

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 NMSF-078065 3162.3-1 (111)

December 18, 2009

RCVD DEC 22'09 OIL CONS. DIV. DIST. 3

Elm Ridge Exploration Co LLC Attn.: Amy Mackey P.O. Box 156 Bloomfield, NM 87413

45-34207

Dear Ms. Mackey:

Reference is made to your Application for Permit to Drill (APD) the No. 2 Renate Hixon well, located 2070' FSL and 985' FEL, Section 21, T25N, R12W, San Juan County, New Mexico. This APD was approved on March 12, 2007 with an expiration date of March 12, 2009. According to our records, no known activity has taken place at this location.

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez

Petroleum Engineering Asst.

Petroleum Management Team

cc: NMOCD

| NOS: 10-12-06 APOP: 47 MP: 47 SMA: 47 BOND: 47 Form 3160-3 CAPA: 47 | | 1 | FORM APPRO | |
|--|--|---------------------|--|-----------------|
| (April 2004) UNITED STATES | | | OMB No. 1004- Expires March 3 | 0137 1, 2007 |
| NZ, NESW, NSGE DEPARTMENT OF THE INT BUREAU OF LAND MANAG | | -2 AM | Lease Serial No. NNISF-078065 | |
| APPLICATION FOR PERMIT TO DR | | r | If Indian, Allotee or Tri N/A | |
| la. Type of work: | - 210 F/A | r ::GTD | 7 If Unit or CA Agreement, N/A | |
| Ib. Type of Well: Oil Well Gas Well Other | ✓ Single Zone Multip | ole Zone | 8. Lease Name and Well No RENATE HIXON 2 | Э. |
| 2. Name of Operator ELM RIDGE EXPLORATION COMPANY | Y, LLC | | 9. API Well No. 3420 | 7 |
| 3a. Address P. O. BOX 156 BLOOMFIELD, NM 87413 | | | 10. Field and Pool, or Exploratory BISTI LOWER-GALLUP | |
| 4. Location of Well (Report location clearly and in accordance with any State At surface 2070' FSL & 985' FEL NESE At proposed prod. zone SAME | te requirements.*) | | 1. Sec., T. R. M. or Blk. and 21-25N-12W NMPM | |
| 14. Distance in miles and direction from nearest town or post office* 26 MILES SSE OF FARMINGTON, NM | | | 12. County or Parish SAN JUAN | 13. State NM |
| location to nearest | No. of acres in lease | | Unit dedicated to this well (= 80 acres) | |
| | Rroposed Depth . | | A Bond No. on file FATE WIDE 886201C A | IM 2858 SW 150 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,310' GL | Approximate date work will start 04/20/2007 | 2 | 3. Estimated duration 3 WEEKS | |
| | . Attachments | | | |
| The following, completed in accordance with the requirements of Onshore Oil 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on Danjonal Forest System Lands SUPO shall be filed with the appropriate Porest Service Office). | 4. Bond to cover the Item 20 above). 5. Operator certifica 6. Such other site spauthorized office: | e operations attion | UNDITIONS OF A TOTAL O | F APPROVAL |
| 25. Signature | Name (Printed/Typed) BRIAN WOOD | | . Date 02 | 2/28/2007 |
| Title CONSULTANT | PHONE: (505) 466-8120 | FAX: | (505) 466-9682 | |
| Approved by (Signature) Title A Amy ACM / Muercl | Name (Printed/Typed) Office | | Date | 3/12/07 |
| Application approval does not warrant or certify that the applicant holds lega conduct operations thereon. Conditions of approval, if any are attached. | | | | AFMSS |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for States any false, fictitious of faudulent statements or representations as to any | or any person knowingly and wil matter within its jurisdiction. | llfully to make | to any department or agent | of the 1/2007 |
| *(Instructions on page 2) | , | | ВҮ | M/U1 |

DRILLING OPERATIONS AUTHORIZED ARE BEDIEGT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DISTRICT I 1625 N. French Dr., Hobbs, N.M. 88240

State of New Mexico ergy, Minerals & Natural Resources Departme

Form C-102 Revised August 15, 2000

DISTRICT II 811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IN 1000 Rio Brazos Rd., Aztec, N.M. 57410

2040 South Pacheco

☐ AMENDED REPORT

DISTRICT IV 2040 South Pacheco, Santa Fe. NM 87505

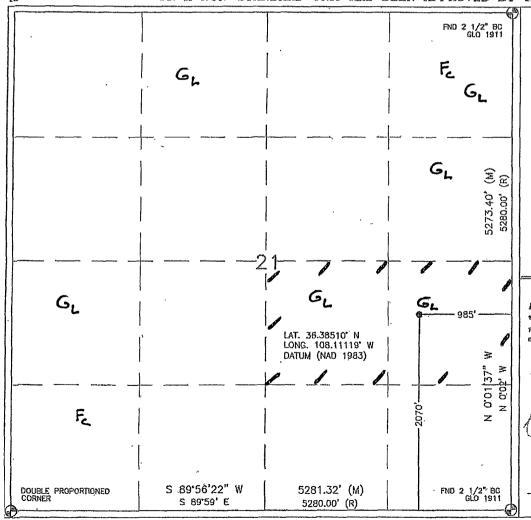
2040 South 1 at 2005 Santa Fe, NM 87505 2007 MAR -2 AM II: 20 WELL LOCATION AND ACREAGE DEDICATION PLAT

| | uppe position was worked principlified that | |
|----------------------------------|--|--|
| 30-045- | 5890 BISTI LOWER TO A TO | A PART OF THE PART |
| Property, Code | Froperty Name RENATE HIXON | ^d Well Number 2 |
| ⁷ 0GRID No. 149052 | Operator Name ELM RIDGE EXPLORATION, LLC | ⁹ Elevation 6310° |

UL or lot no. Feet from the North/South line Section Township Range Lot Idn Feet from the East/West line County 21 25N 12W 20701 SOUTH 985* SAN JUAN EAST ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the Range East/West line County ² Dedicated Acres ia Joint or Infill 14 Consolidation Code 15 Order No. 80

Surface Location

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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature BRIAN WOOD Printed Name CONSULTANT Title 28, 2007 FEB.

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of colucil surveys made by me or under my supervision, and that the same is true and correct to the best of my belief:

NOVEMBER. 2006 Date of Survey Certificate Number 10201