UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

1a.	Type of Work	5. L	ease Number
	DRILL AUG 2001		NM-31059
1B.	TYPE OF WELL CLOSE DIV	l	Init Reporting Number
	GAS _ CLOT. 3	6. I	f Indian, All. or Tribe
2. 149	Operator ELM RIDGE RESOURCES, INC. 505-632-3476	7. t	Jnit Agreement Name
3.	Address & Phone No. of Operator	8. F	arm or Lease Name
_	PO Box 189 Farmington, NM 87499	9. V	RYLEYBART FEDERAL Vell Number #1
4.	Location of Well 1305' FNL, 1040' FEL	10.	Field, Pool Wildcat BASIN FRUITLAND COAL
	1000 1115, 1010 1155		Sec., Twn, Rge, Mer. (NMPM)
			NE NE SEC. 24, T27N , R13W # 30045- 30538
14.	Distance in Miles from Nearest Town 13 MILES SOUTH OF FARMINGTON	12.	County 13. State SAN JUAN, N.M.
15.	Distance from Proposed Location to Nearest Prop	erty o	r Lease Line
16.	Acres in Lease 960	17.	Acres Assigned to Well
16.	Acres in Lease 960 Distance from Proposed Location to Nearest Wall	Dria	320 \$12
	Acres in Lease 960	Dria	320 \$12
18.	Distance from Proposed Location to Nearest Well, 2500' This took Proposed Deffinement and the Control of the Location to Nearest Well, 2500' This took to the Control of the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to Nearest Well, 2500' This took to the Location to the	Drig, 3.3 20.	Compl or Applied for on this Leas Rotary or Cable Tools ROTARY Approx. Date Work will Start JUNE
18. 19.	Distance from Proposed Location to Nearest Well, 2500' This too Proposed Deffiness 1260' and application 1340 Aft Elevations (DF, FT, GR, Etc.)	Drig, 3.3 20. 22.	Compl or Applied for on this Leas Rotary or Cable Tools ROTARY Approx. Date Work will Start JUNE
18. 19. 21.	Distance from Proposed Location to Nearest Well, 2500' This too Proposed Depth 1260' and application (340 At Elevations (DF, FT, GR, Etc.) 6089' GL Proposed Casing and Cementing Program	Drig, 3.3 20. 22. DRUU \$U8)	Compl or Applied for on this Leas Rotary or Cable Tools ROTARY Approx. Date Work will Start JUNE
18. 19. 21. 23.	Distance from Proposed Location to Nearest Well, 2500' This too Proposed Depth 1260' and appl 1260' and ap	Drig, 3.3 20. 22. 28. 38. 38. 38. 38. 38. 38. 38. 38. 38. 3	Compl or Applied for on this Leas Rotary or Cable Tools ROTARY Approx. Date Work will Start JUNE

Archaeological Report to be submitted
Threatened and Endangered Species Report to be submitted
NOTE: This format is issued in lieu of U.S. BLM Form 3160--3
Title 1 U.S.C. Section 1001, makes 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 presentations as to any matter within its jurisdiction.

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department

Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office

State Lease - 4 Copies

WICHARDCION

Fee Lease - 3 Copies

Form C-102

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

Pool Name 1 Pool Code BASIN FRUITLAND COAL 71629 * Well Number ³ Property Name RYLEYBART FEDERAL * Elevation * Operator Name 6089 DELHI-TRADING INCORPORATED 10 Surface Location East/West line County North/South line Feet from the Feet from the Lot Idn Runge Ul. or let no. Section Township SAN JUAN 1040' **EAST** 13051 NORTH 26N 13W 24 11 Bottom Hole Location If Different From Surface East/West line County Feet from the North/South line Lot Idn Feet from the Section Township UL or lot no. 15 Order No. 13 Joint or Infill 14 Consolidation Code 11 Dedicated Acres 320 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 5285 28 17 OPERATOR CERTIFICATION \$89°58'W I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief 1040' Title Date 18SURVEYOR CERTIFICATION I hereby certify that the well location shown 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. 10/05/00 Date of Survey North Signature and Seal of Professional Surveyer: 5283 96 West

