

DATE IN 11/19/13	SUSPENSE	ENGINEER DB	LOGGED IN 11/21/13	TYPE NSL	APR NO. DPRG 1332548689
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



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
X NSL ☐ NSP ☐ SD

Elm Ridge's Expl. Co.
Jicarilla Apache A 21
30-039-31127

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] X Working, Royalty or Overriding Royalty Interest Owners
[B] X 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] X For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

2013 NOV 19 P 3:56
REC'D PERMITS WEST OGD

[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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

11-19-13

Date

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
ELM RIDGE EXPLORATION COMPANY, LLC
JICARILLA APACHE A 21
1610' FNL & 899' FEL
SECTION 35, T. 25 N., R. 5 W., RIO ARriba COUNTY, NM
API 30-039-31127**

I. The oil well (see APD as Exhibit A) is on Jicarilla Apache Nation surface and Jicarilla Apache Nation oil and gas lease Jicarilla Contract 9 (2,560 acres). The well is 1,030' from the closest lease line (Exhibit B). The oil well is nonstandard for the Lindrith Gallup-Dakota; West (Pool 39189) due to land uses (BIA Road J-18). Elm Ridge requests a nonstandard location due to land uses. The well was planned to be staked 1650 FNL & 990 FEL. However, a pad staked at that spot would block BIA Road J-18 (Exhibit C).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 290' from the north quarter-quarter line (see C-102 as EXHIBIT D). Thus, it is 40' too far north.

II. Form C-102 showing the well and 160 acre pro ration unit (NE4 Section 35) is attached as Exhibit D.

Exhibit E shows the existing Gallup Dakota acreage dedications (dashed lines). The well encroaches 40' too far north. The encroachment is part of the same Jicarilla Apache Nation lease.

Elm Ridge operates the Gallup Dakota well (Jicarilla Apache A 7; 30-039-21151) to the north in the SE4 Section 26 and two of the bordering quarter sections (NW4 Sec. 35 and NW4 Sec. 36). There are no Gallup Dakota dedications in the SW4 Sec. 25 and SW4 Sec. 26, though both these quarter sections are part of Elm Ridge's lease. Elm Ridge and its partners have 100% of the Gallup Dakota working interest in the affected offset quarter sections. Energen has the 3 dedicated quarter sections to the south (S2 Sec. 35 & SW4 Sec. 36),

Closest (1,114' northwest) Gallup Dakota well was Elm Ridge's Jicarilla Apache A 10 (30-039-21373) that was plugged and abandoned in 2004. Next closest (1,928' east) Gallup Dakota well is Elm Ridge's Jicarilla Apache A 9 (30-039-21235). It is a producing well.

III. The Tribal oil and gas lease boundary is shown on EXHIBIT B. The well encroaches to the north. The encroachment is part of the same Tribal lease. Six existing Gallup Dakota pro ration units (see Exhibit E) touch the proposed pro ration unit. Three are Elm Ridge operated. Three are Energen operated. The two remaining, but undedicated, quarter sections are on Elm Ridge's lease.

Elm Ridge and its partners have 100% of the Gallup Dakota working interest in the quarter section in which the well is located (NE4 Section 35), the quarter section (SE4 Section 26) toward which the well encroaches, the closest cornering quarter sections (SW4 Section 25 and SW4 Section 26), and the two adjacent bordering quarter sections (NW4 Section 35 and NW4 Section 36). This information is current and correct.

IV. Exhibit E shows the proposed well, proration unit, and all wells. Gallup Dakota wells are circled. Elm Ridge does not believe directional drilling to a standard location from an existing pad is cost effective for this well.

V. BIA Road J-18 prevents a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked 1650 FSL & 990 FEL. This was an effort to minimize road construction as requested by the Jicarilla Apache Nation. However, BIA Road J-18 prevents a standard location.

