

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No Contract # 362
2 Name of Operator Elm Ridge Exploration Company, LLC		6. If Indian, Allottee or Tribe Name Jicarilla Apache
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) 790' FNL X 1298' FWL C - Sec. 6-T23N-R4W SW/SW		8 Well Name and No. Jicarilla Florance D #2
		9 API Well No. 30-039-08079
		10 Field and Pool, or Exploratory Area Ballard Pictured Cliffs
		11. County or Parish, State Rio Arriba County, NM

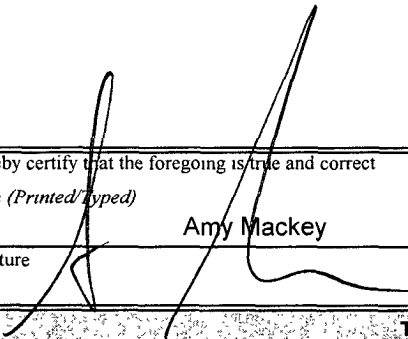
12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<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 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.)

This well appears to be incapable of producing gas in commercial quantities. As a result, Elm Ridge Exploration Co., LLC plans to plug and abandon this well. A plugging sundry is being prepared, and will be submitted to the BLM no later than January 29, 2010.

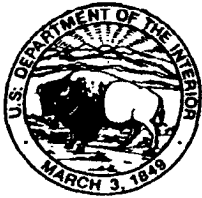
RCVD JAN 6 '10
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Amy Mackey	Title Administrative Manager
Signature 	Date January 5, 2010

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.



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-0468126 et al. (WC)
3162.3-2 (21110)

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

December 3, 2009

RCVD JAN 6 '10

OIL CONS. DIV.

DIST. 3

Dear Mr. Lindeman:

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

- ★ 1) No. 3 Callow located 1650' FSL & 990' FEL sec. 28, T. 29 N., R. 13 W., San Juan County, New Mexico, Lease NMNM-0468126. Well has not produced since August, 2008.
- 2) No. 2 Jicarilla Florance D located 790' FNL & 1298' FWL sec. 6, T. 23 N., R. 4 W., Rio Arriba County, New Mexico, Lease Jicarilla Contract 362. Well has not produced since August, 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