



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 7, 2006

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

Re: Extension of Administrative Order SWD-907

Dear Mr. Lindeman:

Administrative Permit Order SWD-933 approved the Lybrook Yard WDW Well No. 1 (API No. 30-039-27533) for injection of salt water into the Point Lookout member of the Mesaverde formation from 4575 feet to 4775 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, (i) to allow for 3-1/2 inch injection tubing, (ii) to allow injection perforations from 4382 feet to 4510 feet in the Point Lookout member of the Mesaverde formation, and (iii) the deadline to commence 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-907