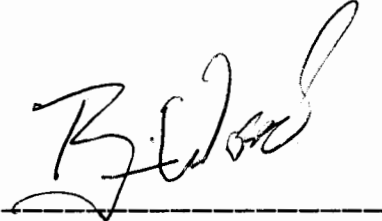
VIII. Apache does not believe directional drilling to a standard location is cost effective for this well.

IX. I hereby certify that Elm Ridge Exploration Company, LLC and its partners have 100% of the Gallup Dakota working interest in the lease which comprises the proposed 160 acre spacing unit and the adjacent quarter sections (SW4 Section 25 and S2 Section 26) on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT F) by certified mail, return receipt requested, advising them that if they have an

objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter sections that border the 160-acre spacing unit. Said notice was sent to:

Bureau of Indian Affairs
Energen Resources Corporation
Jicarilla Apache Nation



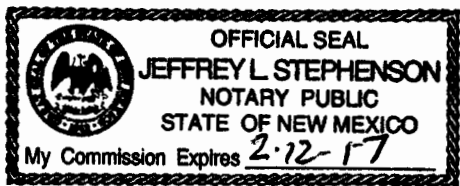
Brian Wood, Consultant

11-19-13

Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 19th day of November, 2013 by Brian Wood. Witness my hand and official seal.



Notary Public

My Commission Expires: 2-12-17

Business Address:

cc: Elm Ridge (Bloomfield & Dallas), OCD (Aztec & Santa Fe)

RECEIVED

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

JUN 28 2012

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. *Jicarilla Contract 9*

6. If Indian, Allottee or Tribe Name
JICARILLA APACHE NATION

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
JICARILLA APACHE A 21

9. API Well No.
30-039- *31127*

10. Field and Pool, or Exploratory
LINDRITH GALLUP-DAKOTA, WEST

11. Sec., T. R. M. or Blk. and Survey or Area
SENE (H) 35-25N-5W NMPM

12. County or Parish
RIO ARriba

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator ELM RIDGE EXPLORATION COMPANY, LLC

3a. Address P. O. BOX 156
BLOOMFIELD, NM 87413

3b. Phone No. (include area code)
505 632 3476

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface 1610' FNL & 899' FEL

At proposed prod. zone SAME

14. Distance in miles and direction from nearest town or post office*
13 AIR MILES NE OF COUNSELOR, NM

15. Distance from proposed* location to nearest property or lease line, ft.
(Also to nearest drig. unit line, if any)
1,030'

16. No. of acres in lease
2,560

17. Spacing Unit dedicated to this well
NE4 (= 160 acres)

RCVD DEC 6 '12

OIL CONS. DIV.
DIST. 3

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
1,114' (A. 10)

19. Proposed Depth
7,500'

20. BLM/BIA Bond No. on file
BIA nationwide OKC 606114

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,908' GRADED

22. Approximate date work will start*
08/01/2012

23. Estimated duration
5 WEEKS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature

[Signature]

Name (Printed/Typed)

BRIAN WOOD (505 466-8120)

Date

06/11/2012

Title

CONSULTANT

(FAX 505 466-9682)

Approved by (Signature)

[Signature]

Name (Printed/Typed)

Office

FFO

Date

12/4/12

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT A

(Continued on page 2)

*(Instructions on page 2)

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOC FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOC PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

Hold C-104 For 5.9 Compliance

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

This action is subject to technical and procedural review pursuant to 43 CFR 3162.3 and appeal pursuant to 43 CFR 3165.4

