



SUSPENSE 21 June 07	ENGINEER D. Catanaeh	LOGGED IN 22 June 07	TYPE NSC	APP NO. P&LP 0717341697
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**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**RECEIVED**

2007 JUN 21 AM 8 29

**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  
 NSL     NSP     SD

Elm Ridge's  
 Jicarilla 77 GD #1

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

[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.

Print or Type Name	Signature	Title	Date
BRIAN WOOD (505) 466-8120 FAX 466-9682		CONSULTANT	6-19-07
			e-mail Address brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL  
FOR NONSTANDARD LOCATION  
FOR ELM RIDGE EXPLORATION COMPANY, LLC  
JICARILLA 77 GD #1  
1390' FSL & 1205' FWL SEC. 9, T. 23 N., R. 5 W.  
RIO ARRIBA COUNTY, NM**

I. The well is on Jicarilla Apache Nation surface and on Jicarilla Apache Nation oil and gas lease BIA Contract 77. The proposed location is nonstandard for the Gallo Canyon; Gallup/Dakota (Pool Code 96369) due to topography (Canon Largo) and surface use. (The Jicarilla Apache Nation wants to minimize surface disturbance. The proposed well overlaps a Pictured Cliffs gas well pad.) A standard location must be at least 330' from the quarter-quarter line. This well is staked 260' further south and 215' further east than is standard. (Closest standard location would be 1650' FSL and 990' FWL.) The APD cover sheet is attached as EXHIBIT A.

II. A C-102 showing the well location and pro ration unit (NWSW Section 9) is attached (EXHIBIT B). The Tribal oil and gas lease (2,560 acres) boundary is marked as a solid line on the attached (EXHIBIT C) copy of the USGS topographic map. The Jicarilla Apache Nation is the mineral lessor for a >2 mile radius.

The well encroaches on the NESW, SESW, and SWSW of Section 9. There is only one existing Gallo Canyon; Gallup/Dakota in the eight offset quarter-quarters. That well is Elm Ridge's Martin Whitaker 58. It is 2,092' away in the SWNW at 1830 FNL & 840 FWL 9-23n-5w. The only other well in the NWSW or the eight offset quarter-quarters is Elm Ridge's AXI Apache A 2, a Ballard Pictured Cliffs well.

The proposed dedication and only existing Gallo Canyon; Gallup/Dakota dedication (40 acres) are shown on EXHIBIT D.

III. According to NM Oil Conservation Division records, the closest existing or planned Gallo Canyon; Gallup/Dakota oil well is Elm Ridge's producing Martin Whitaker 58 well. It is 2,092' north at 1830' FNL & 840' FWL 9-23n-5w.

EXHIBIT D shows the proposed NSL well, all existing Gallo Canyon; Gallup/Dakota wells, and all Gallo Canyon; Gallup/Dakota dedicated spacing units (40 acres each).

Registered letters were sent on June 19, 2007 to all of the offset interest owners. (Elm Ridge is the operator of five existing or potential offsetting 40 acre pro ration units. The remaining pro ration units are unleased lands in Section 8.) Copies of the postal receipts and letters are attached.

IV. A copy of the USGS map is attached (EXHIBIT D). The proposed well site is marked. Pro ration unit (solid line) for the Gallo Canyon; Gallup/Dakota is the 40 acre northwest quarter of the southwest quarter of Section 9, Township 23 North, Range 5 West, Rio Arriba County, NM.

V. The nonstandard location is due to topography and surface use. Canon Largo and its head cutting tributaries have consumed the entire drilling window. The Jicarilla Apache Nation is trying to minimize surface disturbance. The proposed well overlaps Elm Ridge's producing AXI Apache A 2 pad (see EXHIBIT F), which is a Ballard Pictured Cliffs gas well.

VI. Archaeology is not an issue.

VII. See item V. above and attached EXHIBITS D and E for a description and depiction of the surface conditions.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify notice (EXHIBIT F) has been sent to the following lessees (only Elm Ridge), lessors (only Jicarilla Apache Nation), operators of existing spacing units (only Elm Ridge), or owners of undrilled leases (only Elm Ridge) which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct. (Elm Ridge is the operator all five



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

5. Lease Serial No.  
**BIA CONTRACT 77**

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

1a. Type of work:  DRILL  REENTER

7. If Unit or CA Agreement, Name and No.  
**N/A**

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

8. Lease Name and Well No.  
**JICARILLA 77 GD #1**

2. Name of Operator  
**ELM RIDGE EXPLORATION COMPANY, LLC**

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

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

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

10. Field and Pool, or Exploratory  
**GALLO CANYON; GALLUP/DAK**

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface **1390' FSL & 1205' FWL**  
At proposed prod. zone **SAME**

11. Sec., T. R. M. or Blk. and Survey or Area  
**9-23N-5W NMPM**

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

12. County or Parish  
**RIO ARRIBA**

13. State  
**NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **765'**

16. No. of acres in lease  
**2,560**

17. Spacing Unit dedicated to this well  
**NWSW**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **141' (A-2 (PC))**

19. Proposed Depth  
**6,600'**

20. BLM/BIA Bond No. on file  
**BIA NATION WIDE 886441C**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**6,618' GL**

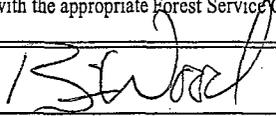
22. Approximate date work will start\*  
**08/15/2007**

