

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.

SF 079549

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Phillips 32-1

9. API Well No.

30-039-22796

10. Field and Pool, or Exploratory Area

W. Lindrith Gallup Dakota

11. County or Parish, State

Rio Arriba County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Elm Ridge Exploration Co., 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)

330' FSL X 330' FWL

Sec. 32-T25N-R3W (SW/SW, Unit M)

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input 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 checked="" 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 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 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 has plug and abandoned this well as of June 12, 2007 as follows;
Plug #1) Set 4 1/2" retainer at 7713'. Pumped 18 sks of cement below retainer and spot 4 sks of cement on top of retainer to bring cement top to 7663'(witnessed by Rick Romero with the BLM). Plug # 2) Set 4 1/2" retainer at 6780' pull out of retainer, displace hole with 98 BBLs of H2O, got back into retainer and pumped 22 sks of cement below retainer, spot 25 sks of cement on top of retainer to bring cement top to 6425'. Plug # 3) Balance plug from 5218' to 5118' a 150' plug with 11 sks of cement. Plug # 4) Balance plug from 4008' to 3908' a 150' plug with 11 sks of cement. Plug # 5) Balance plug from 3561' to 3036' with 43 sks of cement. Plug # 6) Balance plug from 1840' to 1740' with 11 sks of cement. Plug # 7) Shoot 4 holes at 349' and pumped 123 sks down 5 1/2" casing, annulus and to surface. Witnessed by Alfonso Atencio with the BLM.

ROYAL CANADIAN
DIST. 3

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

Name (Printed/Typed)

Sharla O'Kelly

Title

Production Assistant

Signature

Sharla O'Kelly

Date

June 13, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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)