DEC 17 2012 ca

NMOC

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

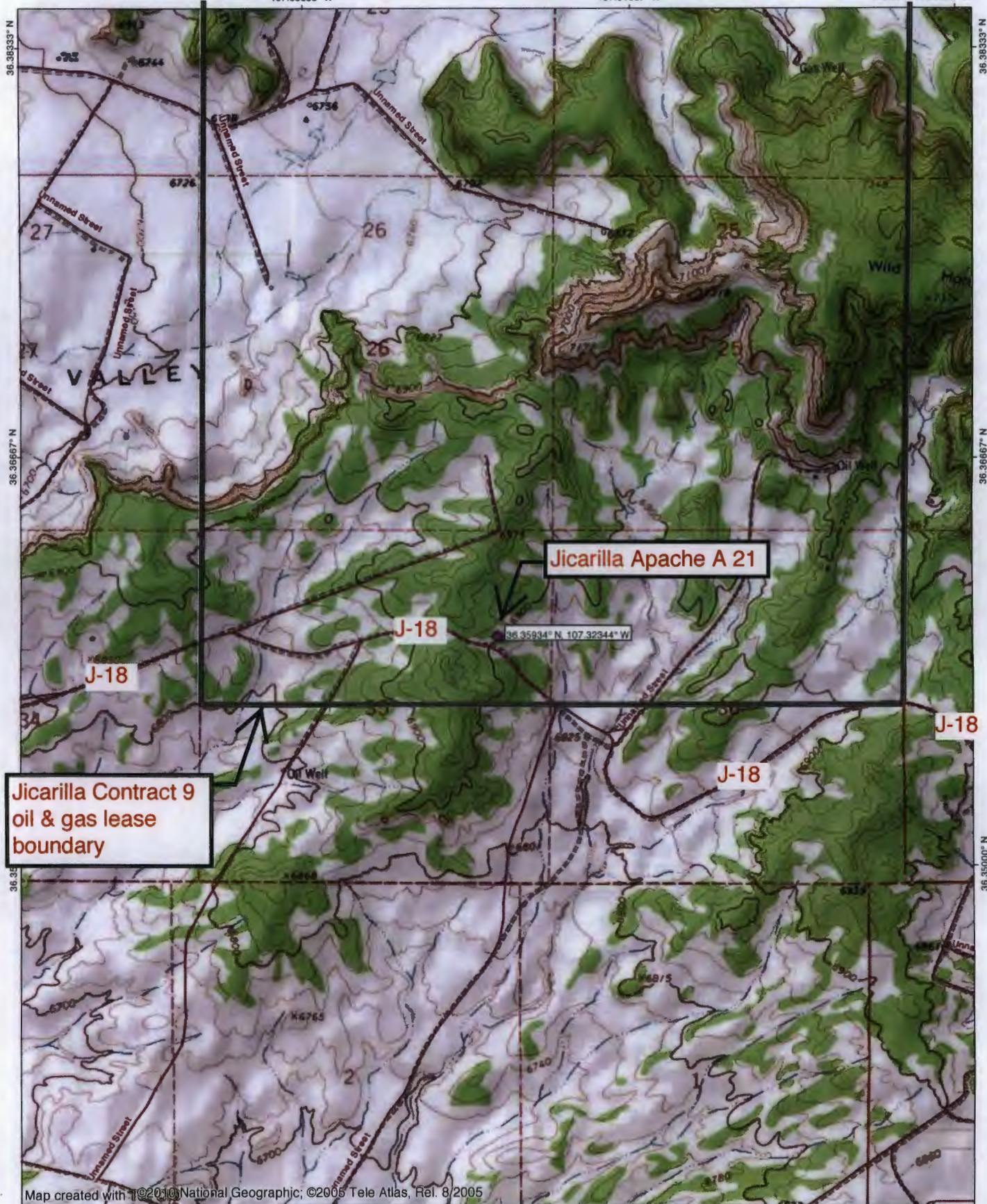
HOLD C-104 FOR NSL

NSL

107.33333° W

107.31667° W

WGS84 107.30000° W



Jicarilla Contract 9
oil & gas lease
boundary