23. Estimated duration  
**4 WEEKS**

24. Attachments

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

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</li> </ul> | <ul style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ul> |
|--|--|

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>05/05/2007</b>
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Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature)	Name (Printed/Typed)	Date
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Title	Office
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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 agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**EXHIBIT A**

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

DISTRICT II  
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

P.O. Box 2088  
Santa Fe, NM 87504-2088

State Lease - 4 Copies

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-</b>		<sup>2</sup> Pool Code <b>96369</b>		<sup>3</sup> Pool Name <b>GALLO CANYON; GALLUP/DAKOTA</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>JICARILLA 77 GD</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>149052</b>		<sup>8</sup> Operator Name <b>ELM RIDGE EXPLORATION</b>			<sup>9</sup> Elevation <b>6618</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	23 N	5 W		1390	SOUTH	1205	WEST	RIO ARRIBA

<sup>11</sup> 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

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

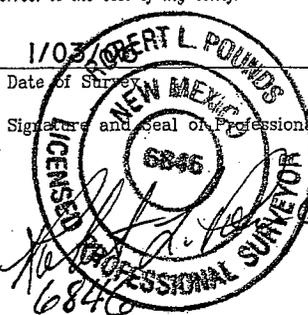
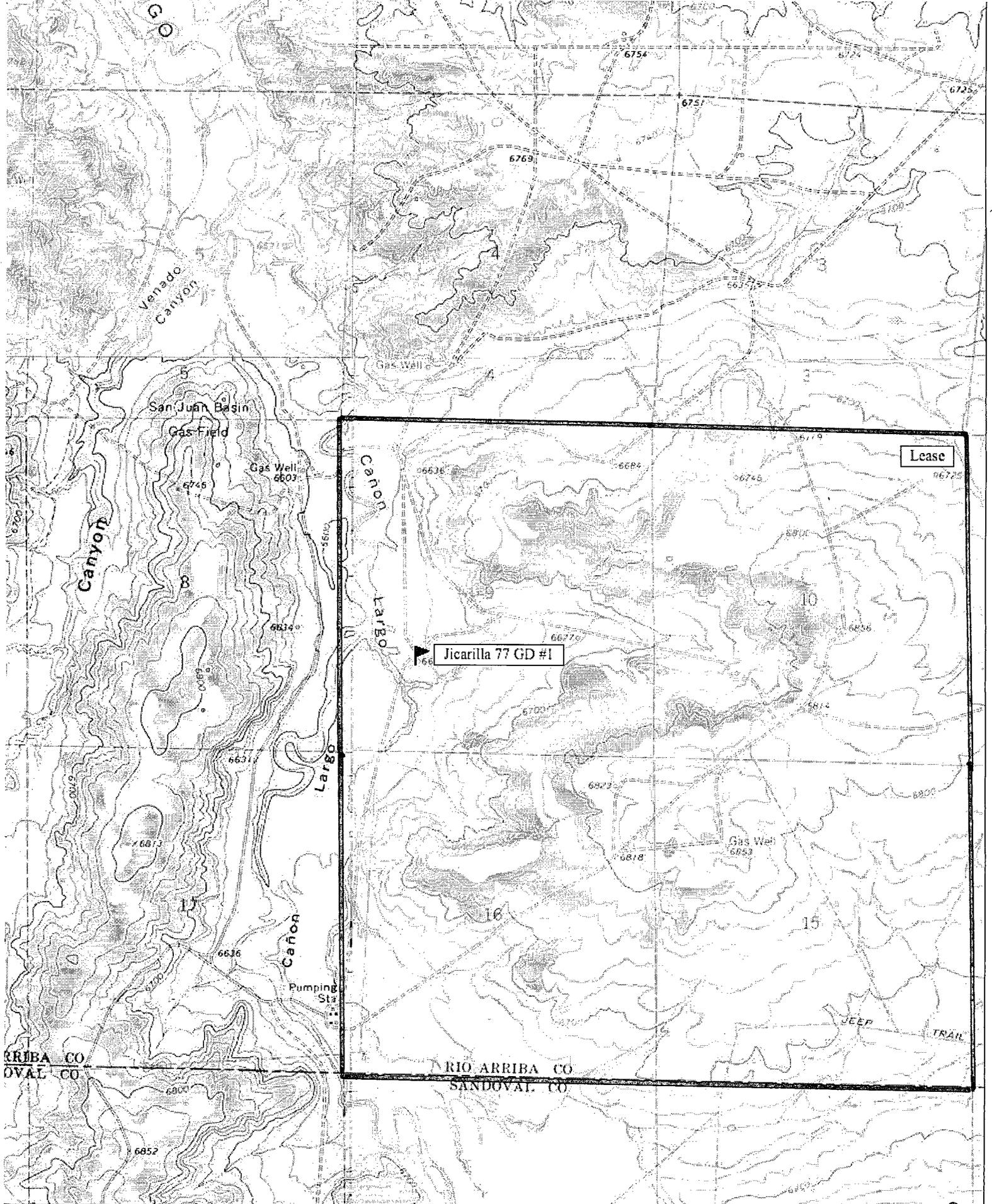
<sup>16</sup> N 89°56'39" E 5359.90' SECTION 9 LAT. 36.236270° LONG. 107.371509° NAD 83 1205' N 0°22'31" W S 89°55'50" E 1390' 5228.88'	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <b>BRIAN WOOD</b> Printed Name <b>CONSULTANT</b> Title <b>MAY 5, 2007</b> Date	
	<sup>18</sup> 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. 1/03/06  Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