NMOC

JUN 20 2007

FARMINGTON FIELD OFFICE

ELMRIDGE RESOURCES

PHILLIPS

32-1

**API Well No.:
30-039-22796**

**6/12/2007
RIO ARRIBA**

PLUG TO ABANDON

**Customer Representative:
LEONARD DEE #505-215-5172**

**Superior Operator:
SHELDON JONES**

**Ticket No.:
36-000492**

SUPERIOR

| SUPERIOR JOB LOG | | | | | | TICKET # 36-000492 | | TICKET DATE 6/12/2007 | |
|-------------------------------------|-------|-------------------------|--|------|--------------|--|---------------------------|--|--|
| REGION NORTH AMERICA LAND | | | NWA / COUNTRY ROCKY MOUNTAIN | | | BDA / STATE NM | | COUNTY RIO ARriba | |
| MBU ID / EMPL # | | | H.E.S. EMPLOYEE NAME SHELDON JONES | | | PSL DEPARTMENT ZONAL ISOLATION | | | |
| LOCATION FARMINGTON, NM | | | COMPANY ELMRIDGE RESOURCES | | | CUSTOMER REP / PHONE LEONARD DEE #505-215-5172 | | | |
| TICKET AMOUNT | | | WELL TYPE 02 GAS | | | API/UNI # 30-039-22796 | | | |
| WELL LOCATION LAND | | | DEPARTMENT Cement | | | JOB PURPOSE CODE | | Description PLUG TO ABANDON | |
| LEASE / WELL # PHILLIPS | | Well No. 32-1 | SEC | | TWP | | RNG | | |
| Chart No. | Time | Rate (BPM) | Volume (GAL) | Pmps | Press. (PSI) | | Job Description / Remarks | | |
| | | | | T | C | Tbg | Csg | | |
| 6/8/2007 | 12:00 | | | | | | | ARRIVED ON LOCATION | |
| | 12:05 | | | | | | | LOCATION ASSESSMENT & SAFETY MEETING | |
| | 13:00 | | | | | | | SPOT AND RIG UP EQUIPMENT | |
| | 12:00 | | | | | | | RIG IS RUNNING RETAINER IN THE HOLE | |
| | | | | | | | | RETAINER SET @7713' | |
| | 14:10 | | | | | | | RIG UP TO TUBING | |
| | 14:29 | | | | | | | START JOB PLUG #1 | |
| | 14:29 | | | | | | | TEST LINES TO 2400PSI | |
| | 14:30 | | | | | | | TEST TUBING TO 1200PSI, 3BBL TO LOAD | |
| | 14:45 | 2 | 50 | | | | 650 | LOAD HOLE 8BBLs, 50BBLs CLEAN OUT | |
| | 15:12 | | | | | | 0 | STING INTO RETAINER | |
| | 15:13 | 1.5 | 5 | | | | 650 | ESTABLISH INJECTION RATE | |
| | | | | | | | 240 | ISIP 1 MIN | |
| | 15:20 | 2 | 4.6 | | | | 350 | PUMP CEMENT @15.6# 22 sks | |
| | 15:25 | 2 | 29 | | | | 1000 | PUMP DISPLACEMENT TO 7506', 29BBLs | |
| | 15:40 | | | | | | | PULL OUT OF RETAINER | |
| | 15:40 | 1 | 29.6 | | | | 75 | SPOT 4 SKS CEMENT ON TOP OF RETAINER, 29.6 BBLs DISP | |
| | 15:42 | | | | | | | PULL UP HOLE 10JTS | |
| | 15:53 | | | | | | | REVERSE CIRCULATE TUBING | |
| | 16:30 | | | | | | | END JOB 1PUMP, 3 STANDBY | |
| 11-Jun | 10:00 | | | | | | | ARRIVED BACK ON LOCATION. | |
| | 10:10 | | | | | | | SPOT AND RIG UP EQUIPMENT | |
| | 10:30 | | | | | | | HELD PRE JOB SAFETY MEETING. | |
| | 10:43 | | | | | | | START JOB PLUG #2 RETAINER SET @ 6780' | |
| | 10:49 | | | | | | 3000 | TEST LINES TO 3000 PSI | |
| | 10:53 | 1 | 0 | | | | 0 | START TO ESTABLISH AN INJECTION RATE. | |
| | 10:54 | 1.8 | 5 | | | | 1000 | ESTABLISH INJECTION RATE | |
| | 10:56 | 1.75 | 0 | | | | 500 | LOAD THE HOLE WITH FRESH WATER. | |
| | 11:48 | 1.5 | 10 | | | | 497 | MIX AND PUMP CEMENT MIXED @ 15.6#/gal. 48 sks | |
| | 11:54 | 2 | 0 | | | | 600 | SWITCH TO FRESH WATER DISPLACEMENT. | |
| | 12:03 | 0 | 18.7 | | | | 325 | SHUT DOWN AND STING OUT OF THE RETAINER. | |
| | 12:04 | 2 | | | | | 450 | FINISH DISPLACING THE FRESH WATER. | |
| | 12:07 | 0 | 24.2 | | | | | SHUT DOWN AND WASH UP THE PUMP TRUCK. | |
| | 15:00 | | | | | | | STILL WAITING FOR THE NEXT SETTING. | |
| | 16:00 | | | | | | | START JOB ON PLUG #3 TUBING SET @ 5218' 150' PLUG. | |
| | 16:03 | 1.5 | 5 | | | | 450 | CIRCULATE THE WELL. | |
| | 16:05 | 2 | 2.3 | | | | 550 | MIX AND PUMP CEMENT MIXED @ 15.6#/gal. 11 sks | |
| | 16:07 | 3 | 0 | | | | 675 | SWITCH TO FRESH WATER DISPLACEMENT. | |
| | 16:15 | 0 | 19 | | | | 0 | SHUT DOWN AND PULLING TUBING UP THE HOLE. | |
| | 16:30 | | | | | | | WAIT FOR NEXT SETTING. | |

