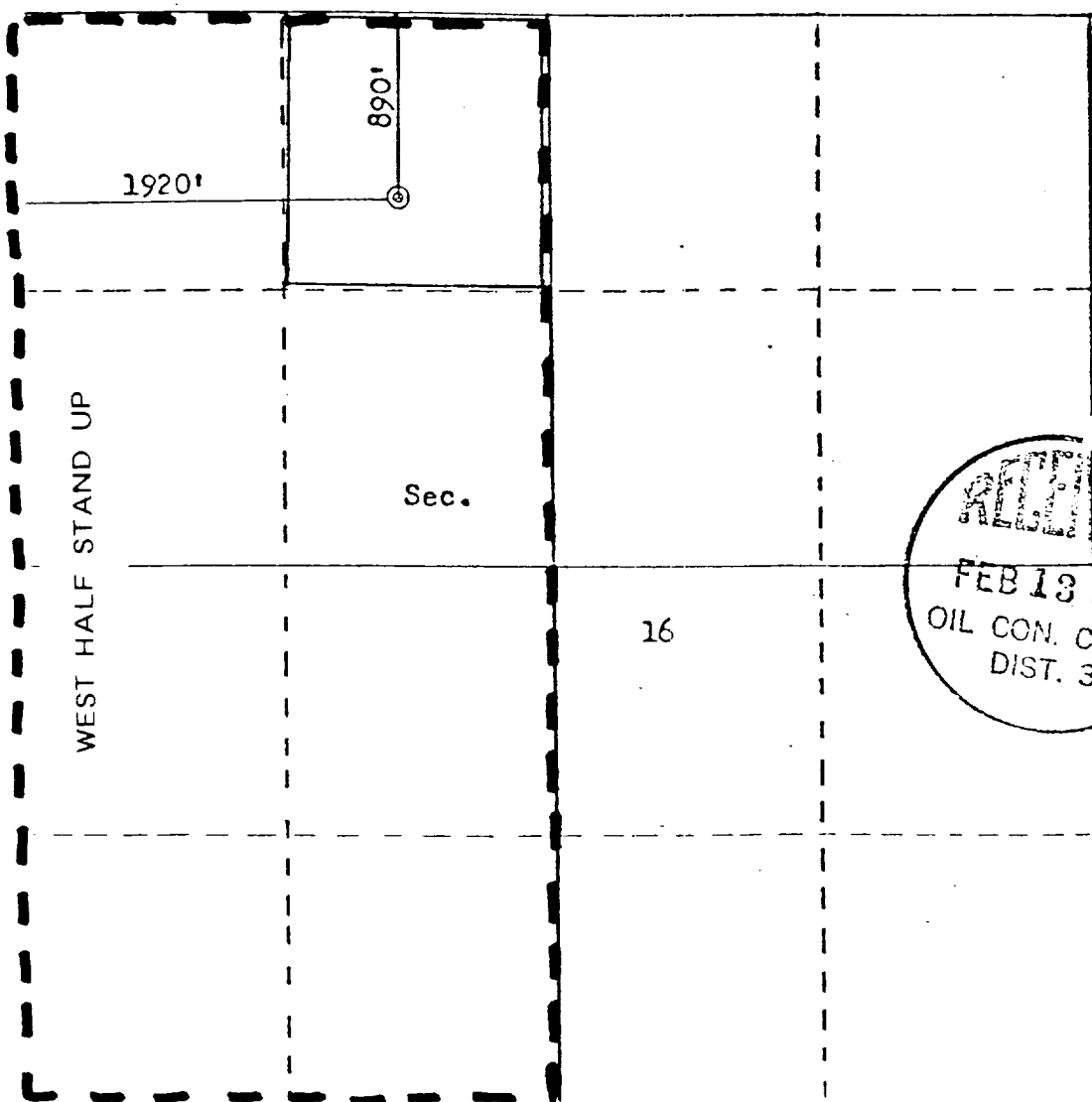
Operator ELM RIDGE RESOURCES, INC.		Lease STATE OF NEW MEXICO-16		Well No. 21
Unit Letter C	Section 16	Township 23N	Range 8W	County San Juan
Actual Footage Location of Well:				
890	feet from the North	line and	1920	feet from the West
Ground Level Elev: 7013	Producing Formation FRUITLAND COAL	Pool BASIN FRUITLAND	Dedicated Acreage: 320	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to work interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **BRIAN WOOD**

Position **CONSULTANT**

Company **ELM RIDGE RESOURCES, INC.**

Date **12-3-01**

FEB 13 1991
OIL CON. COM.
DIST. 3

I hereby certify that the well location shown on this plat was plotted from notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **October 10, 1980**

Registered Professional Surveyor and Land Surveyor

Fred B. [Signature]

Certification No. [Signature]