

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

SEP 17 2010

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.
Farmington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-76867
2. Name of Operator Elm Ridge Exploration Co., LLC		6. If Indian, Allottee or Tribe Name ant
3a. Address PO Box 156, Bloomfield, NM 87413	3b. Phone No. (include area code) 505-632-3476	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2195 FNL X 2107 FWL F-Sec.32-T26N-R13W		8. Well Name and No. South Bisti F #1
		9. API Well No. 30-045-31042
		10. Field and Pool, or Exploratory Area Bisti Lower Gallup
		11. County or Parish, State San Juan 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 checked="" type="checkbox"/> Other Pressure Observation Well
	<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 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 Resources, Inc. completed this well in 2006, to test the northwestern extension of the "Hacksaw" Gallup trend. The well is capable of oil production, but also produces a large volume of water, rendering the economics marginal due to the distance from our disposal facility. Permission is therefore requested to convert this into a pressure observation well. In conjunction with the Lee Hixon #1 POW (Sec. 26, T25N-R12W) located to the southeast, this well would allow monitoring of pressures at both ends of the "Hacksaw" trend. Elm Ridge has nearly two dozen potential locations for additional Gallup wells along this trend, and obtaining accurate pressure data would be very beneficial for planning future field development.

Pressure data anomaly

Notify NMOCD 24 hrs
prior to beginning
operations

Must Comply with NMOCD Rules
19.15.25.12, 19.15.25.13 and
19.15.25.14

RCVD SEP 24 '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 September 16, 2010
THIS SPACE FOR FEDERAL OR STATE USE	
Approved by Original Signed: Stephen Mason	Title Date SEP 21 2010
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