Jicarilla Apache A 21

J-18

J-18

J-18

J-18

Map created with ©2013 National Geographic; ©2005 Tele Atlas, Rel. 8/2005

107.33333° W

107.31667° W

WGS84 107.30000° W

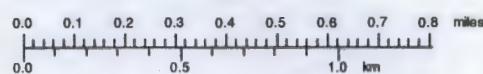
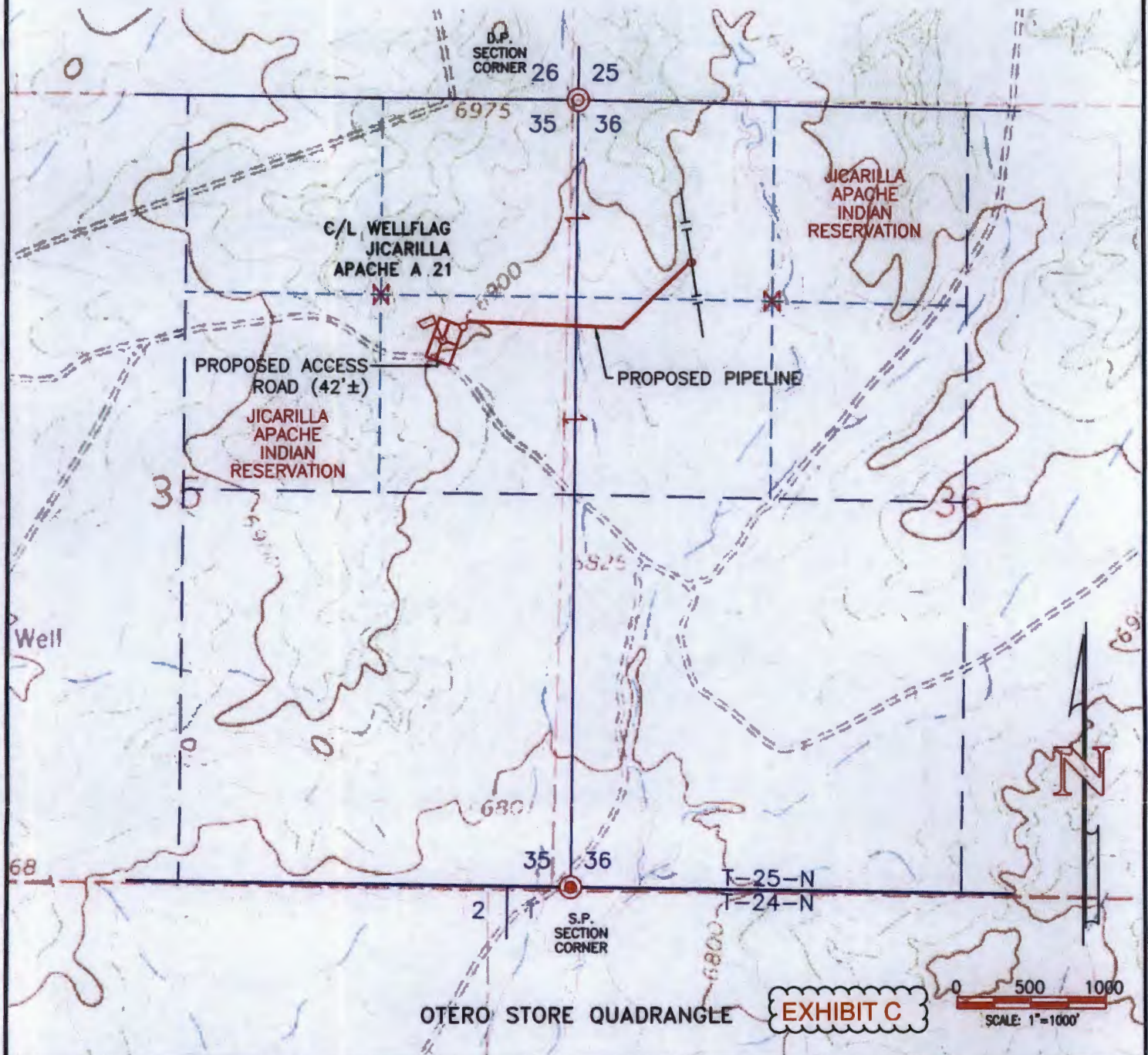