EXHIBIT B



ARRIBA CO  
SANDOVAL CO

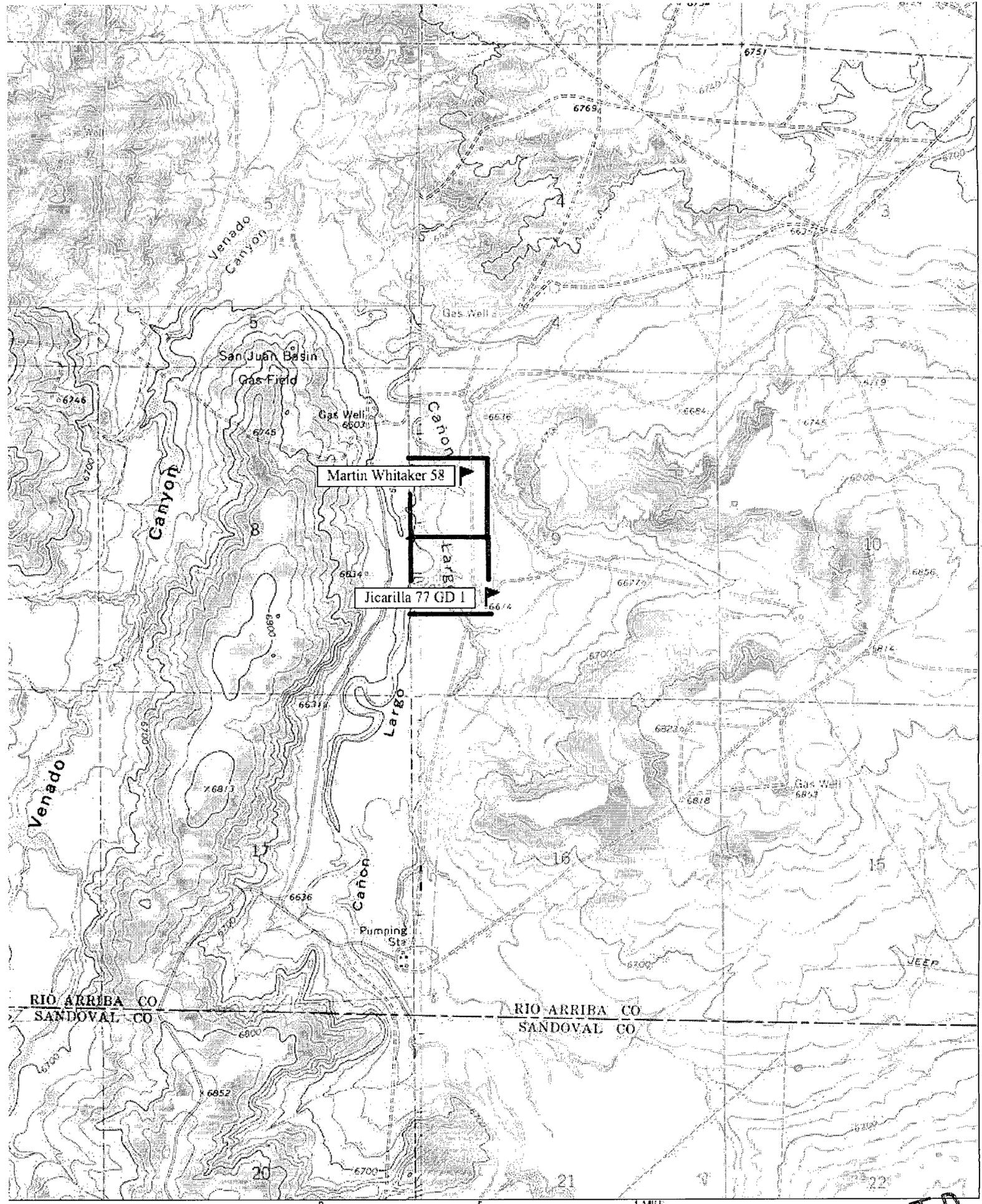
RIO ARRIBA CO  
SANDOVAL CO

↑ N  
MN  
10 1/2°



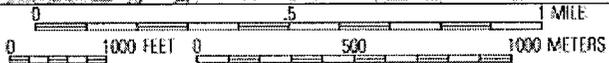
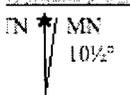
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