| SUPERIOR JOB LOG | | | | TICKET # | | TICKET DATE | |
|--------------------|-------|---------------------|------------------|---------------------------|----------------------|---------------------------|--|
| REGION | | NWA / COUNTRY | | BDA / STATE | | COUNTY | |
| NORTH AMERICA LAND | | ROCKY MOUNTAIN | | NM | | RIO ARriba | |
| MBU ID / EMPL # | | H.E.S EMPLOYEE NAME | | PSL DEPARTMENT | | | |
| | | SHELDON JONES | | ZONAL ISOLATION | | | |
| LOCATION | | COMPANY | | CUSTOMER REP / PHONE | | | |
| FARMINGTON, NM | | ELMRIDGE RESOURCES | | LEONARD DEE #505-215-5172 | | | |
| TICKET AMOUNT | | WELL TYPE | | API/UWI # | | | |
| | | 02 GAS | | 30-039-22796 | | | |
| WELL LOCATION | | DEPARTMENT | | JOB PURPOSE CODE | | Description | |
| LAND | | Cement | | | | PLUG TO ABANDON | |
| LEASE / WELL # | | SEC / | | TWP / | | RNG | |
| PHILLIPS | | 32-1 | | | | | |
| Chart No. | Time | Rate (BPM) | Volume (BBL/GAL) | Pmps T C | Press. (PSI) Tbg Csg | Job Description / Remarks | |
| | 16:45 | | | | | | START JOB PLUG #4 TUBING SET @ 4008' 150 PLUG |
| | 16:47 | 2 | 5 | | 450 | | CIRCULATE THE WELL WITH FRESH WATER. |
| | 16:50 | 2 | 2.3 | | 600 | | MIX AND PUMP CEMENT MIXED @15.6#/gal. 11 sks |
| | 16:52 | 3 | 0 | | 535 | | SWITCH TO FRESH WATER DISPLACEMENT. |
| | 17:05 | | 14 | | 0 | | SHUT DOWN AND WASH UP THE PUMP TRUCK. |
| | 17:30 | | | | | | END JOB. 2 PUMP AND 5 STANDBY |
| 12-Jun | 08:30 | | | | | | ARRIVED ON LOCATION. |
| | 09:40 | | | | | | START PLUG #5 TUBING SET @ 3561' |
| | 09:45 | 1 | 5 | | 500 | | PRESSURE TEST CASING. |
| | 10:05 | 2 | 9 | | 325 | | MIX AND PUMP CEMENT MIXED @15.6#/gal. 43 sks |
| | 10:10 | 2 | 0 | | 250 | | SWITCH TO FRESH WATER DISPLACEMENT. |
| | 10:16 | | 10.5 | | 0 | | SHUT DOWN AND WASH UP THE PUMP TRUCK. |
| | 10:30 | | | | | | WAIT FOR THE NEXT SETTING. |
| | 10:55 | | | | | | START PLUG #6 TUBING SET @ 1840' |
| | 10:56 | 2 | 5 | | 300 | | PUMP FRESH WATER SPACER. |
| | 10:58 | 2 | 2.3 | | 375 | | MIX AND PUMP CEMENT MIXED @15.6#/gal. 11 sks |
| | 11:00 | 2 | 0 | | 250 | | SWITCH TO FRESH WATER DISPLACEMENT. |
| | 11:03 | | 6 | | 0 | | SHUT DOWN AND WASH UP THE PUMP TRUCK. |
| | 11:15 | | | | | | WAIT FOR THE NEXT SETTING. |
| | 11:30 | | | | | | RIG CREW PULLING ALL TUBING OUT OF THE HOLE. |
| | 12:00 | | | | | | WIRELINE BUSY PERFORATING. |
| | 12:15 | | | | | | RIG CREW CIRCULATING THE HOLE THRU THE CASING. |
| | 12:25 | | | | | | START PLUG #7 SURFACE. DOWN CASING |
| | 12:30 | 2 | 0 | | 355 | | MIX AND PUMP CEMENT MIXED @15.6#/gal. 170 sks. |
| | 12:45 | | 36 | | | | SHUT DOWN AND WASH UP THE PUMP TRUCK. |
| | 13:00 | | | | | | END JOB. 2 PUMP AND 3 STANDBY |
| | | | | | | | USED 320 sks TOTAL. |
| | | | | | | | THANK YOU LEONARD, AND CREW!!!! |

SUPERIOR WELL SERVICES

WEST-07a-SALES & SERVICE FIELD INVOICE**INVOICE NUMBER**

36- 000492

INVOICE DATE

June 12, 2007

INVOICE PAGE

| | | |
|---|----|---|
| 1 | of | 1 |
|---|----|---|

CHARGE TO

ElmRidge Resources

LEASE NAME OR PROJECT

PHILLIPS 32-1

ADDRESS

STATE

INM

COUNTY

RIO ARIETTA

ADDRESS

FIELD

WELL PERMIT NUMBER

30-039-22796

OWNER

SERVICE SUPERVISOR

LEONARD CLITSO

PURCHASE ORDER / REFERENCE**JOB TYPE**

ON LOCATION

COMPLETED

Plug To Abandon

TIME 12:00
DATE 6/8/2007

| | |
|--------|-----------|
| 0 TIME | 13:30 |
| 7 DATE | 6/12/2007 |

SIGNATURE

NAME (PLEASE PRINT)

Leonard Dee

I have read, understood and agreed to the terms and conditions printed on the reverse side hereof which include, but are not limited to, LIMITED WARRANTY, INDEMNITY, RELEASE and PAYMENT and represent that I have full power and authority to execute this agreement.

[illegible]

Continuation Page \$

CUSTOMER OR AGENT SIGNATURE / COMMENTS

X

| | | |
|-----------------|-----------|------------------|
| Subtotal | \$ | 21,609.00 |
|-----------------|-----------|------------------|

| | | | |
|-----------|--------|----|-------------|
| Discounts | 48.00% | \$ | (10,372.32) |
|-----------|--------|----|-------------|

Allowances \$ - \$ -

| | | |
|-----------------|-----------|------------------|
| Subtotal | \$ | 11,236.68 |
|-----------------|-----------|------------------|

| | | | | |
|------|------------|-------|----|--------|
| Fuel | Surcharges | 2.00% | \$ | 224.73 |
|------|------------|-------|----|--------|

| | | |
|--------------|-----------|------------------|
| Total | \$ | 11,461.41 |
|--------------|-----------|------------------|

| | | | |
|---------------------|--------------|-----------|---------------|
| NM Sales Tax | 7.00% | \$ | 802.30 |
|---------------------|--------------|-----------|---------------|

DUE \$ 12,263.71

Receipt: The customer or customer's agent acknowledges that the equipment, materials and services were received as listed on this field invoice.

Terms: Net 30 days. Finance charge 1.5% per month on past due accounts. Applicable taxes will be added on invoice.