

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

RECEIVED

OCT 05 2012

FORM APPROVED
OMB No 1004-0135
Expires July 31, 1996

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

Armington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No Jicarilla Contract 77
2 Name of Operator Elm Ridge Exploration Co., LLC		6 If Indian, Allottee or Tribe Name Jicarilla Apache Tribe
3a Address PO Box 156 Bloomfield, NM 87413	3b. Phone No (include area code) (505) 632-3476 ext. 201	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec, T, R, M., or Survey Description) "D" Sec.-15-T23N-R5W 990' FNL X 1140' FWL		8 Well Name and No AXI Apache A-1
		9 API Well No 30-039-05078
		10 Field and Pool, or Exploratory Area Ballard Pictured Cliffs
		11. County or Parish, State Rio Arriba, 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	<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 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 type="checkbox"/> Change Plans <input checked="" 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 recomplete 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 recompletion 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 intends to plug and abandon this well according to the attached procedure.

* Extend Gallup plug to 5280
* Extend Mancos plug to 4950

Notify NMOCD 24 hrs
prior to beginning
operations

RCVD OCT 18 '12
OIL CONS. DIV.
DIST. 3

* RUN CBL RND submit to Agencies for review prior to
cementing First plug

14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Amy Mackey	Title Administrative Manager
Signature	Date October 4, 2012
THIS SPACE FOR FEDERAL OR STATE USE	
Approved by Original Signed: Stephen Mason	Title Date OCT 16 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	

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)

NMOCD A

Plugging Program for AXI Apache A #1

Gallog plug
5462-5862

Plug 1: Drill out cement plug from 2400' to 2650' and clean out to 4700'. Spot 17 sx balanced plug from 4698-4598' to cover 100' across Mancos top.

Plug 2: With end of tubing at 3874', spot 17 sx balanced plug from 3874-3774' to cover 100' across Mesaverde top.

Plug 3: Perf 4 holes @ 3122'. Set 5-1/2" retainer at 3072'. Pump 36 sx below retainer and spot 6 sx on top of retainer to cover 100' across Chacra top inside and outside 5-1/2" casing (per NMOCD).

2339

169

Plug 4: Perf 4 holes @ 2389'. Set 5-1/2" retainer at ~~1745'~~^{2389'}. Pump ~~255~~¹⁶⁹ sx below retainer and spot 6 sx on top of retainer to cover tops of Pictured Cliffs, Fruitland, and Ojo Alamo, and across 9-5/8" casing shoe, inside and outside 5-1/2" casing.

Plug 5: Perf 4 holes at 479'. Tie onto 5-1/2" casing and mix and pump 170 sx or sufficient volume to bring cement to surface inside and outside 5-1/2" casing.

Cut off wellhead 4' below surface. Install dry hole marker. Remediate location according to regulatory agencies' conditions of approval.

Elm Ridge Resources

Pertinent Data Sheet

Well Name: AXI Apache A #1
Footage: 990' FNL and 1140' FWL
Location: Section 15, T23N, R5W
County: Rio Arriba County, NM
API#: 30-039-05078

Field: Ballard Pictured Cliffs

Elevation: 6865' KB

TD: 7658' KB

PBTD: 2400' KB.-

Completed: 10/18/54

Casing Record:

Hole Size	Casing Size	Wt.	Grade	Depth Set	Cement
15"	13-3/8"	48#	H-40	429'	375 sacks (Circ. to Surface)
12-1/4"	9-5/8"	36#	J-55	2339'	1000 sacks (Circ. to Surface)
7-7/8"	5-1/2"	15.5#	J-55	6762'	1020 sacks TOC 3770' (TS)

Tubing Record: 2-3/8' tubing set at 2312' (estimated)

Workover Record: Gallup perms were squeezed after testing. Spotted and squeezed Dakota with 100 sx from 6000'-6700', in preparation to recomplete to Pictured Cliffs. Spotted additional 30 sx plug from 2400-2650'.