**EXHIBIT C**



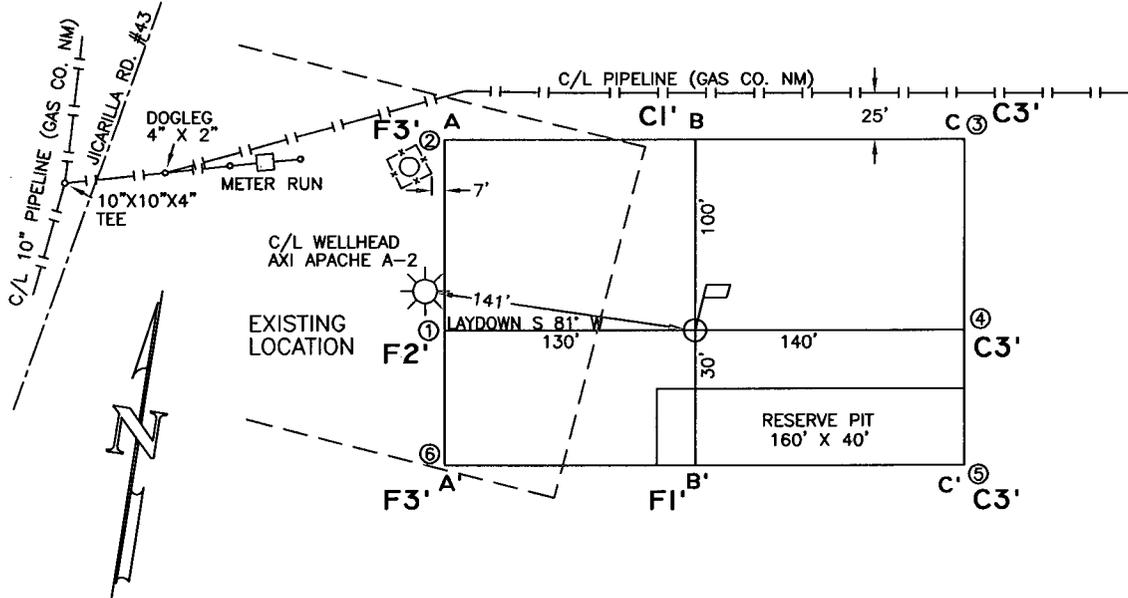
Martin Whitaker 58

Jicarilla 77 GD 1



Map created with TOPO! © 2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT D



ELEVATION A-A'

Elevation	Point 1	Point 2	Point 3	Point 4
6640	.....	.....	.....	.....
6630	.....	.....	.....	.....
6620	.....	.....	.....	.....
6610	.....	[Profile Line]		.....
6600	.....	.....	.....	.....

B-B'

Elevation	Point 1	Point 2	Point 3	Point 4
6640	.....	.....	.....	.....
6630	.....	.....	.....	.....
6620	.....	.....	.....	.....
6610	.....	[Profile Line]		.....
6600	.....	.....	.....	.....

C-C'

Elevation	Point 1	Point 2	Point 3	Point 4
6640	.....	.....	.....	.....
6630	.....	.....	.....	.....
6620	.....	.....	.....	.....
6610	.....	[Profile Line]		.....
6600	.....	.....	.....	.....

EXHIBIT E

LEASE: JICARILLA 77 GD #1

FOOTAGE: 1390' FSL, 1205' FWL

SEC. 9 TWN. 23 N RNG. 5 W N.M.P.M.

LATITUDE: 36.236270° LONGITUDE: 107.371509°

ELEVATION: 6618

<b>ELM RIDGE EXPLORATION</b>		
DALLAS, TEXAS		
SURVEYED: 1/03/06	REV. DATE:	APP. BY R.P.
DRAWN BY: A.D.	DATE DRAWN: 1/05/06	FILE NAME: 6424C01
P.O. BOX 3651 FARMINGTON, NM 87499 OFFICE: (505) 334-0408		

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

June 19, 2007

BIA Real Estate Services  
 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 to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Jicarilla 77 GD #1 Total Depth: 6,600'  
Proposed NSL Zone: Gallo Canyon; Gallup/Dakota  
NSL Acreage Dedication: 40 acres (NWSW Section 9)  
Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,  
 Rio Arriba County, NM on Jicarilla lease BIA Contract #77  
Approximate Location: ~5 air miles northeast of Counselors, NM  
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. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Questions.

Sincerely,



Brian Wood

**EXHIBIT F**

2295 8118 4418 5622  
 7004 2538 0004

U.S. Postal Service™		0991 04 Postmark JUN 6 1 11P POST OFFICE EXPRESS SANTA FE, NM 87505-9028
CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>		
OFFICIAL USE DULCE NM 87528		
Postage	\$ 0.41	06/19/2007
Certified Fee	\$ 2.65	
Return Receipt Fee (Endorsement Required)	\$ 2.15	
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.21</b>	
Sent to Annette TORIVIO Street, Apt. No., or PO Box No. JIC. D&B City, State, ZIP+4 Dulce		
PS Form 3800, June 2002		See Reverse for Instructions

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

June 19, 2007

BLM  
 1235 LaPlata Highway  
 Farmington, NM 87401

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Well Name: Jicarilla 77 GD #1 Total Depth: 6,600'  
Proposed NSL Zone: Gallo Canyon; Gallup/Dakota  
NSL Acreage Dedication: 40 acres (NWSW Section 9)  
Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,  
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Please call me if you have any questions.

Sincerely,



Brian Wood

**EXHIBIT F**

4695 8148 5639  
 7008 0004 1418 5639  
 7008 0004 1418 5639

U.S. Postal Service™	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
FARMINGTON, NM 87401	
<b>OFFICIAL USE</b>	
Postage	\$ 0.41
Certified Fee	\$2.65
Return Receipt Fee (Endorsement Required)	\$2.15
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 5.21</b>

Postmark: JUN 19 2007  
 SANTA FE, NM  
 06/19/2007

Sent To: BLM

Street, Apt. No., or PO Box No.

