

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

July 6, 2006

Terry Lindeman
Elm Ridge Resources, Inc.
20 CR 5060
PO Box 156
Bloomfield, NM 87413

Re: Extension of Administrative Order SWD-933

Dear Mr. Lindeman:

Administrative Permit Order SWD-933 approved the Carson WDW Well No. 242 (API No. 30-045-32447) for injection of salt water into the Entrada formation from 6910 feet to 6990 feet through 2-7/8 inch plastic coated tubing.

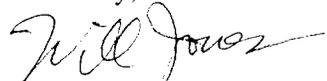
As per your request on behalf of Elm Ridge Resources, Inc. received in this office July 6, 2006, and for the reasons outlined in your letter, the permit is hereby modified to allow for 3-1/2 inch injection tubing and the deadline for commencement of injection is hereby extended until August 1, 2006.

It is our understanding the ownership within the Area of Review for this well has not changed since the original permit application was received.

Provided: The operator shall not begin injection into this well until all pre-conditions contained in the original order are complied with.

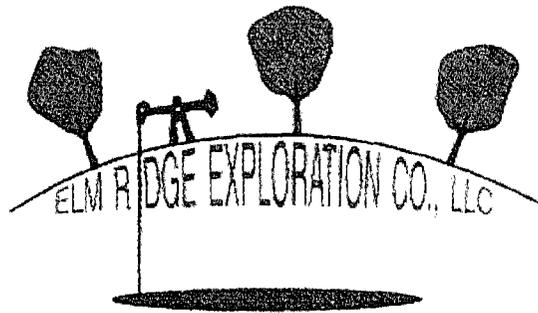
The injection authority for this well shall expire on August 1, 2006, if the operator has not commenced injection operations.

Sincerely,



William V. Jones P.E.

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Farmington
File: SWD-933



Mr. Will Jones
Ms. Karen Sharp

Dear Mr. Jones,

Elm Ridge Exploration Co, LLC request an extension for administrative order SWD-933 from July 22, 2005 to August 1, 2006 and for administrative order SWD-907 from December 5, 2004 to August 1, 2006. The delay for both wells was due to drilling rig availability and other project urgency such as plugging requirements to the state of New Mexico. Please note that for the permits the tubing is 3 1/2" plastic-lined, not 2 7/8" plastic lined tubing.

The two wells in question are drilled and completed. The Carson WDW 242 (933) is perforated at (6910' - 6990') and packer is set at 6830'. The Lybrook Yard WDW #1 (907) is perforated at (4382' - 4510') and packer set at 4325'.

Sincerely,

Terry Lindeman
District Superintendent