Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2005 DEC 7 AM 1:21

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
070 FARMINGTON NM

	5. Lease Serial No. BIA 360
	6. If Indian, Allotee or Tribe Name JICARILLA APACHE
1a. Type of work: ☑ DRILL ☐ REENTER	7. If Unit or CA Agreement, Name and No. N/A
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	8. Lease Name and Well No. CHACON AMIGOS 10
2. Name of Operator ELM RIDGE EXPLORATION COMPANY, LLC	9. API Well No. 30-043- 21006
3a. Address P. O. BOX 156 BLOOMFIELD, NM 87413 / 3b. Phone No. *(include area code)* (505) 632-3476	10. Field and Pool, or Exploratory LINDRITH GALL-DAK, WEST
4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* At surface 675' FNL & 675' FWL; At proposed prod. zone SAME	11. Sec., T. R. M. or Blk. and Survey or Area 12-22N-3W NMPM
14. Distance in miles and direction from nearest town or post office* 15 AIR MILES NW OF CUBA, NM	12. County or Parish SANDOVAL / 13. State NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
4,605'	2541	NW4

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
1,216' (#3)	7,100'	BIA NATION WIDE 886441C

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
7,169' GL	01/30/2006	4 WEEKS

24. Attachments

RCVD MAR 17 '11
OIL CONS. DIV.
DIST. 3

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan *(if the location is on National Forest System Lands, the* SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. *Operator certification*
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name *(Printed/Typed)*	Date
[signature]	BRIAN WOOD	12/03/2005
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
Approved by *(Signature)* [signature]	Name *(Printed/Typed)*	Date 3/16/11
Title AFM	Office FFO	

Application approval 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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 page 2)

HOLD C104 FOR S.9 compliance
HOLD C104 FOR

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT 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

MAR 05 2011

NMOCD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2005 DEC 7 AM 11 21

RECEIVED
070 FARMINGTON NM

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-043-21000	39189	LINDRITH GALLUP - DAKOTA, WEST

4 Property Code	5 Property Name	6 Well Number
22998	CHACON AMIGOS	10

7 OGRID No.	8 Operator Name	9 Elevation
149052	ELM RIDGE EXPLORATION COMPANY, LLC.	7169'

10 Surface Location

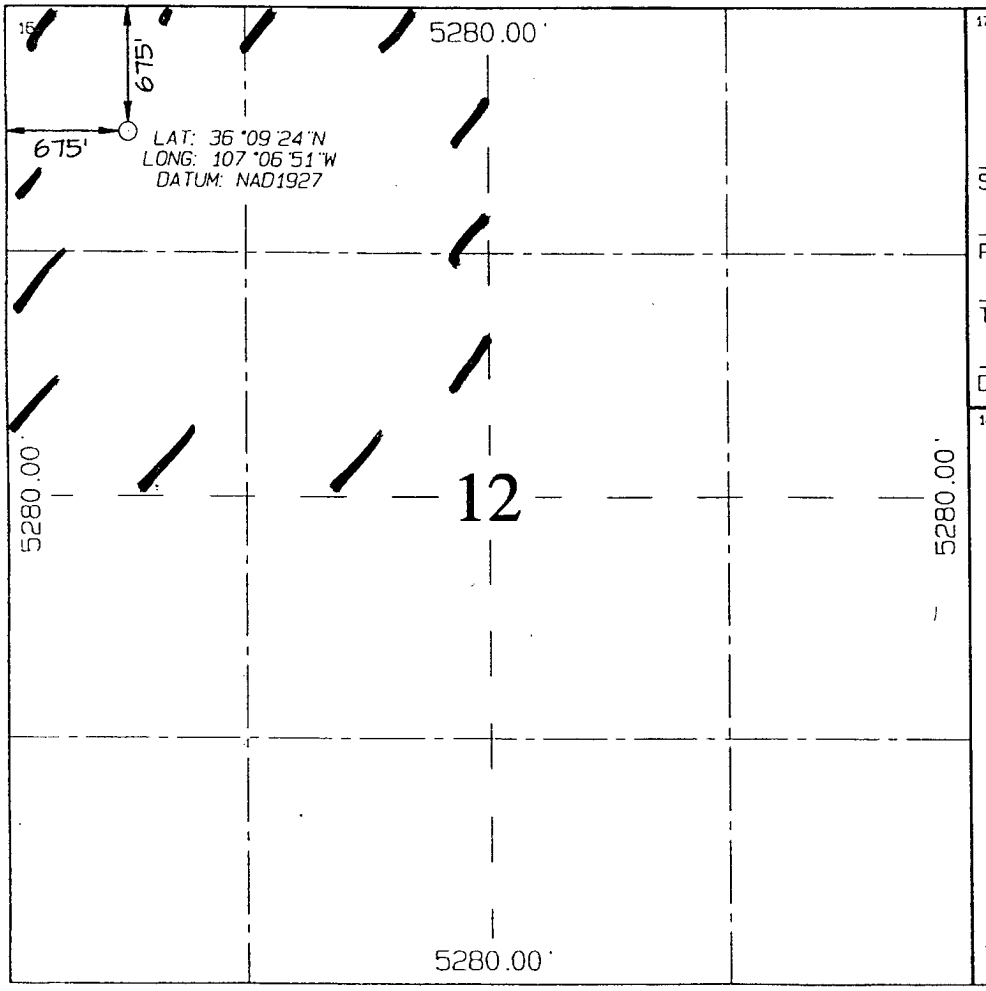
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	12	22N	3W		675	NORTH	675	WEST	SANDOVAL

