

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No 1004-0135
Expires July 31 1996

5. Lease Serial No

Jicarilla Contract 149

6 If Indian, Allottee or Tribe Name

Jicarilla Apache

7 If Unit or CA/Agreement, Name and/or N

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

JUL 19 2012

1.

☒ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Elm Ridge Exploration, Co LLC

3a Address

P.O. Box 156 Bloomfield, NM 87413

Bureau of Land Management

3b. Phone No. (include area code)

505-632-3476

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)

A - Sec. 18-T25N-R5W

880' FNL X 730' FEL

8 Well Name and No.

Jicarilla Apache F #18

9. API Well No.

30-039-29873

10. Field and Pool, or Exploratory Area

Blanco Pictured Cliffs S.

11 County or Parish, State

Rio Arriba County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent WFL	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13 Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Elm Ridge Exploration Co LLC would like to change the proposed Total Depth from 3000' (Blanco Pictured Cliffs S. to 6250' (West Lindrith Gallup Dakota). WE also would like to change the 5 1/2" 15.5# casing depth to 6250' as well.

Chacra - 2150'

Cliff House - 4220'

Point Lookout - 4740'

Mancos - 4935'

Gallup - 5918'

L. Gallup - 6143'

TD - 6250'

RCVD AUG 27 '12

OIL CONS. DIV.

DIST. 3

CONDITIONS OF APPROVAL

Adhere to previously issued stipulations.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Amy Mackey

Title

Administrative Manager

Signature

Date

July 18, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Troy L. Salvors

Title

Petroleum Engineer

Date

8/21/2012

Conditions of approval, if any, are attached. Approval of this notice 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

Office

FPO

Title 18 U.S.C. Section 1001, makes 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 reverse)

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

NMOCD

A

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-039-29873		2 Pool Code 39189		3 Pool Name Lindrith Gallup-Dakota, West		
4 Property Code 19029		5 Property Name Jicarilla Apache F			6 Well Number 18	
7 OGRID No. 149052		8 Operator Name Elm Ridge Exploration Company LLC			9 Elevation 6787.6639	

10 Surface Location

UL or lot no. A	Section 18	Township 25 N	Range 5 W	Lot Idn	Feet from the 880	North/South line North	Feet from the 730	East/West line East	County Rio Arriba
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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
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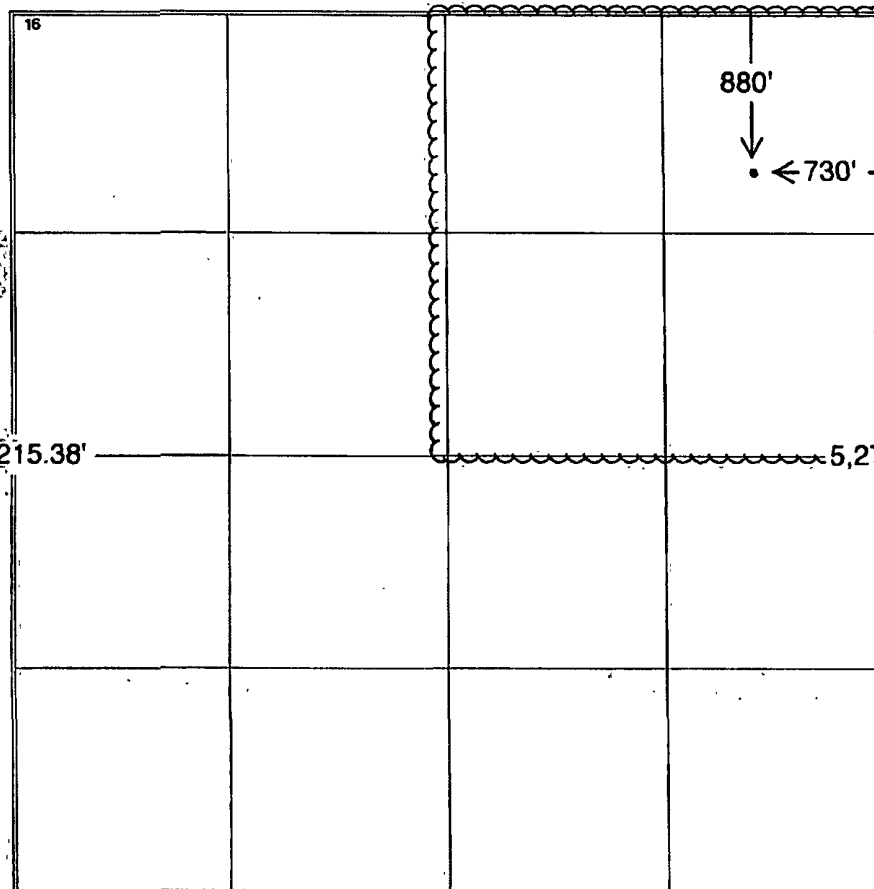
RCVD AUG 27 '12

