UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

1a.	Type of Work	5.	Lease Number
	DRILL 56789	<i>"</i>	NO-G-9601-1296
1B.	TYPE OF WELL		Unit Reporting Number
ıD.	TYPE OF WELL GAS	(z)	
	GAS (1) C7 (WILL 200 FD)	6.	If Indian, All. or Tribe
	14905 E 30E DN		INDIAN ALLOTTED
2.	Operator Rucon 3		Unit Agreement Name
	ELM RIDGE RESOURCES, INC. 5005-632-34	476	
3.		8	
J.	Address & Phone No. of Operator) 8.	
	PO Box 189 Farmington, NM 844002 22	_	BARTRYLEY NAVAJO.
		9.	Well Number
			#1
4.	Location of Well	10.	
	990' FWL, 1350' FNL	Sav	'() PICTURED CLIFFS おんと
		11.	Sec., Twn. Rge. Mer. (MMPM)
		ΛDI	- NEW W SEC 24 T27N D13W
		AFI	1 # 30045-3053 9 720
14.	Distance in Miles from Nearest Town	12.	County 13. State
	13 MILES SOUTH OF FARMINGTON		SAN JUAN, N.M.
15.	Distance from Proposed Location to Nearest P	roperty	
4.0	900	орону	or Lease Line
16.	Acres in Lease	17.	Acres Assigned to Well
	160		160 NW/4
18.	Distance from Proposed Location to Nearest W	Ioll Drie	Co
	2000	en, Diig,	, compi or Applied for on this Leas
19.	Proposed Depth	20.	Rotary or Cable Tools
	1340'		ROTARY
21.	Elevations (DF, FT, GR, Etc.)		
	6024' GL	22.	Approx. Date Work will Start
			JUNE
23.	Proposed Casing and Cementing Program		
	SEE OPERATIONS PLAN ATTACHED		
24.	Authorized by:	-	01-06-01
	PATRICK HEGARTY, Agent		·
		Daic	
PERMIT	Г NO АРБ	PROVAL	DATE 7/3/01
	VED BY /8/ Lee Otteni		

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

District I
Pr) Bog 1980, Hohlm, 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

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Form C-102 Revised October 18, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30.04	AIM Numb	553	7	¹ Pool Cod 87190	c		DALI EDILT	PT AND	Pool Na		n (11	ישער	
*Property Code				⁴ Property Name BARTRYLEY NAVAJO				ND SAND PICTURED			* Well Number		
OGRID	No.	Operator Name							* Elevation				
1490				ELM R			RCES, INC.	-			6	037'	
r		T					Location	Τ				1	
UL or lot no.	Section 24	Township 26N	Range 13W	Lot Idn	Feet from 1350		North/South line	1	1 from the	East/West WES		Count	
<u> </u>		24 26N 13W 1350' NORTH 990' WEST SAN JUAN 11 Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from		North/South line	т	from the	East/West	lioe	Count	у
¹² Dedicated Acr	es '' Joint	or Infill 14 (Consolidatio	h Code 15 C	Order No.			<u> </u>					· · · · · · · · · · · · · · · · · · ·
NO ALLOWA	ABLE W						UNTIL ALL INT				ONSO	LIDAT	ED OR A
N00°01'W 5280.00'	1350,	/ \$89°58	8'W//		35.28'	(E)	67897	rth \	In open in the property of the	RATOR by that the info lete to the bes RICK EYEYOR by that the wel form field notes the perission, as best of my be 01/04/0	CERT Il location of detail the life.	IFIC.	ATION a this plat made by me
		Wes	st	528	33.96'				Date of Surve Signature and Certificate	Scal of Profe	OHUPS		2
									13		_/. _/.;;	\$	

