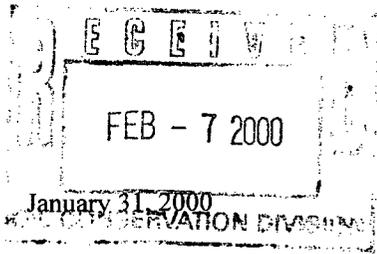


DHC 2/28/00



2654

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 87504-2088

United States Department of the Interior  
Bureau of Land Management  
1235 La Plata Highway  
Farmington, NM 87401

New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, NM 87410

RE: Apache No. 1  
1850' FNL, 1830' FEL  
Section 17, T24N, R5W  
Rio Arriba County, New Mexico

Dear Sirs:

Elm Ridge Resources, Inc. requests administrative approval to downhole commingle production from the Otero Gallup and Basin Dakota formations in the subject well. The following attachments are enclosed for your consideration:

1. Form C107A - Application for Downhole Commingling
2. Form C102 - Plat for each formation showing its dedicated acreage.
3. Form C116 - Production test of each horizon for allocation purposes.
4. A notification list of offset operators.

The working interests and royalty interests are identical in both zones. Elm Ridge Resources, Inc. believes this application will be in the best interest of all owners. If you have any questions regarding this application, please give me a call at (505) 326-4125. Thank you for your consideration of this matter.

Sincerely,

Dana L. Delventhal  
Agent



District I  
P. O. Box 1980, Hobbs, NM 88241-1980  
District II  
P.O. Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos RD., Aztec, NM 87410  
District IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-039-25608</b>	2 Pool Code <b>48450 / 71599</b>	3 Pool Name <b>Otero Gallup / Basin Dakota</b>
4 Property Code <b>17632</b>	5 Property Name <b>Apache</b>	
7 OGRID No. <b>149052</b>	8 Operator Name <b>Elm Ridge Resources, Inc.</b>	6 Well Number <b>1</b>

10 Surface Location

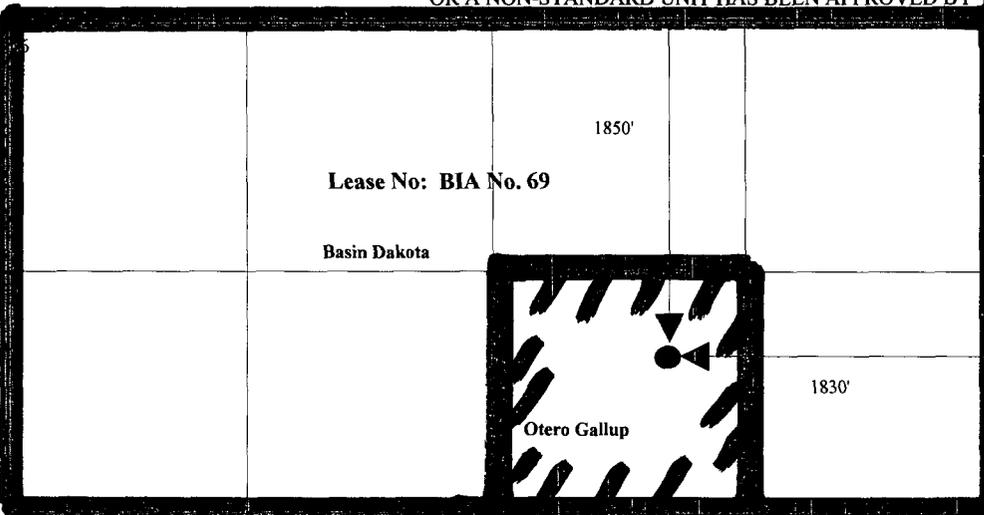
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>G</b>	<b>17</b>	<b>24N</b>	<b>5W</b>		<b>1850'</b>	<b>North</b>	<b>1830'</b>	<b>East</b>	<b>Rio Arriba</b>

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <b>40 / 320</b>	13 Joint or Infill <b>N</b>	14 Consolidation Code	15 Order No.
---------------------------------------	--------------------------------	-----------------------	--------------

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



**17 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature *Dana L. Delventhal*  
Printed Name **Dana L. Delventhal**  
Title **Agent**  
Date **31-Jan-00**

**18 SURVEYOR 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.

Date of Survey  
Signature and Seal Professional Surveyor:  
Certificate Number

Submit 2 copies to Appropriate District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-116  
Revised 1/1/89

## GAS - OIL RATIO TEST

Operator		Pool		County										
Elm Ridge Resources, Inc.		Otero Gallup / Basin Dakota		Rio Arriba										
Address		TYPE OF TEST - (X)		Completion										
312 W. La Plata St. Farmington, NM 87401		Schedulable <input type="checkbox"/>		Special <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.	
		U	S	T						R	WATER BBL.	GRAV. OIL		OIL BBL.
Apache	1	G	17	24N	5W									
Otero Gallup						80			24	0	15	54		
Basin Dakota						115			24	0	0	130		

### INSTRUCTIONS:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

*Dana J. Delventhal*

Signature

Dana L. Delventhal, Agent

Printed name and title

1/31/00

Date

(505) 326-4125

Telephone No.

January 31, 2000

Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500

RE: Downhole Commingling Request  
Apache No. 1  
1850' FNL, 1830' FEL  
Section 17, T24N, R5W  
Rio Arriba County, New Mexico

Dear Sirs:

Elm Ridge Resources, Inc. has requested administrative approval from the New Mexico Oil Conservation Division to downhole commingle production from the Otero Gallup and Basin Dakota formations in the subject well. As an offset operator, you are being notified of this application and a copy is being provided for your consideration.

The Division Director may approve the proposed commingling request within 20 days after the receipt of this application, in the absence of valid objections from any offset operator. If you have any questions regarding this application, please give me a call at (505) 326-4125. Thank you for your consideration of this matter.

Sincerely,



Dana L. Delventhal  
Agent

January 31, 2000

Floyd Oil Co.  
711 Louisiana, Suite 1740  
Houston, TX 77002

RE: Downhole Commingling Request  
Apache No. 1  
1850' FNL, 1830' FEI.  
Section 17, T24N, R5W  
Rio Arriba County, New Mexico

Dear Sirs:

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Sincerely,



Dana L. Delventhal  
Agent