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OIL CONS. DIV.
DIST. 3

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.

5,276.70'



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Brian Wood* Date: 6-10-12

Printed Name: Brian Wood
E-mail Address: brian@permitswest.com

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: Feb. 21, 2006
Signature and Seal of Professional Surveyor:

Original survey by
Robert Pounds on file

Certificate Number: 6846

5280'

Elm Ridge Exploration Company, LLC
Jicarilla Apache F 18
880' FNL & 730' FEL
Sec. 18, T. 25 N., R. 5 W.
Rio Arriba County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
San Jose	0'	10'	+6,787'
Chacra Ss	2,150'	2,160'	+4,637'
Cliff House Ss	4,220'	4,230'	+2,567'
Point Lookout Ss	4,740'	4,750'	+2,047'
Mancos Shale	4,935'	4,945'	+1,852'
Gallup Ss	5,918'	5,928'	+869'
Lower Gallup	6,143'	6,153'	+644'
Total Depth (TD)*	6,250'	6,260'	+537'

* all elevations reflect the ungraded ground level of 6,787'

2. NOTABLE ZONES

Oil & Gas Zones

Pictured Cliffs
Chacra
Gallup

Water Zones

San Jose
Ojo Alamo
Fruitland

Coal Zone

Fruitland

Water zones will be protected with casing, cement, and weighted mud. Fresh water will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 3,000 psi model is on PAGE 3. The $\geq 3,000$ psi BOP and choke manifold system will be installed and tested to 2,000 psi before drilling the surface casing plug. It will remain in use until the well is completed or

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abandoned. A safety valve and sub with a full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

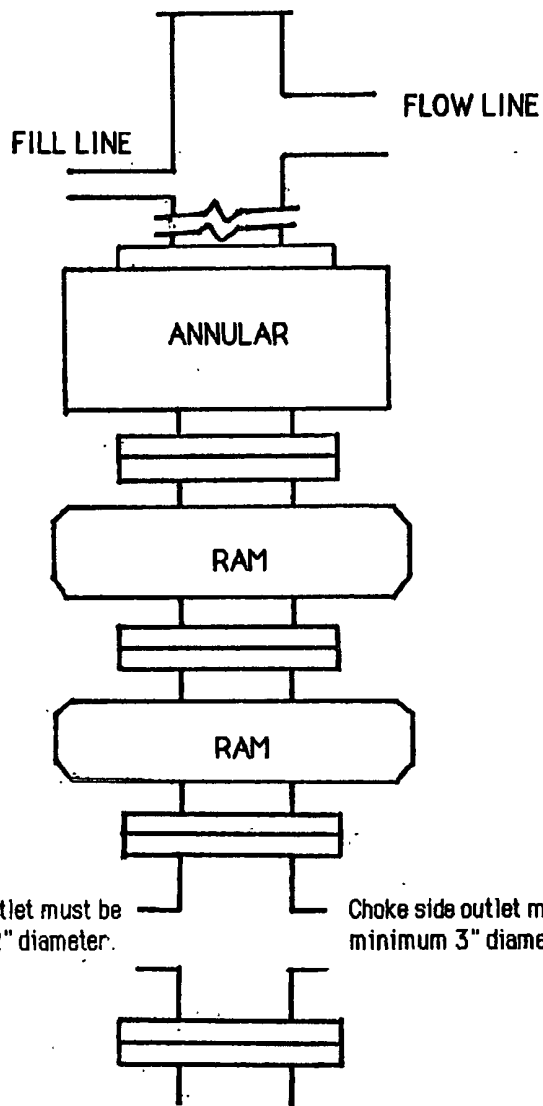
All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and opened and closed at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings that are set and cemented in place.