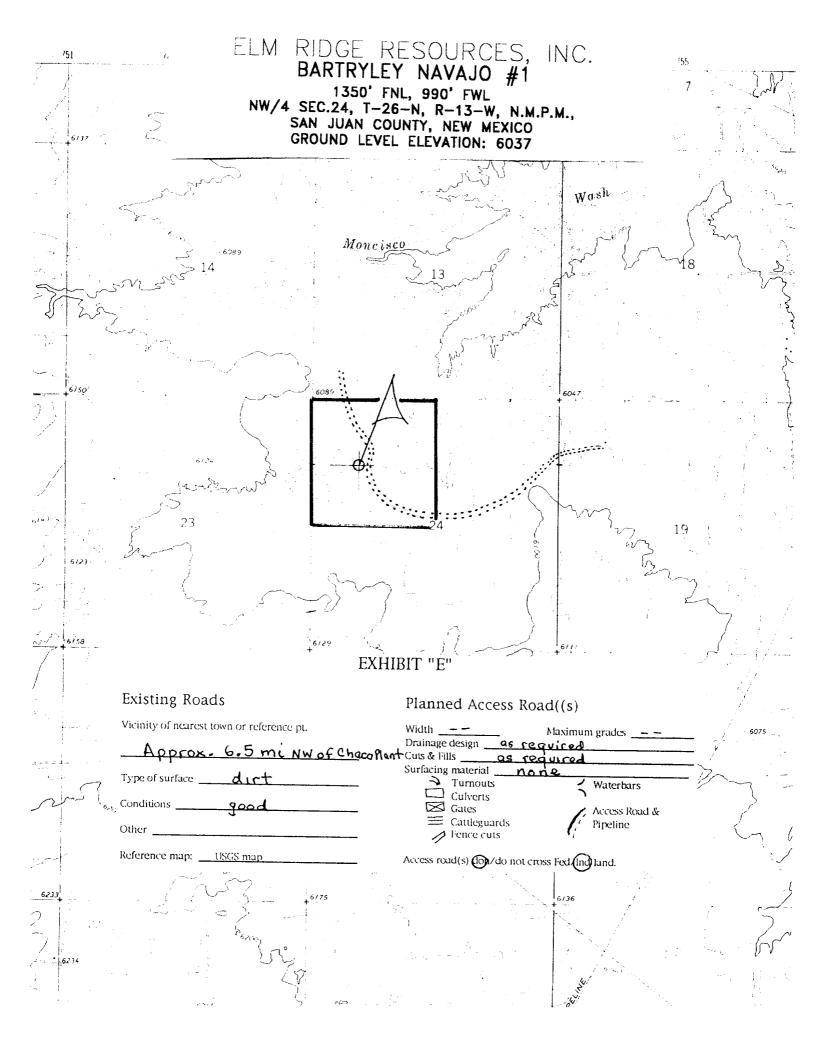


EXHIBIT "B" OPERATIONS PLAN Bartryley Navajo #1

APPROXIMATE FORMATION TOPS:

Ojo Alamo Surface Kirtland <100' Farmington 320' Fruitland 630' Pictured Cliffs 1115'

Total Depth 1340'

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.	Depth	Condition
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.

Bartryley Navajo #1 Page 1 - Exh. B POO,NW24.26/13PC

WELLHEAD EQUIPMENT (cont.):

Annual preventer, double ram, or 2 rams with one being blind and one being a pipe ram Kill line (2" minimum) 1 kill line valve (2" minimum) 1 choke line valve 2 chokes Upper kelly cock valve with handle available Safety valve and subs to fit all drill string connections in use Pressure gauge on choke manifold 2" minimum choke line Fill-up line above the uppermost preventer

BOP equipment will be tested as required in Section III A.1 of Onshore Order 2, plus a 30% safety factor.

The anticipated bottom hole pressure for this well is estimated to be approximately 380 psi.

The average mud weight is anticipated to be in the range of 8.6 to 9.5 lb/gal.

ATTACHMENTS

Exhibit "A" - Development Plan Exhibit "B" - Operations Plan

Figure #1 - Anticipated Production Facilities

Figure #2 - Cut & Fill Diagram Exhibit "C" - Typical Location Plat

Exhibit "D" - Pressure Control Equipment

Exhibit "E" - Existing & Planned Access Roads Exhibit "F" - Location of Existing Wells & Facilities

Exhibit "G" - Vicinity Map

Bartryley Navajo #1 Page 2- Exh. B POO,NW24.26/13PC