

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

RECEIVED

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

DEC 04 2009

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

5 Lease Serial No
NMNM-23050

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No.
South Blanco Federal 6-3

9 API Well No.
30-039-22599

10 Field and Pool, or Exploratory Area
Lybrook Gallup Ext.

11 County or Parish, State
Rio Arriba, 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 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)
Sec. 6-T23N-R7W
1740' FNL X 330' FEL

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 checked="" type="checkbox"/> Other Evaluate for workover
	<input 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 recomplate 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.)

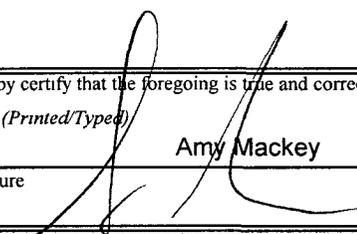
Elm Ridge Exploration Company, LLC is currently evaluating the potential for a successful workover to recover the remaining reserves in this well. If the economics of the workover are favorable, we will submit a sundry notice requesting permission to proceed, along with a detailed procedure. If it is determined that the workover will be uneconomic, we will promptly submit our plans for plugging and abandonment. We will have our evaluation completed and a sundry notice of our plans submitted to the BLM no later than January 15th, 2010.

RCVD DEC 9 '09
OIL CONS. DIV.

DIST. 3

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Amy Mackey Title Production Manager

Signature  Date December 3, 2009

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Original Signed: Stephen Mason Title Date DEC 07 2009

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)

MMOCD by



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NMNM-23050 et al. (WC)
3162.3-2 (21110)

November 5, 2009

Mr. Terry Lindeman
Elm Ridge Resources, Inc.
PO Box 156
Bloomfield, NM 87413

Dear Mr. Lindeman:

Our records indicate that you are the operator of the following wells:

- 1) No. 3 South Blanco Federal 6 located 1740' FNL & 330' FEL sec. 6, T. 23 N., R. 7 W., Rio Arriba County, New Mexico, Lease NMNM-23050. Well has not produced since April, 2008.
- 2) No. 3 AXI Apache A located 990' FSL & 990' FWL sec. 10, T. 23 N., R. 5 W., Rio Arriba County, New Mexico, Lease Jicarilla Contract 77. Well has not produced since July, 2008.
- 3) No. 50 Martin Whittaker located 940' FNL & 1700' FEL sec. 14, T. 23 N., R. 5 W., Rio Arriba County, New Mexico, Lease Jicarilla Contract 78. Well has not produced since April, 2008.

Title 43 CFR Section 3162.3-4 requires that the lessee shall promptly plug and abandon, condition as a service well, or condition as a water well, any well on a lease that is not used or useful for the purpose of the lease. Accordingly, you are required to advise this office by Sundry Notice within 30 calendar days of your intent to perform one of the following: a) Condition the well to a useful function, b) Temporarily abandon the well, c) Continued shut-in status, d) Permanently plug and abandon the well.

See attached General Requirements for Non-Producing wells on Federal leases.

The 30 calendar days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 calendar days may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions, please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,

Stephen Mason
Petroleum Engineer, Petroleum Management Team

1 Attachment
cc: Jicarilla Apache Nation; BIA, Jicarilla Agency

Gave Scott a Copy 11/9/09.