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
160			

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



17 OPERATOR CERTIFICATION

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

Signature

Printed Name: BRIAN WOOD

Title: CONSULTANT

Date: DEC. 3, 2005

18 SURVEYOR CERTIFICATION

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

Date of Survey: APRIL 6, 2005

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS

Certificate Number 15269

Elm Ridge Exploration Company, LLC
Chacon Amigos 10
675' FNL & 675' FWL
Sec. 12, T. 22 N., R. 3 W.
Sandoval County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation Name	GL Depth	KB Depth	Elevation
San Jose	000'	12'	+7,169'
Ojo Alamo	2,249'	2,261'	+4,920'
Kirtland	2,359'	2,371'	+4,810'
Fruitland	2,464'	2,476'	+4,705'
Pictured Cliffs	2,574'	2,586'	+4,595'
Lewis Shale	2,704'	2,716'	+4,465'
Point Lookout	4,654'	4,666'	+2,515'
Mancos Shale	4,864'	4,876'	+2,305'
Gallup Ss	5,689'	5,701'	+1,480'
Graneros	6,769'	6,781'	+400'
Dakota	6,779'	6,791'	+390'
Total Depth (TD)	7,100'	7,112'	+69'

2. NOTABLE ZONES

Oil & Gas Zones	Water Zones	Coal Zones
Pictured Cliffs	San Jose	Fruitland
Gallup	Ojo Alamo	
Dakota		

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to

be used is not yet known. A typical 3,000 psi model is on PAGE 3. A ≥3,000 psi BOP and choke manifold system will be installed and tested to 2,000 psi before drilling surface casing plug. It will remain in use until the well is completed or abandoned. A safety valve and sub with a full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and opened and closed at least daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

4. CASING & CEMENT

Hole Size	O. D.	Weight (lb/ft)	Grade	Type	Age	GL Setting Depth
12-1/4"	8-5/8"	24	K-55	S T & C	New	350'
7-7/8"	4-1/2"	10.5	J-55	L T & C	New	7,100'

Surface casing will be cemented to the surface with ≈290 cubic feet (≈246 sacks) Class B with 1/4#/sk Flocele + 2% $CaCl_2$. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. Centralizers will be installed on the middle of the shoe joint and every other centralizer thereafter. Thread lock the guide shoe and bottom of float collar only. Use API casing dope.

Production casing will be cemented to surface in 2 stages. Set stage tool @ ≈4,750'. Volume ≥75% excess, but caliper log will be used to determine actual volume needed. Centralizers will be installed on middle of the shoe joint and on every joint thereafter (total of ≈30 centralizers). Thread lock the guide shoe, bottom of float collar, and bottom of stage tool only. Use API casing dope.

First stage volume will be ≈1,375 cubic feet. First stage will consist of ≈340 sacks Halliburton light with 65/35 poz mix + 1/4 pound per sack Flocele + 2% $CaCl_2$ (yield = 1.87 cubic feet per sack & weight = 12.7 pounds per gallon) followed by ≈630 sacks Class B + 2% $CaCl_2$ (yield = 1.18 cubic feet per sack & weight = 15.2 pounds per gallon).

Second stage volume will be ≈2,100 cubic feet. Second stage will consist of ≈1,100 sacks of Halliburton light with 65/35 poz mix + 1/4 pound per sack Flocele + 2% $CaCl_2$ (yield = 1.87 cubic feet per sack & weight = 12.7 pounds per gallon) followed by ≈50 sacks Class B + 2% $CaCl_2$ (yield = 1.18 cubic feet per sack & weight = 15.2 pounds per gallon)..

5. MUD PROGRAM

Depth	Type	ppg	Viscosity	Fluid Loss	pH
0' - 350'	Fresh water gel	9.0	50	NC	9
350' - TD'	Fresh water gel	9.0	38-50	6.0	9

Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well site while drilling. Mud will be checked hourly by rig personnel. Material to soak up possible oil or fuel spills will be on site.