4. CASING & CEMENT

Hole Size	O. D.	Weight (lb/ft)	Grade	Type	Age	GL Setting Depth
12-1/4"	8-5/8"	24	J-55	S T & C	New	259' 320'
7-7/8"	5-1/2"	15.5	J-55	L T & C	New	6,250'
	Drift inch	Torque feet-pounds	Burst psi	Collapse psi	Tension 1000 psi	Pressure Test psi
Surface	7.972	3070	2950	1370	381	1000
Production	4.653	2020	4810	4040	248	3500

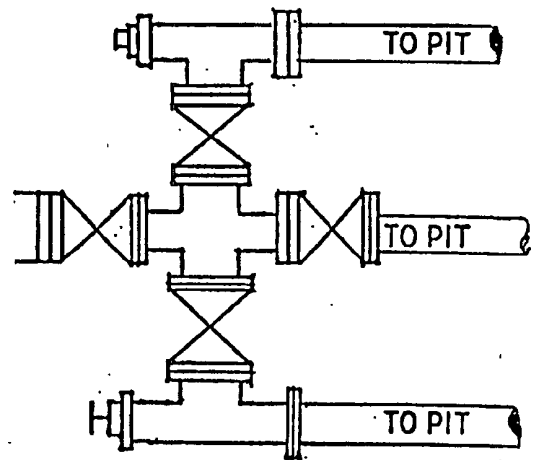
Surface casing was cemented with 200 sacks Class G with poly flake. Twenty barrels of good cement were circulated to the surface. Bryce Hammond witnessed the job.

Production casing will be cemented to the surface in two stages with $\geq 75\%$ excess. A DV tool will be set at $\approx 4,735'$ ($\approx 200'$ above the Mancos). Will pressure test to $\approx 2,000$ psi for ≈ 30 minutes.



**TYPICAL BOP STACK
& CHOKE MANIFOLD**

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

Upper kelly cock will have handle available.
Safety valve and subs will fit all drill string connections in use.
All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

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First stage volume will be $\approx 1,493$ cubic feet. First stage will consist of 370 sacks (≈ 691 cubic feet) Halliburton light with 65/35 poz mix + 1/4 pound per sack Flocele + 2% CaCl_2 mixed at a yield of 1.87 cubic feet per sack and a weight of 12.7 pounds per gallon. That will be followed by 680 sacks (802 cubic feet) Class B + 2% CaCl_2 mixed at a yield of 1.18 cubic feet per sack and a weight of 15.2 pounds per gallon.

Second stage volume will be ≈ 928 cubic feet. Second stage will consist of ≈ 465 sacks (869 cubic feet) of Halliburton light with 65/35 poz mix + 1/4 pound per sack Flocele + 2% CaCl_2 mixed at a yield of 1.87 cubic feet per sack and a weight of 12.7 pounds per gallon. That will be followed by ≈ 50 sacks (59 cubic feet) Class B + 2% CaCl_2 mixed at a yield of 1.18 cubic feet per sack and a weight of 15.2 pounds per gallon.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>pH</u>
259' - TD'	Fresh water gel	9.0	38-50	6.0	9

Sufficient material to maintain mud properties, control lost circulation, and prevent a blowout will be available at the well site while drilling. Rig personnel will check the mud hourly. Material to soak up possible oil or fuel spills will be on site.

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. Spectral density, high resolution induction, and cement bond logs will be run the base of the surface casing to TD. Samples will be collected every $\approx 10'$ from $\approx 200'$ above the Point Lookout to and through the Gallup and Dakota.

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7. DOWNHOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum bottom hole pressure will be $\leq 2,706$ psi.

8. OTHER INFORMATION

Spud date was June 21, 2012. Initial goal was the Pictured Cliffs sandstone. Goal will now be the Gallup sandstone instead. It is expected it will take ≈ 1 week to finish drilling and ≈ 3 weeks to complete the well.