

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOO-C-14-20-5379

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL DEEPEN

6. FEDERAL ACQUISITION AND DISPOSITION ACT
Navajo Allotment

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

7. UNIT AGREEMENT NAME N/A

2. NAME OF OPERATOR
Elm Ridge Resources, Inc. (505) 632-3476

8. FARM OR LEASE NAME OR WELL NO.
30484
Bisti Coal 27 Com 1R

3. ADDRESS AND TELEPHONE NO.
P. O. Box 189, Farmington, NM 87499

9. AP WELL NO.
30-045-31043

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 716' FNL & 1861' FEL

10. BLM FIELD OFFICE
Basin Fruit Coal

At proposed prod. zone Same

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
24 air miles SSE of Farmington

627-25n-12w NMPM

12. COUNTY OR PARISH San Juan

13. STATE NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
716'

16. NO. OF ACRES IN LEASE
160

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
131'

19. PROPOSED DEPTH
1,200'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,330' ungraded

22. APPROX. DATE WORK WILL START*
May 1, 2002

PROPOSED CASING AND CEMENTING PROGRAM

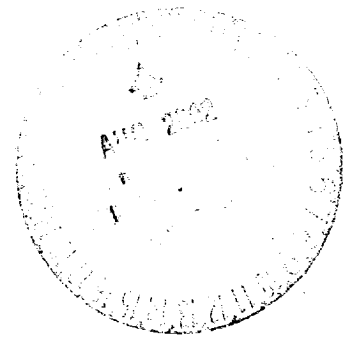
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-5/8"	K-55 7"	20	120'	~35 cu. ft. & to surface
6-3/4"	J-55 4-1/2"	10.5	1,200'	~310 cu. ft. & to surface

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

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS"

On site inspection with Marcella Martinez & James Miles.

ENTERED



BY smm

cc: BLM, Elm (D&F), FIMO, OCD (via BLM)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Consultant (505) 466-8120 DATE 3-19-02

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY [Signature] TITLE AFM DATE 5/21/02

*See Instructions On Reverse Side

NMOCD

State of New Mexico
 Energy, Minerals & Mining Resources Department
 OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C - 102

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

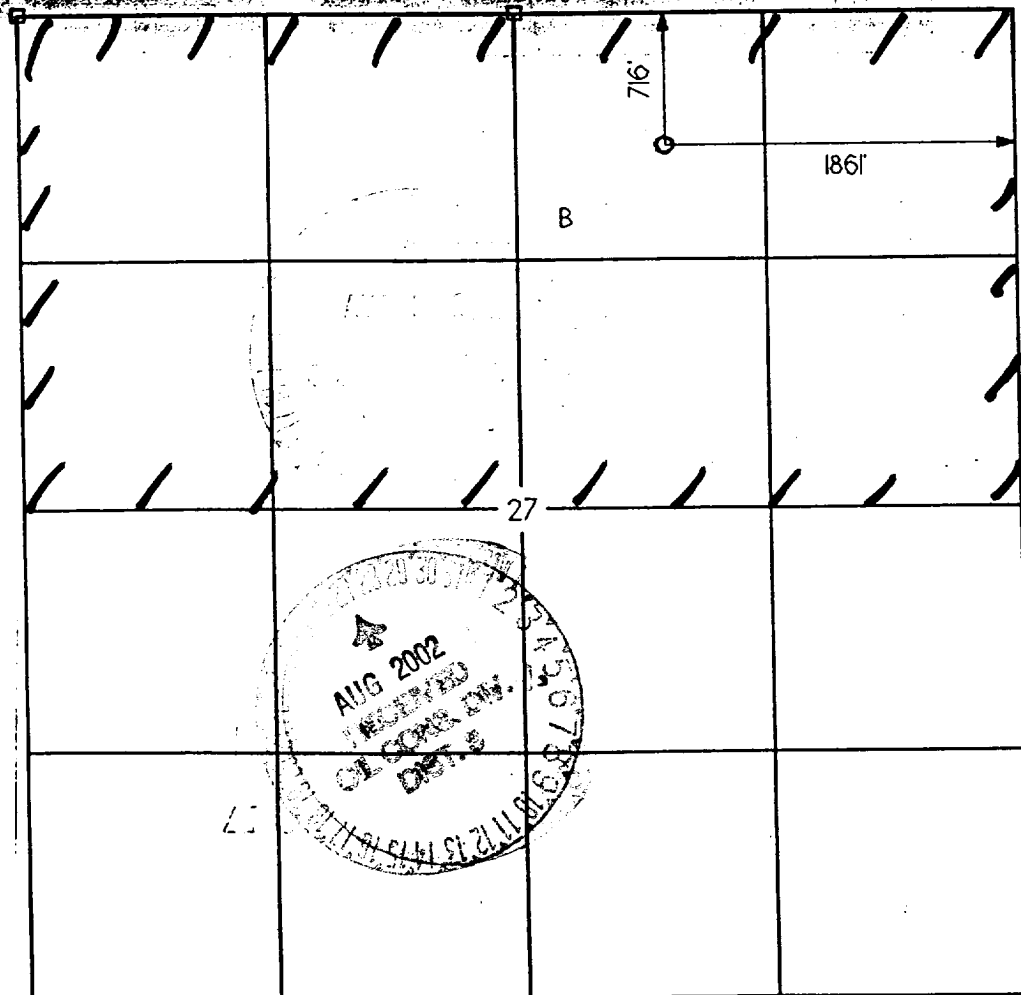
APA Number 30-045-37043	Pool Code 71629	Pool Name BASIN FRUITLAND COAL GAS
Property Code 004645	Property Name BISTI COAL 27 <i>Com</i>	Well Number *1R
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 6330'