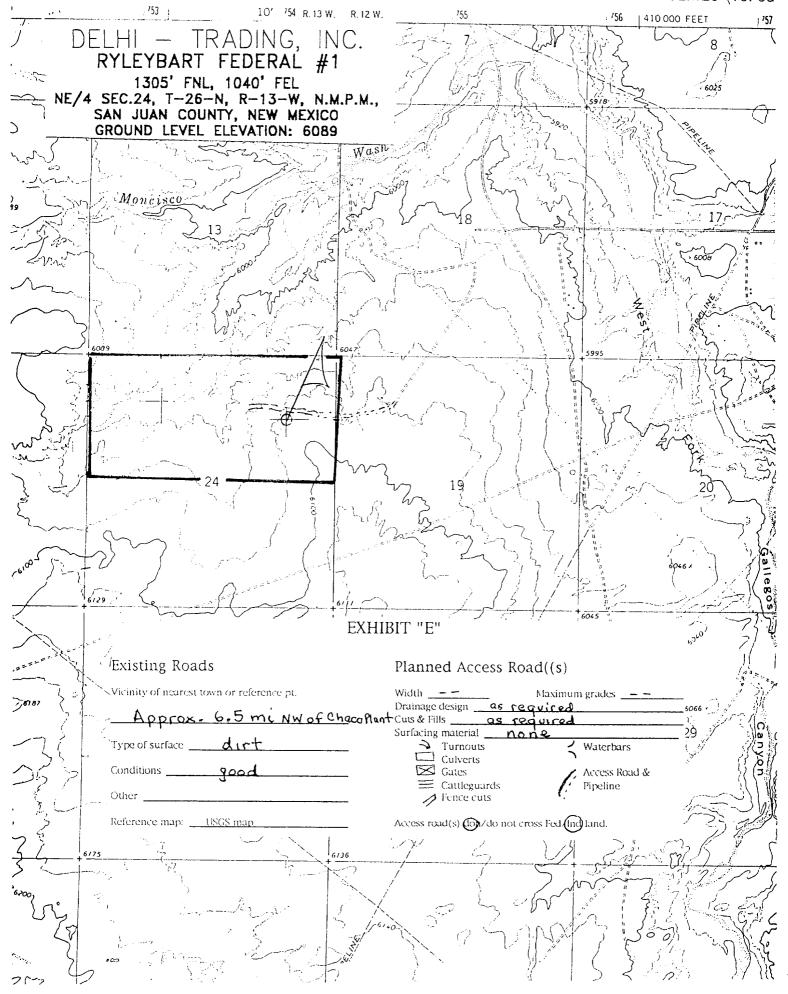


EXHIBIT "B" OPERATIONS PLAN Ryleybart Federal #1

APPROXIMATE FORMATION TOPS:

Ojo Alamo Surface
Kirtland <100'
Farmington 315'
Fruitland 800'
Fruitland Coal 1160'

Total Depth

1260 lt

LOGGING PROGRAM: Run IES & CDL logs.

Catch samples every 30 feet from 915' to total depth.

CASING PROGRAM:

Hole	Casing		Setting	Grade and
<u>Size</u>	<u>Size</u>	Wt./Ft.	<u>Depth</u>	<u>Condition</u>
9-7/8"	7"	20#	±120'	J-55
6-1/4"	4-1/2"	10.5#	1340'	J-55

The hole size is not smaller than 1-1/2" larger diameter than the casing O.D. across usable water zones.

Plan to drill a 9-7/8" hole and set 120' of 7" OD, 20#, J-55 surface casing; then plan to drill a 6-1/4" hole to total depth with gel-water-mud program to test Pictured Cliffs Formation. Plan to run IES and CDL logs. If determined productive, will run 4-1/2". 10.5#, J-55 casing, selectively perforate, frac, clean out after frac and complete well.

CEMENTING PROGRAM: All volumes are contingent upon Caliper logs.

Surface-

Cement with 60 sx (71 cu. ft.) Class "G" neat.

Circulate to surface.

Production Stage- Cement with 105 sx (215 cu. ft.) Class "G" with 2% Lodense and 1/4# cello flake/sk followed by 60 sx (71 cu. ft.) class "G" with 1/4# cello flake/sk.

Total cement slurry for production stage is 286 cu. ft. Circulate to surface.

An adequate spacer will be pumped ahead of the cement slurry to help prevent mud contamination of the cement. An adequate number of casing centralizes will be run through usable water zones to ensure that casing is centralized through these zones. The adequate number of centralizes will be determined based on API standards. Centralizes to impart a swirling action around the casing will be used just below and into the base of the lowest usable water zone. These devices will assist mud displacement, increase cement bonding potential and create an effective hydraulic seal. A chronological log will be kept which records the pump rate, pump pressure, slurry density, and slurry volume for the cement job. The log will be sent to the BLM after completion of the job.

WELLHEAD EQUIPMENT - PRESSURE CONTROL: See Exhibit "D"

Huber 7" X 4-1/2" casing head, 1000#WP, tested to 2000# Huber 4-1/2" X 2-7/8" tubing head, 1000#WP, tested to 2000#

BOP and Related Equipment will include for a 2000 psi system;

No abnormal pressures or hazardous zones are anticipated.

Ryleybart Federal #1 Page 1 - Exh. B POO,NE24.27/13FC

