

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Elm Ridge Exploration Company, LLC

3a. Address

PO Box 156, Bloomfield, NM 87413

3b. Phone No. (include area code)

505-632-3476

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

1520' FSL X 1520' FEL

Sec. 6-T23N-R4W

5. Lease Serial No.

Contract # 362

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

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

8. Well Name and No.

Martin Florance #7

9. API Well No.

30-039-23086

10. Field and Pool, or Exploratory Area

Ballard Pictured Cliffs

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 Company, LLC, was unable to return this well to production. During swabbing operations, it was discovered that sand had filled the wellbore from PBTD to 2188'. At that depth, the sinker bar, swab cups, and a small amount of sandline were lost in the hole. Due to the limited drift ID of the 2-7/8" casing, recovery of the fish and successful cleanout of the fill is very unlikely. The risk also exists of losing the 1" workstring in the hole, should that operation be attempted. As a result, Elm Ridge Exploration Company, LLC, requests permission to plug and abandon this wellbore as follows: Plug 1) Spot 5 sack plug from 2188' to 2012'; Plug 2) Perforate 4 holes at 546' 789' (50' below top of Nacimiento). Tie on to 2-7/8" casing, and pump 170 sacks, or sufficient volume to bring cement to surface, inside and outside 2-7/8" casing. Cut off wellhead 3' below grade. Set dryhole marker and reclaim location.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Amy Mackey

Title

Production Assitant

Signature

Date

February 3, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

FEB 16 2006

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

Plugging Program for Martin Florance #7:

Plug 1: With end of 1" workstring near 2188', spot ~~5~~¹⁸³ sack plug (including excess) from top of fish/sand fill at 2188' to 2042' to cover from top of fish (isolating Pictured Cliffs and Fruitland Coal), to 50' above top of Ojo Alamo. Pull up 5 stands, reverse circulate with 2 tubing volumes of water, and TOOH with 1" workstring.

Plug 2: RU wireline unit and perforate 4 holes at ~~546~~⁷⁸⁹, 50' below Nacimiento top. Tie onto 2-7/8" casing at surface, and pump 170 sacks (including excess), or sufficient volume to bring cement to surface, inside and outside casing.

Cut off wellhead 3' below surface. Install dry hole marker. Reclaim location.

Elm Ridge Resources

Pertinent Data Sheet

Well Name: Martin Florance #7
Footage: 1520' FSL and 1520' FEL
Location: Section 6, T23N, R4W
County: Rio Arriba County, NM
API#: 30-039-23086

Field: Ballard Pictured Cliffs

Elevation: 6872' GR

TD: 2644' KB
PBTD: 2617' KB

Completed: 2/11/83

Casing Record:

Hole Size	Casing Size	Wt.	Grade	Depth Set	Cement
12-1/4"	7"	17#	N/A	93'	50 sacks (Circ. to Surface)
6-1/4"	2-7/8"	6.5#	J-55	2644'	250 sacks TOC 1391' (Calc.)

Formation Tops:

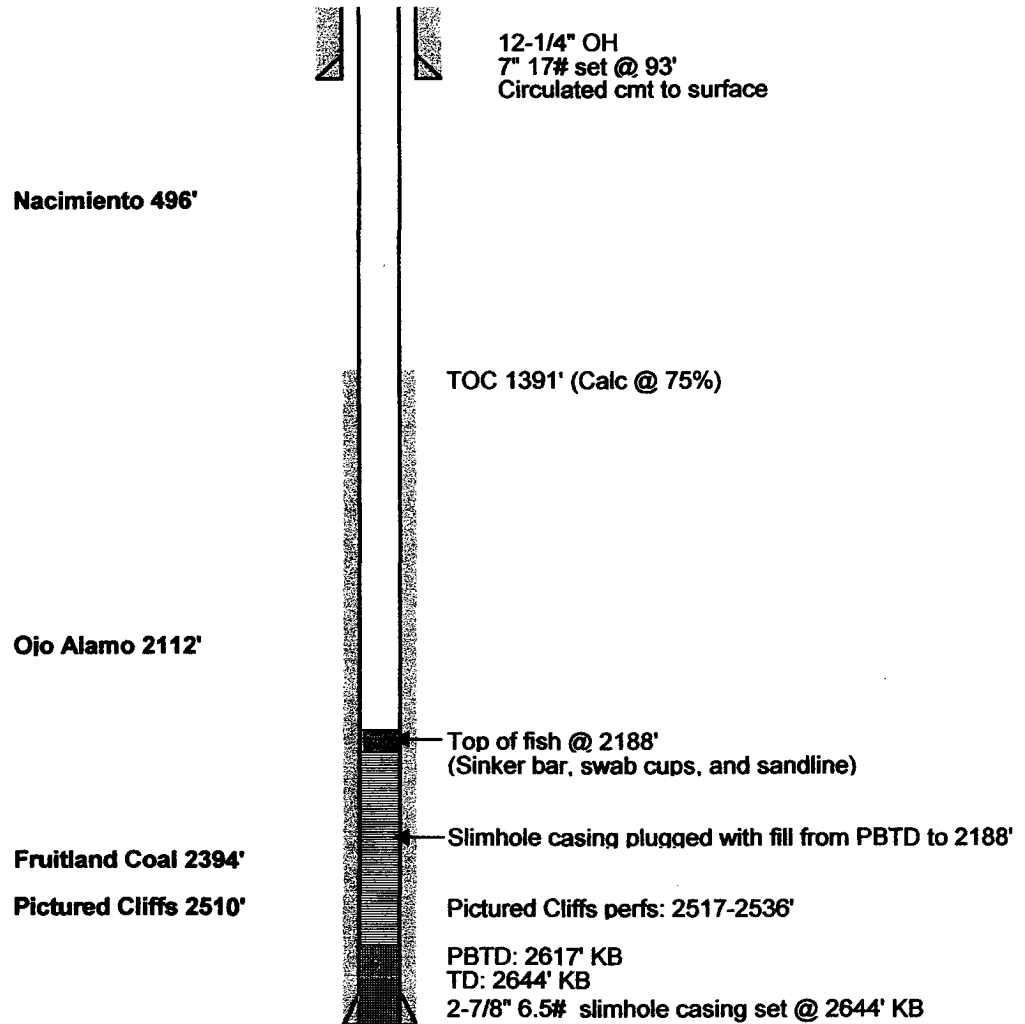
Nacimeinto	496'
Ojo Alamo	2112'
Fruitland Coal	2394'
Pictured Cliffs	2510'
Lewis	2648'