EXHIBIT B

TN+MN
9.5°
11/19/13

ELM RIDGE EXPLORATION COMPANY, INC.
JICARILLA APACHE A 21 PROPOSED PIPELINE AND ACCESS ROAD
 NW 1/4 OF SEC. 36 AND THE NE 1/4 OF SEC. 35, T-25-N, R-5-W, N.M.P.M.,
 RIO ARriba COUNTY, NEW MEXICO



LEASE: JICARILLA APACHE A 21

FOOTAGES: 1610' FNL, 899' FEL

SEC. 35 TWN. 25 N RNG. 5 W N.M.P.M.

LAT: 36.3593416° N LONG: 107.3234442° W (NAD83)

ELEVATION: 6908

ELM RIDGE EXPLORATION COMPANY, INC.
 DALLAS, TEXAS

SURVEYED: 10/24/11,
12/19/11

REV. DATE:

APP. BY J.A.V.

DRAWN BY: H.S.

DATE DRAWN: 01/06/12

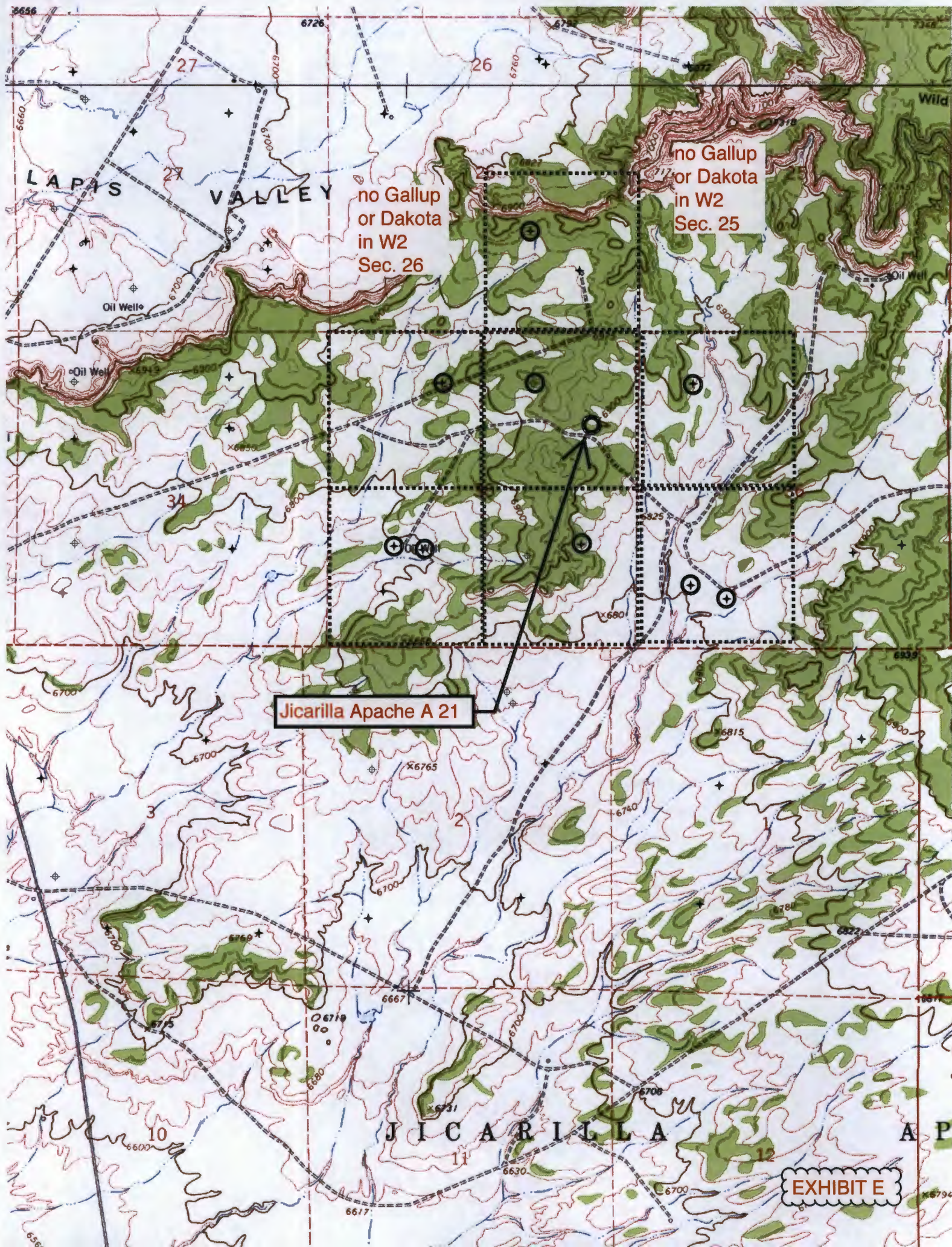
FILE NAME: 10124T01



P.O. BOX 3651
 FARMINGTON, NM 87499
 OFFICE: (505) 334-0408

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

EXHIBIT D



no Gallup
or Dakota
in W2
Sec. 26

no Gallup
or Dakota
in W2
Sec. 25

Jicarilla Apache A 21

EXHIBIT E

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

November 19, 2013

Bureau of Indian Affairs
P. O. Box 167
Dulce, NM 87528

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

Elm Ridge Exploration Company, LLC is applying for NSL approval for its Jicarilla Apache A 21 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 40' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Jicarilla Apache A 21 ID: 7,600'

Proposed NSL Zone: Lindrith Gallup-Dakota, West

NSL Acreage Dedication: 160 acres (NE4 Section 35, T. 25 N., R. 5 W., Rio Arriba County, NM) on lease Jicarilla Contract 9

Location: ≈13 air mile northeast of Counselor, NM at 1610 FNL & 899 FEL 35-25n-5w

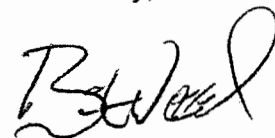
Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476

Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

9090 ES94 0000 0101 2102

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Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.31
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Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

Postmark Here: NOV 19 2013 SANTA FE, NM

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

November 19, 2013

Energen Resources Corporation
2010 Afton Place
Farmington NM 87401

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