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

June 19, 2007

Annette Torivio  
 Jicarilla Apache Nation Oil & Gas Administration  
 P. O. Box 146  
 Dulce, NM 87528

Dear Annette,

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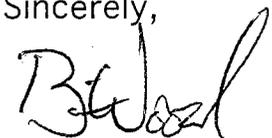
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Questions.

Sincerely,



Brian Wood

**EXHIBIT F**

7004 2510 0004 1418 5646

**U.S. Postal Service**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

DULCE NM 87528  
 DULCE NM 87528

Postage	\$ 00.41
Certified Fee	\$2.65
Return Receipt Fee (Endorsement Required)	\$2.15
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 5.21</b>

0991

POST OFFICE EXPRESS  
 JUN 19 2007  
 SANTA FE, NM

Sent To George Loreto  
 Street, Apt. No., or PO Box No. BIA-Real Estate  
 City, State, ZIP+4 Dulce

PS Form 3800, June 2002 See Reverse for Instructions

REQUEST FOR ADMINISTRATIVE APPROVAL  
FOR NONSTANDARD LOCATION  
FOR ELM RIDGE EXPLORATION COMPANY, LLC  
JICARILLA 77 GD #1  
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Registered letters were sent on June 19, 2007 to all of the offset interest owners. (Elm Ridge is the operator of five existing or potential offsetting 40 acre pro ration units. The remaining pro ration units are unleased lands in Section 8.) Copies of the postal receipts and letters are attached.

IV. A copy of the USGS map is attached (EXHIBIT D). The proposed well site is marked. Pro ration unit (solid line) for the Gallo Canyon; Gallup/Dakota is the 40 acre northwest quarter of the southwest quarter of Section 9, Township 23 North, Range 5 West, Rio Arriba County, NM.

V. The nonstandard location is due to topography and surface use. Canon Largo and its head cutting tributaries have consumed the entire drilling window. The Jicarilla Apache Nation is trying to minimize surface disturbance. The proposed well overlaps Elm Ridge's producing AXI Apache A 2 pad (see EXHIBIT F), which is a Ballard Pictured Cliffs gas well.

VI. Archaeology is not an issue.

VII. See item V. above and attached EXHIBITS D and E for a description and depiction of the surface conditions.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify notice (EXHIBIT F) has been sent to the following lessees (only Elm Ridge), lessors (only Jicarilla Apache Nation), operators of existing spacing units (only Elm Ridge), or owners of undrilled leases (only Elm Ridge) which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct. (Elm Ridge is the operator all five



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>BIA CONTRACT 77</b>
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>JICARILLA APACHE</b>
2. Name of Operator <b>ELM RIDGE EXPLORATION COMPANY, LLC</b>		7. If Unit or CA Agreement, Name and No. N/A
3a. Address <b>P. O. BOX 156 BLOOMFIELD, NM 87413</b>		8. Lease Name and Well No. <b>JICARILLA 77 GD #1</b>
3b. Phone No. (include area code) <b>(505) 632-3476</b>		9. API Well No. <b>30-039-</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>1390' FSL &amp; 1205' FWL</b> At proposed prod. zone <b>SAME</b>		10. Field and Pool, or Exploratory <b>GALLO CANYON; GALLUP/DAK</b>
14. Distance in miles and direction from nearest town or post office* <b>5 AIR MILES NE OF COUNSELOR, NM</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>9-23N-5W NMPM</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>765'</b>	16. No. of acres in lease <b>2,560</b>	12. County or Parish <b>RIO ARRIBA</b>
17. Spacing Unit dedicated to this well <b>NWSW</b>	13. State <b>NM</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>141' (A-2 (PC))</b>	19. Proposed Depth <b>6,600'</b>	20. BLM/BIA Bond No. on file <b>BIA NATION WIDE 886441C</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,618' GL</b>	22. Approximate date work will start* <b>08/15/2007</b>	23. Estimated duration <b>4 WEEKS</b>

24. Attachments

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

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>05/05/2007</b>
---	---	---------------------------

Title <b>CONSULTANT</b>	PHONE: (505) 466-8120	FAX: (505) 466-9682
----------------------------	-----------------------	---------------------

Approved by (Signature)	Name (Printed/Typed)	Date
-------------------------	----------------------	------

Title	Office
-------	--------

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 agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**EXHIBIT A**

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994

DISTRICT II  
611 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

P.O. Box 2088  
Santa Fe, NM 87504-2088

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-</b>		<sup>2</sup> Pool Code <b>96369</b>		<sup>3</sup> Pool Name <b>GALLO CANYON; GALLUP/DAKOTA</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>JICARILLA 77 GD</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>149052</b>		<sup>8</sup> Operator Name <b>ELM RIDGE EXPLORATION</b>			<sup>9</sup> Elevation <b>6618</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	23 N	5 W		1390	SOUTH	1205	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