Perforations: Pictured Cliffs: 2517-2536'

NOTE: 2-7/8" slimhole casing plugged solid with fill from PBTD to 2188'. Fish stuck in hole at 2188' (sinker bar, swab cups, sandline). Unable to recover fish, due to small (2.347") drift ID.

Wellbore Diagram
Martin Florance #7
SE/4 Sec. 6, T23N, R4W
Rio Arriba County Co., NM
API #30-039-23086

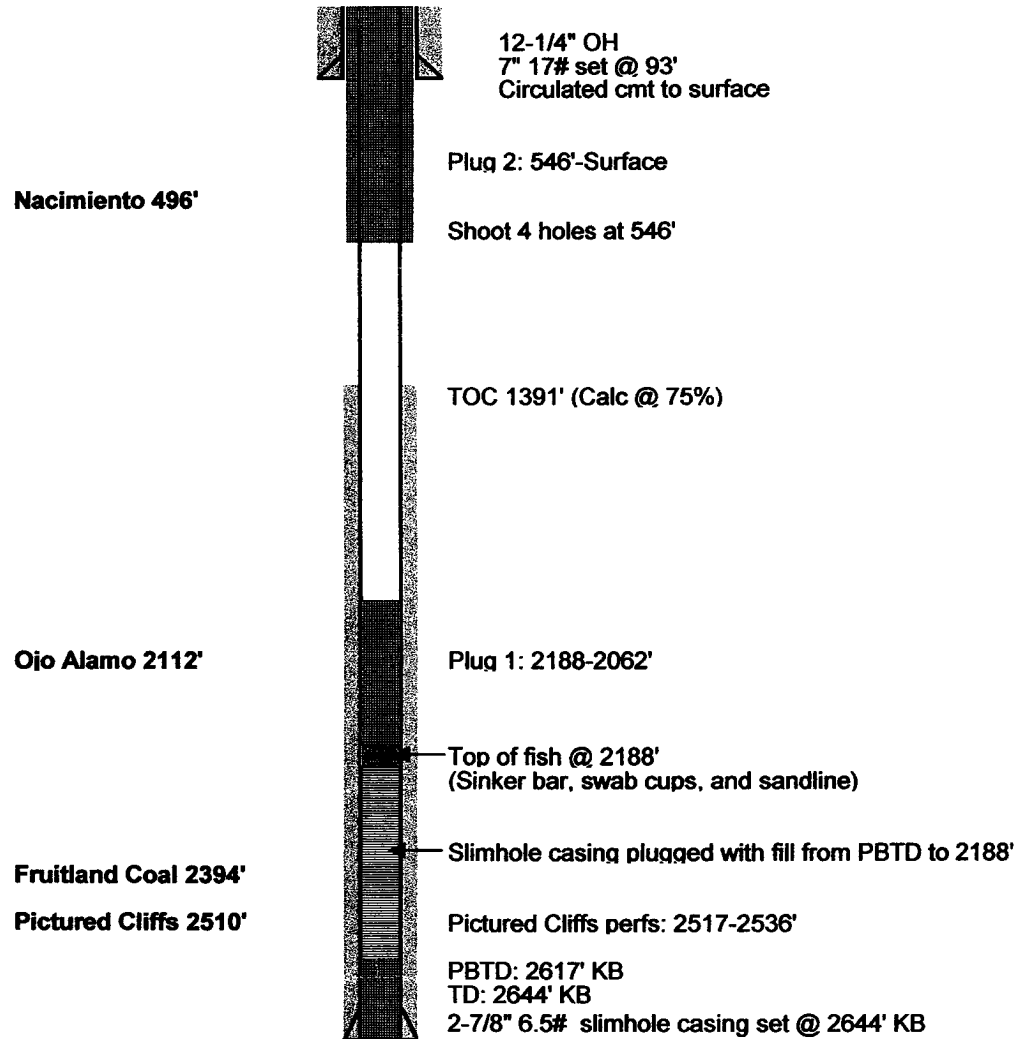
(BEFORE)



Martin Florance7
2/3/2006

Wellbore Diagram
Martin Florance #7
SE/4 Sec. 6, T23N, R4W
Rio Arriba County Co., NM
API #30-039-23086

(AFTER)



The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 2 / 10 / 2006 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.