Formation Tops:

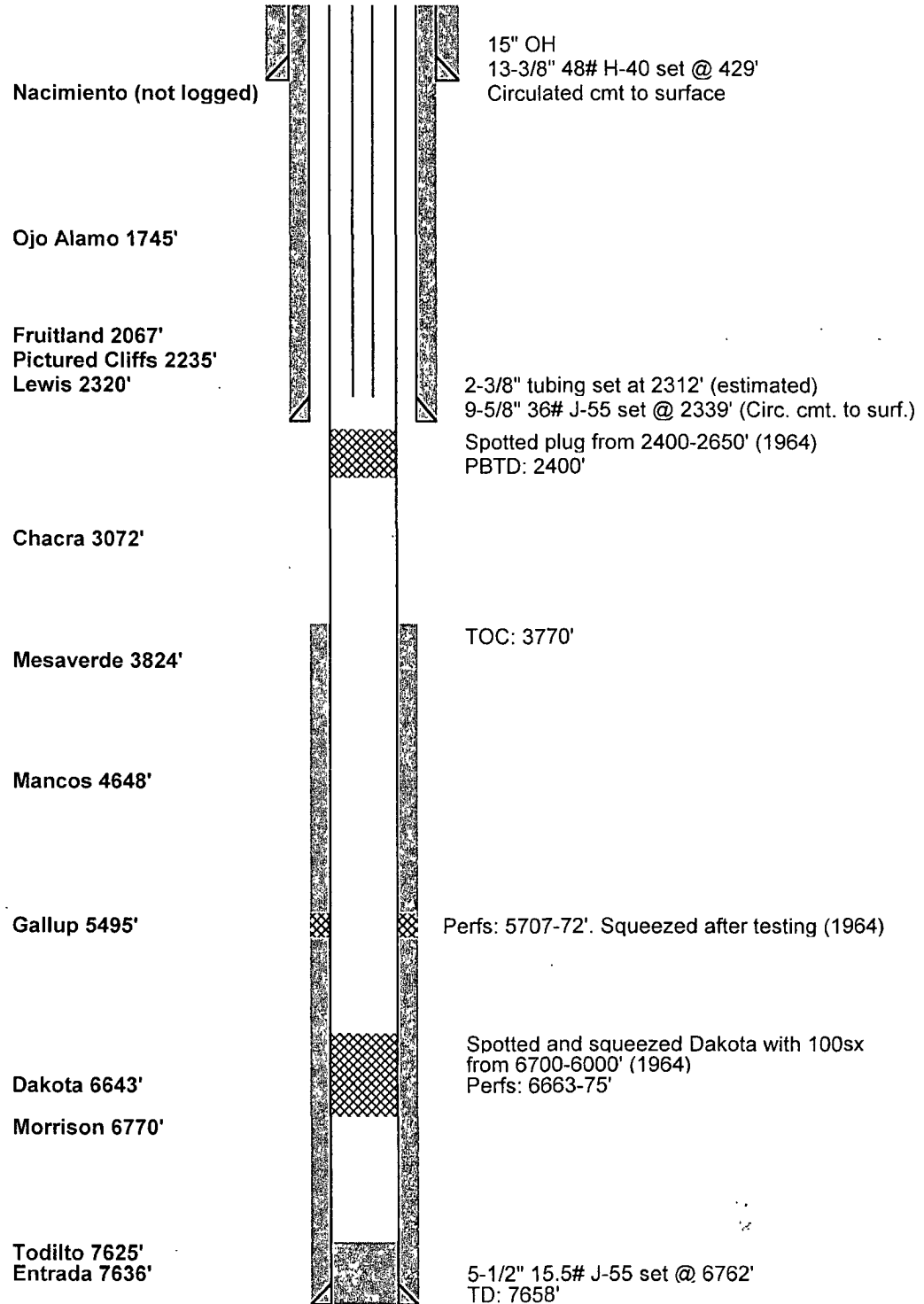
Nacimiento	Not logged
Ojo Alamo	1745'
Fruitland	2067'
Pictured Cliffs	2235'
Lewis	2320'
Chacra	3072'
Mesaverde	3824'
Mancos	4648'
Gallup	5495'
Dakota	6643'
Morrison	6770'
Todilto	7625'
Entrada	7636'

Perforations: Pictured Cliffs: 2257-2305 (Recompleted 1964)
Dakota perms (6663-75') and Gallup perms (5772-5707') squeezed off in 1964.