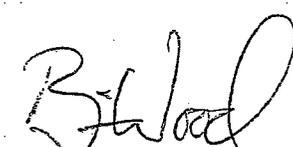
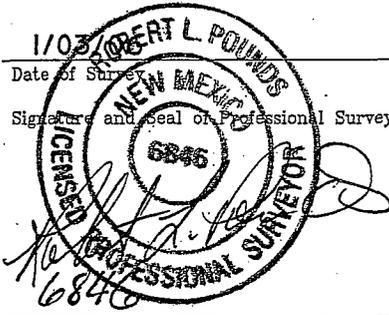
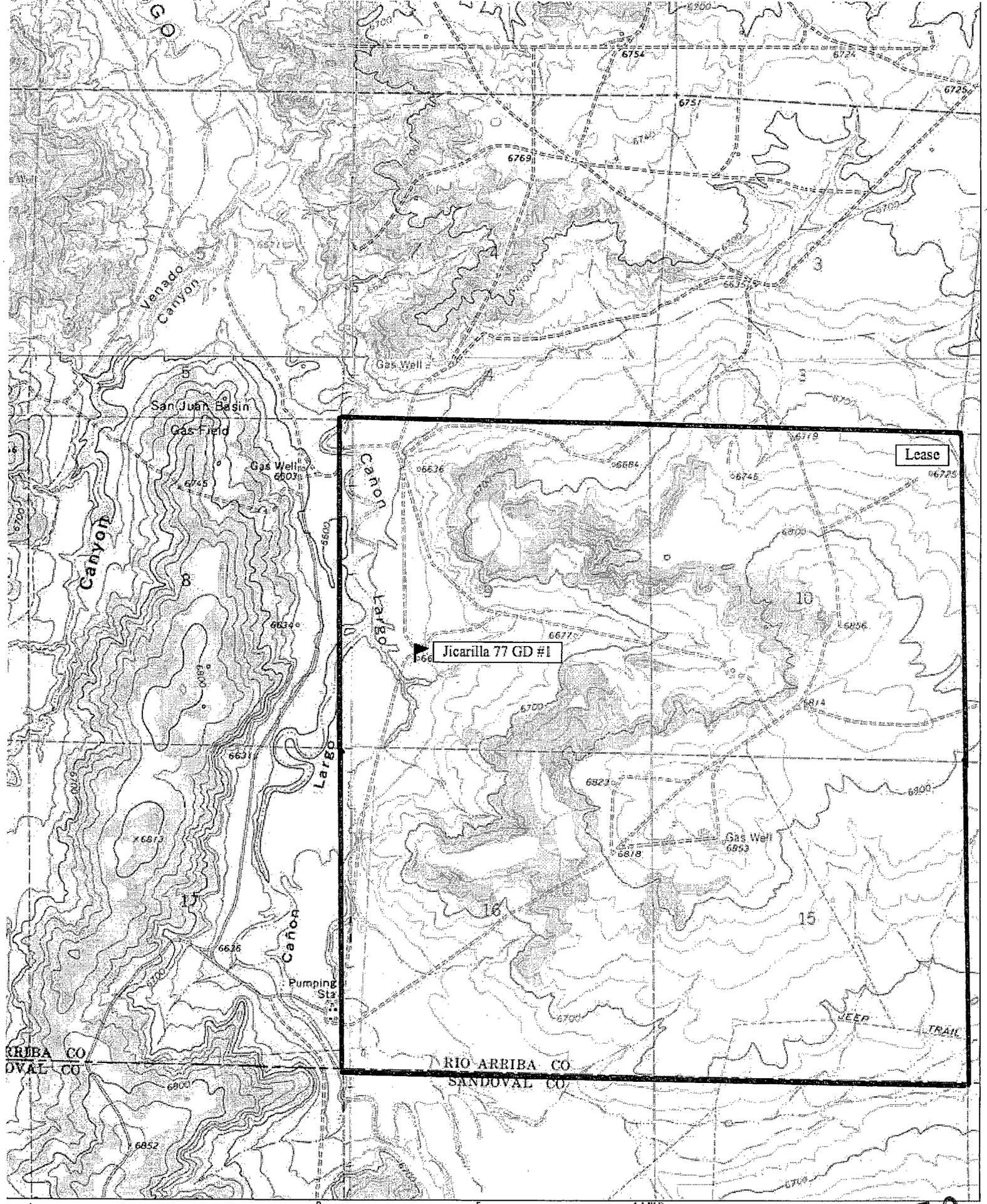
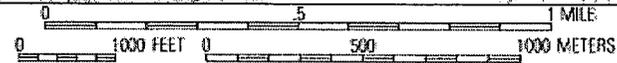
<sup>16</sup> N 89°56'39" E 5359.90' SECTION 9 LAT. 36.236270° LONG. 107.371509° NAD 83 1205' N 0°22'31" W S 89°55'50" E	5281.11'	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature <b>BRIAN WOOD</b> Printed Name <b>CONSULTANT</b> Title <b>MAY 5, 2007</b> Date
	5371.29'	
5228.88'	<sup>18</sup> 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 <b>1/03/07</b> Signature and Seal of Professional Surveyor: Certificate Number	