Elm Ridge Exploration Company, LLC is applying for NSL approval for its Jicarilla Apache A 21 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 40' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Jicarilla Apache A 21 TD: 7,600'
Proposed NSL Zone: Lindrith Gallup-Dakota, West
NSL Acreage Dedication: 160 acres (NE4 Section 35, T. 25 N., R. 5 W., Rio Arriba County, NM) on lease Jicarilla Contract 9
Location: ~13 air mile northeast of Counselor, NM at 1610 FNL & 899 FEL 35-25n-5w
Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476
Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

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Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT F

7012 3550 0000 6808 7531

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For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.12
Certified Fee	3.10
Return Receipt Fee (Endorsement Required)	2.55
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.77

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

Energen

Postmark Here

PS Form 3800, August 2006

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

November 19, 2013

Jicarilla Oil & Gas Administration
P. O. Box 146
Dulce, NM 87528

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

Elm Ridge Exploration Company, LLC is applying for NSL approval for its Jicarilla Apache A 21 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 40' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Jicarilla Apache A 21 ID: 7,600'

Proposed NSL Zone: Lindrith Gallup-Dakota, West

NSL Acreage Dedication: 160 acres (NE4 Section 35, T. 25 N., R. 5 W., Rio Arriba County, NM) on lease Jicarilla Contract 9

Location: ~13 air mile northeast of Counselor, NM at 1610 FNL & 899 FEL 35-25n-5w

Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476

Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

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Please call me if you have any questions.

Sincerely,


Brian Wood

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Restricted Delivery Fee (Endorsement Required)	
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See Reverse for Instructions	

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QUICKSEND
SANTA FE, NM
NOV 21 2013

EXHIBIT F