Surface Location									County
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from >	North/South	Feet from >	East/West	
B	27	25 N.	12 W.		716'	NORTH	186'	EAST	SAN JUAN

Bottom Hole Location if Different From Surface									County
UL or Lot	Sec.	Twp.	Rge.	Lot Id.	Feet from >	North/South	Feet from >	East/West	

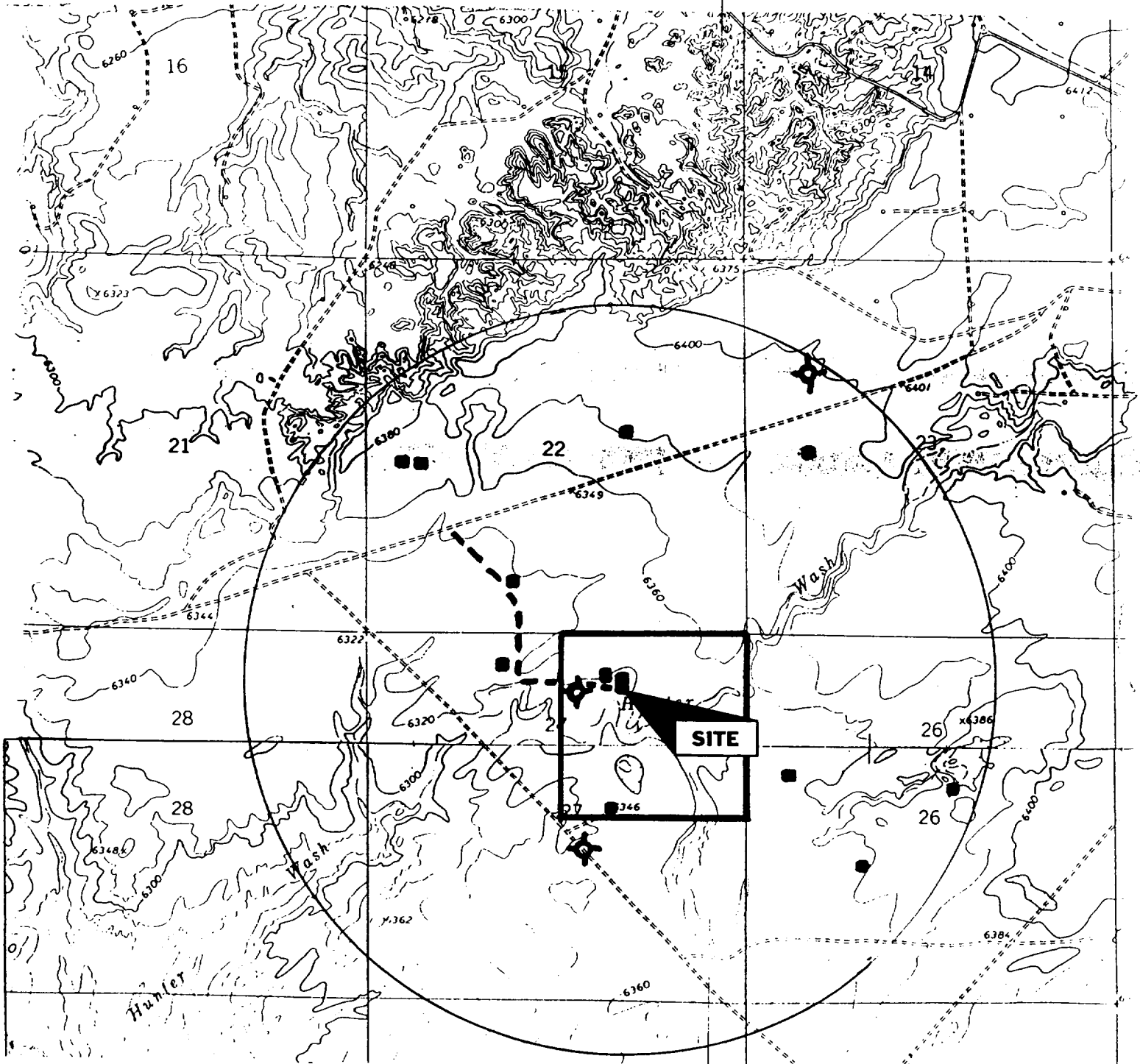
Dedication 320	Joint ?	Consolidation	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Signature
Printed Name BRIAN WOOD
Title CONSULTANT
Date MAR. 19, 2002
SURVEYOR CERTIFICATION I hereby certify that the well location 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
Signature and Seal of Registered Professional Surveyor <i>[Signature]</i>