Wellbore Diagram

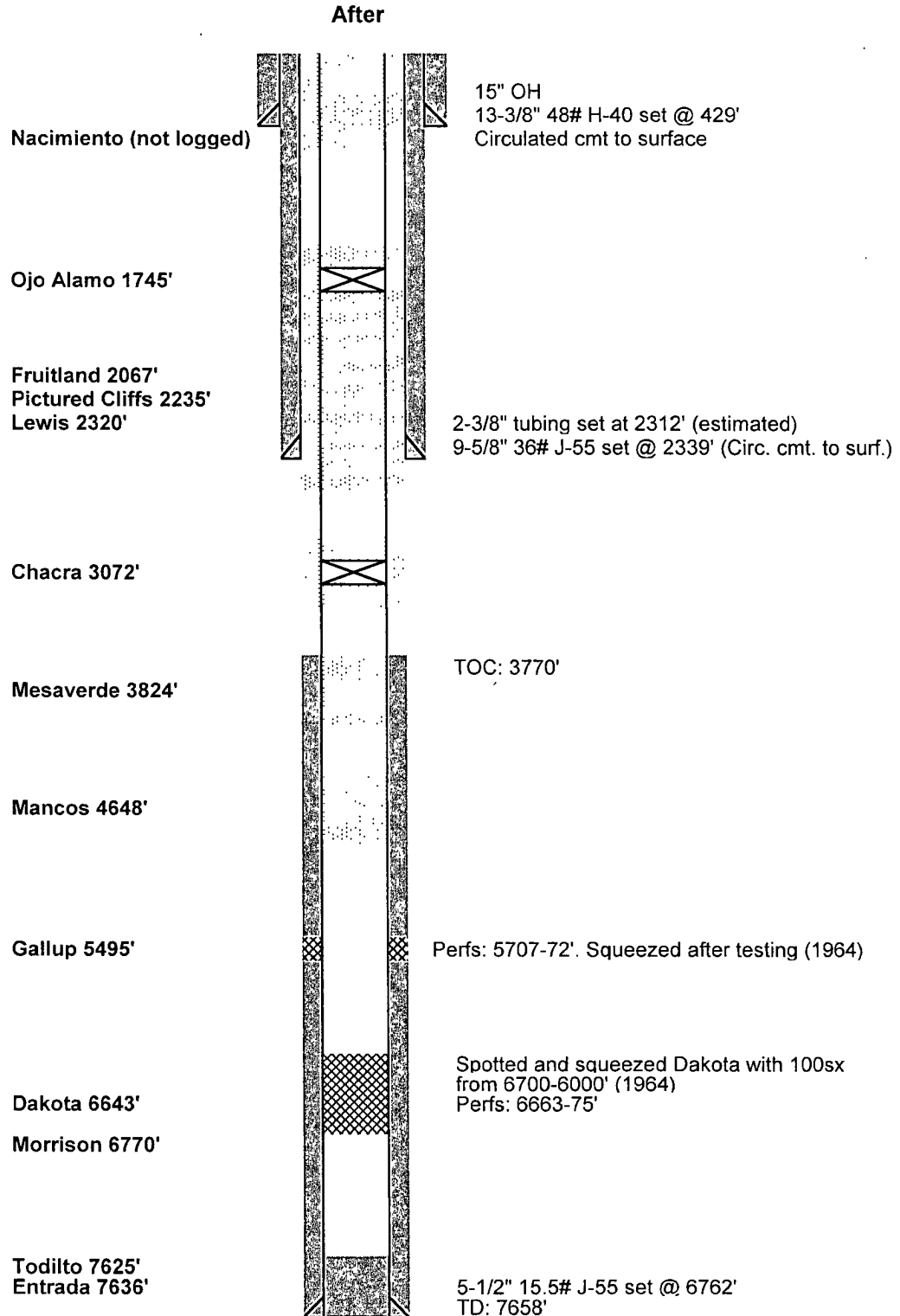
AXI Apache A #1
NW/4 Sec. 15, T23N, R5W
Rio Arriba County Co., NM
API #30-039-05078

Before



Wellbore Diagram

AXI Apache A #1
NW/4 Sec. 15, T23N, R5W
Rio Arriba County Co., NM
API #30-039-05078



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 AXI Apache A

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Spot a cement plug from 5462' – 5362' to cover the Gallup top.
 - b) Place the 9 5/8" Casing Shoe/Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug from 2389' – 1690' inside and outside the 5 1/2" casing. Note the Bridge Plug must be set no higher than 50' above the perforations.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.