EXHIBIT B

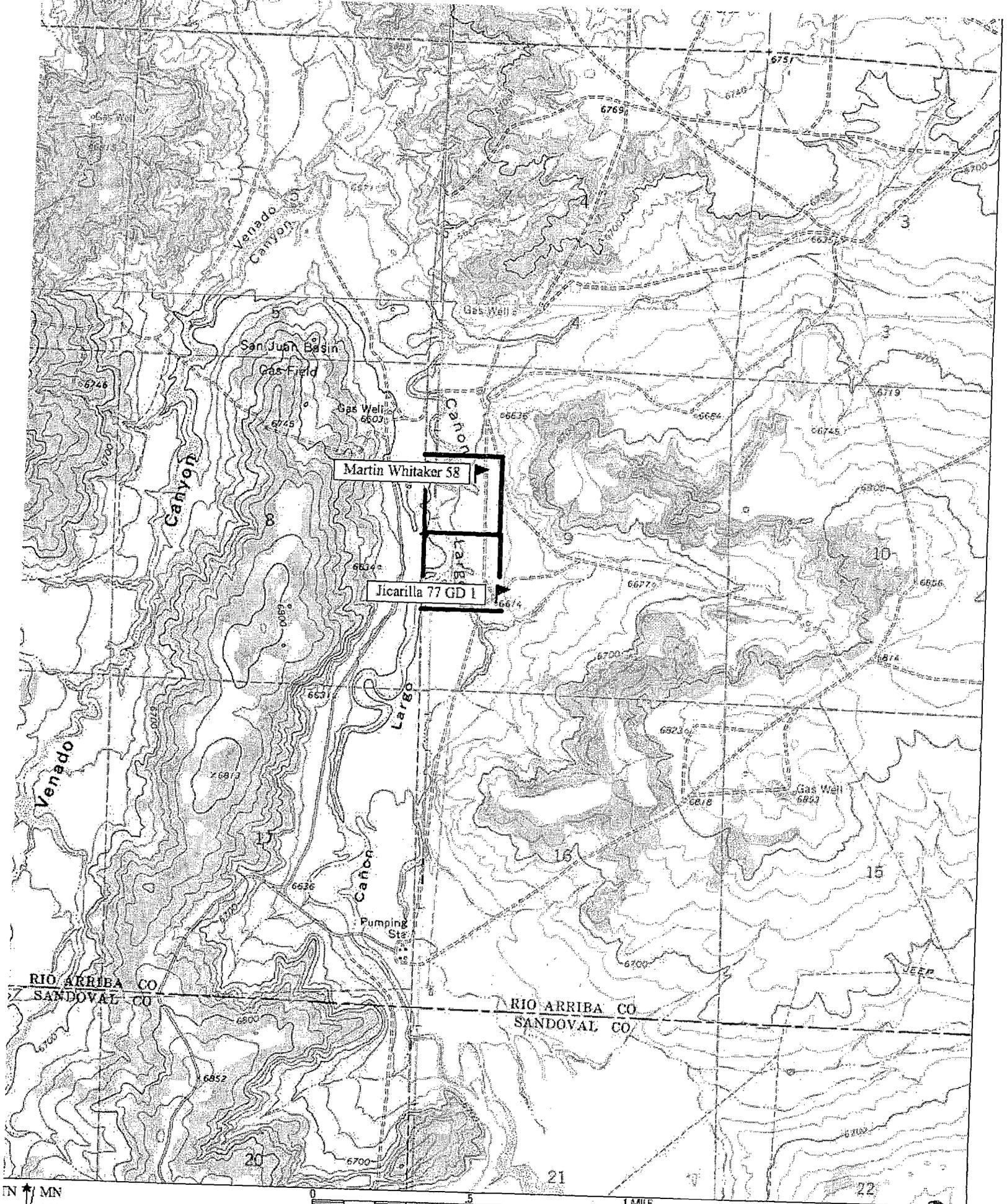


TN \* MN  
10 1/2°



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT C



Martin Whitaker 58

Jicarilla 77 GD 1

RIO ARRIBA CO  
SANDOVAL CO

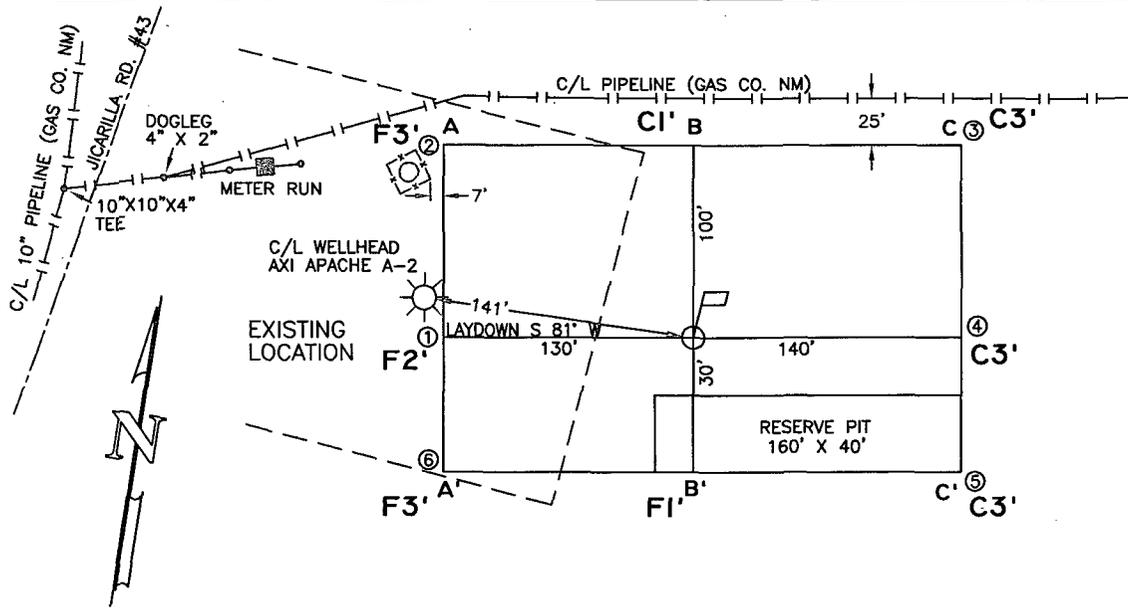
RIO ARRIBA CO  
SANDOVAL CO

↑ N  
MN  
10 1/2°

0 5 1 MILE  
0 1000 FEET 0 500 1000 METERS

Map created with TOPO!® ©2003 National Geographic ([www.nationalgeographic.com/topo](http://www.nationalgeographic.com/topo))