6. CORES, TESTS, & LOGS

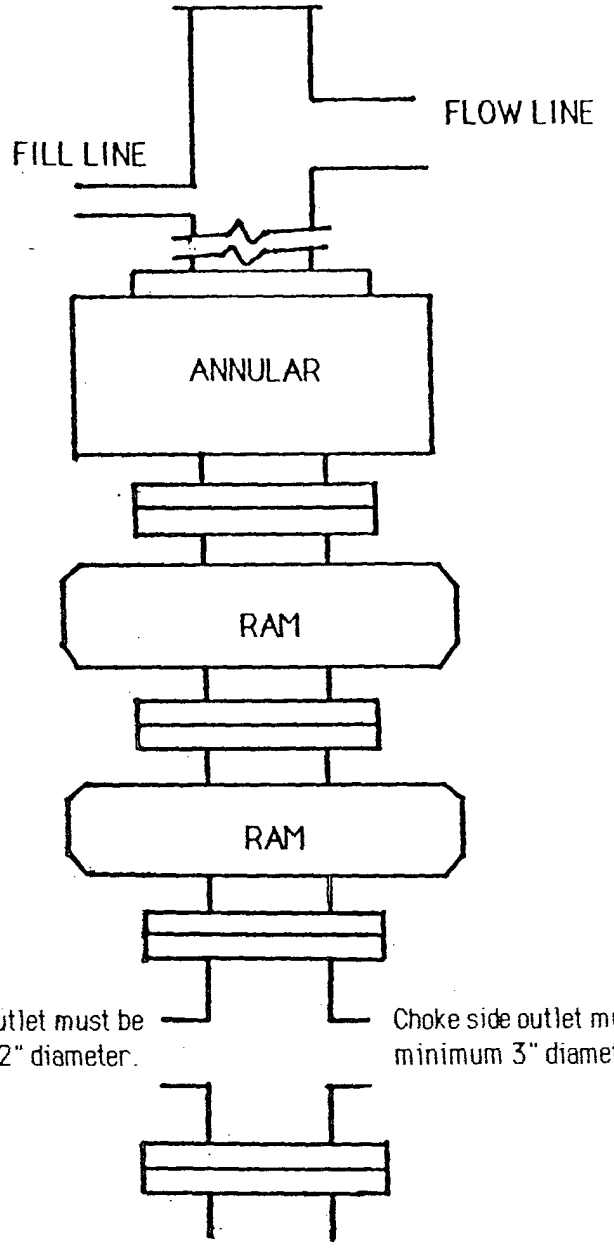
No cores or drill stem tests are planned. DIL/GR logs will be run from TD to surface. CNL/FDC logs may be run over selected segments. Samples will be collected every 10' from ≈5,000' to TD. Samples will be collected every 30' elsewhere.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, or hydrogen sulfide are expected. Maximum bottom hole pressure will be ≤2,840 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take ≈2 weeks to drill and ≈2 weeks to complete the well.



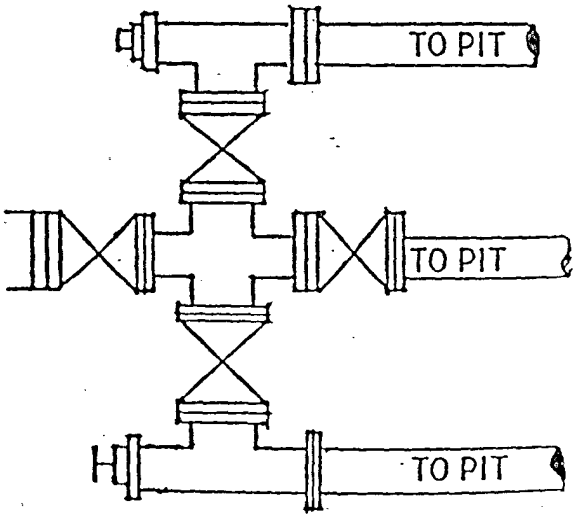
Kill side outlet must be minimum 2" diameter.

Choke side outlet must be minimum 3" diameter.

Kill line will be minimum 2" diameter and have 2 valves, one of which shall be a minimum 2" check valve.

TYPICAL BOP STACK & CHOKE MANIFOLD

There will be at least 2 chokes and 2 choke line valves (3" minimum). The choke line will be 3" in diameter. There will be a pressure gauge on the choke manifold.



Upper kelly cock will have handle available.
Safety valve and subs will fit all drill string connections in use.
All BOPE connections subjected to well pressure will be flanged, welded, or clamped.

PERMITS WEST, INC.
PROVIDING PERMITS for the ENERGY INDUSTRY