Elm Ridge Resources, Inc.
Bisti Coal 27 Com 1-R
716' FNL & 1861' FEL
Sec. 27, T. 25 N., R. 12 W.
San Juan County, New Mexico



- PROPOSED WELL: ■
- EXISTING WELL: ●
- P & A WELL: ⊕
- LEASE BOUNDARY: - - -
- EXISTING ROAD: - - -

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	5'	+6,330'
Fruitland	875'	855'	+5,455'
Basal Fruitland	1,080'	1,055'	+5,250'
Pictured Cliffs Ss	1,095'	1,105'	+5,235'
Total Depth (TD)*	1,200'	1,205'	+5,130'

* all elevations reflect the ungraded ground level of 6,330'

2. NOTABLE ZONES

Oil & Gas Zones

Fruitland Coal

Pictured Cliffs

Water Zones

Nacimiento

Coal Zones

Fruitland

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 exact drill rig and BOP model to be used are not yet known. (A typical 2,000 psi model is on PAGE 3.) BOP and choke manifold system will be installed and tested to 500 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.

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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

<u>Hole Size</u>	<u>O.D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Type</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-5/8"	7"	20	K-55	ST&C	New	120'
6-3/4"	4-1/2"	10.5	J-55	LT&C	New	1,200'

Surface casing will be cemented to the surface with ~35 cubic feet (~30 sacks) Class B + 1/4 pound per sack cello flake + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. Two centralizers will be run. Thread lock guide shoe and bottom of float collar.

Production casing hole will be cleaned of rock chips by circulating $\geq 150\%$ of the hole volume with mud to the surface. Thirty barrels of fresh water will then be circulated. Lead with ~195 cubic feet (~95 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack and weight = 12.5 pounds per gallon). Tail with ~115 cubic feet (~98 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack and weight = 15.2 pounds per gallon). Total cement volume is 310 cubic feet based on 85% excess and circulating to surface.

5. MUD PROGRAM

A 9 pound polymer and fresh water mud system with a viscosity of ~35 will be used. Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well while drilling.