EXHIBIT D



ELEVATION A-A'

6640	.	.	.	.	.	.	.	.	.
6630	.	.	.	.	.	.	.	.	.
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6610	.	.	.	.	.	.	.	.	.
6600	.	.	.	.	.	.	.	.	.

B-B'

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6610	.	.	.	.	.	.	.	.	.
6600	.	.	.	.	.	.	.	.	.

C-C'

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6630	.	.	.	.	.	.	.	.	.
6620	.	.	.	.	.	.	.	.	.
6610	.	.	.	.	.	.	.	.	.
6600	.	.	.	.	.	.	.	.	.

EXHIBIT E

LEASE: JICARILLA 77 GD #1  
 FOOTAGE: 1390' FSL, 1205' FWL  
 SEC. 9 TWN. 23 N RNG. 5 W N.M.P.M.  
 LATITUDE: 36.236270° LONGITUDE: 107.371509°  
 ELEVATION: 6618

**ELM RIDGE EXPLORATION**  
DALLAS, TEXAS

SURVEYED: 1/03/06	REV. DATE:	APP. BY R.P.
DRAWN BY: A.D.	DATE DRAWN: 1/05/06	FILE NAME: 6424C01

  
**UNITED**  
 FIELD SERVICES INC.

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

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

June 19, 2007

BIA Real Estate Services  
 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 to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Jicarilla 77 GD #1 Total Depth: 6,600'

Proposed NSL Zone: Gallo Canyon; Gallup/Dakota

NSL Acreage Dedication: 40 acres (NWSW Section 9)

Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,  
 Rio Arriba County, NM on Jicarilla lease BIA Contract #77

Approximate Location: ~5 air miles northeast of Counselors, NM

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. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

uestions.

Sincerely,

*Brian Wood*  
 Brian Wood

**EXHIBIT F**

7004 2550 0004 1418 5622

<b>U.S. Postal Service™</b>		<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>			
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>			
<b>OFFICIAL USE</b>			
DULCE NM 87528			
Postage	\$ 0.41	0991	
Certified Fee	\$2.65	04	
Return Receipt Fee (Endorsement Required)	\$2.15		
Restricted Delivery Fee (Endorsement Required)	\$0.00		
Total Postage & Fees	\$ 5.21	06/19/2007	
Sent To	Annette TORIVIO		
Street, Apt. No., or PO Box No.	Sic. D&E		
City, State, ZIP+4	Dulce		

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

June 19, 2007

BLM  
 1235 LaPlata Highway  
 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 to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

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Rio Arriba County, NM on Jicarilla lease BIA Contract #77

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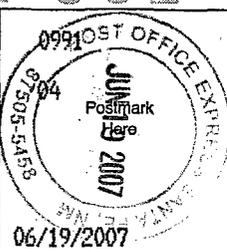
questions.

Sincerely,



Brian Wood

**EXHIBIT F**

<b>U.S. Postal Service™</b>		<b>0991</b>
<b>CERTIFIED MAIL™ RECEIPT</b>		
<i>(Domestic Mail Only - No Insurance Coverage Provided)</i>		
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>		
FARMINGTON, NM 87401		
Postage	\$ 0.41	
Certified Fee	\$2.65	
Return Receipt Fee (Endorsement Required)	\$2.15	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.21</b>	
Sent To <u>BLM</u>		
Street, Apt. No. or PO Box No.		
City, State, ZIP+4 <u>Fgtn, NM</u>		

1235 LaPlata Highway  
 Farmington, NM 87401

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

June 19, 2007

Annette Torivio  
 Jicarilla Apache Nation Oil & Gas Administration  
 P. O. Box 146  
 Dulce, NM 87528

Dear Annette,

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.

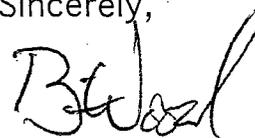
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Proposed NSL Zone: Gallo Canyon; Gallup/Dakota  
NSL Acreage Dedication: 40 acres (NWSW Section 9)  
Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,  
 Rio Arriba County, NM on Jicarilla lease BIA Contract #77  
Approximate Location: ~5 air miles northeast of Counselors, NM  
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. If they determine the application regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. My phone number is (505) 476-3440.

questions.

Sincerely,



Brian Wood

**EXHIBIT F**

9495 9T1T 4000 0T52 4MM7

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$ 00.41	0991 POST OFFICE EXPRESS JUN 19 2007 00619278097
Certified Fee	\$2.65	
Return Receipt Fee (Endorsement Required)	\$2.15	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 05.21	

Sent To: George Loretto  
 Street, Apt. No., or PO Box No.: BIA-Real Estate  
 City, State, ZIP+4: Dulce

PS Form 3800, June 2002