



| | | | | |
|------------|-------------|------------|------|----------------|
| SUBMITTER | ENGINEER | LOGGED IN | TYPE | APP NO. |
| 21 June 07 | D. Catanaen | 22 June 07 | NSC | PLP 0717341697 |

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

2007 JUN 21 AM 8 29

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
NSL NSP SD

Elm Ridge's
Jicarilla 77 GD #1

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or _ Does Not Apply

[A] Working, Royalty or Overriding Royalty Interest Owners

[B] Offset Operators, Leaseholders or Surface Owner

[C] Application is One Which Requires Published Legal Notice

[D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
(505) 466-8120
FAX 466-9682

CONSULTANT

6-19-07

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
FOR NONSTANDARD LOCATION
FOR ELM RIDGE EXPLORATION COMPANY, LLC
JICARILLA 77 GD #1
1390' FSL & 1205' FWL SEC. 9, T. 23 N., R. 5 W.
RIO ARriba COUNTY, NM**

I. The well is on Jicarilla Apache Nation surface and on Jicarilla Apache Nation oil and gas lease BIA Contract 77. The proposed location is nonstandard for the Gallo Canyon; Gallup/Dakota (Pool Code 96369) due to topography (Canon Largo) and surface use. (The Jicarilla Apache Nation wants to minimize surface disturbance. The proposed well overlaps a Pictured Cliffs gas well pad.) A standard location must be at least 330' from the quarter-quarter line. This well is staked 260' further south and 215' further east than is standard. (Closest standard location would be 1650' FSL and 990' FWL.) The APD cover sheet is attached as EXHIBIT A.

II. A C-102 showing the well location and pro ration unit (NWSW Section 9) is attached (EXHIBIT B). The Tribal oil and gas lease (2,560 acres) boundary is marked as a solid line on the attached (EXHIBIT C) copy of the USGS topographic map. The Jicarilla Apache Nation is the mineral lessor for a >2 mile radius.

The well encroaches on the NESW, SESW, and SWSW of Section 9. There is only one existing Gallo Canyon; Gallup/Dakota in the eight offset quarter-quarters. That well is Elm Ridge's Martin Whitaker 58. It is 2,092' away in the SWNW at 1830 FNL & 840 FWL 9-23n-5w. The only other well in the NWSW or the eight offset quarter-quarters is Elm Ridge's AXI Apache A 2, a Ballard Pictured Cliffs well.

The proposed dedication and only existing Gallo Canyon; Gallup/Dakota dedication (40 acres) are shown on EXHIBIT D.

III. According to NM Oil Conservation Division records, the closest existing or planned Gallo Canyon; Gallup/Dakota oil well is Elm Ridge's producing Martin Whitaker 58 well. It is 2,092' north at 1830' FNL & 840' FWL 9-23n-5w.

EXHIBIT D shows the proposed NSL well, all existing Gallo Canyon; Gallup/Dakota wells, and all Gallo Canyon; Gallup/Dakota dedicated spacing units (40 acres each).

Registered letters were sent on June 19, 2007 to all of the offset interest owners. (Elm Ridge is the operator of five existing or potential offsetting 40 acre pro ration units. The remaining pro ration units are unleased lands in Section 8.) Copies of the postal receipts and letters are attached.

IV. A copy of the USGS map is attached (EXHIBIT D). The proposed well site is marked. Pro ration unit (solid line) for the Gallo Canyon; Gallup/Dakota is the 40 acre northwest quarter of the southwest quarter of Section 9, Township 23 North, Range 5 West, Rio Arriba County, NM.

V. The nonstandard location is due to topography and surface use. Canon Largo and its head cutting tributaries have consumed the entire drilling window. The Jicarilla Apache Nation is trying to minimize surface disturbance. The proposed well overlaps Elm Ridge's producing AXI Apache A 2 pad (see EXHIBIT F), which is a Ballard Pictured Cliffs gas well.

VI. Archaeology is not an issue.

VII. See item V. above and attached EXHIBITS D and E for a description and depiction of the surface conditions.

VIII. Directional drilling is not feasible because it is not cost effective.

IX. I hereby certify notice (EXHIBIT F) has been sent to the following lessees (only Elm Ridge), lessors (only Jicarilla Apache Nation), operators of existing spacing units (only Elm Ridge), or owners of undrilled leases (only Elm Ridge) which adjoin the applicant's spacing unit on one or more of the two sides or the single closest corner to the proposed well and that the information is current and correct. (Elm Ridge is the operator all five

existing or potential offsetting 40 acre pro ration units. The other three are
unleased.)

BIA
BLM
Jicarilla Apache Nation



Brian Wood, Consultant

6-19-07

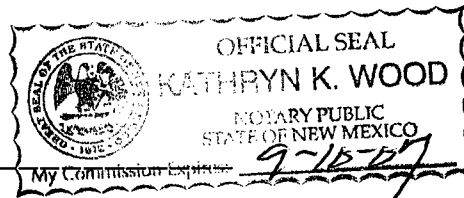
STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 19th day of
June, 2007 by Brian Wood. Witness my hand and official seal.


Notary Public

My Commission Expires: 9-15-07

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508



cc: Aztec OCD, Elm (Bloomfield & Dallas)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

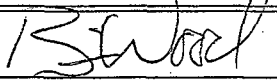
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|--|--|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. BIA CONTRACT 77 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name JICARILLA APACHE |
| 2. Name of Operator ELM RIDGE EXPLORATION COMPANY, LLC | | 7. If Unit or CA Agreement, Name and No. N/A |
| 3a. Address P. O. BOX 156 BLOOMFIELD, NM 87413 | 3b. Phone No. (include area code) (505) 632-3476 | 8. Lease Name and Well No. JICARILLA 77 GD #1 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1390' FSL & 1205' FWL At proposed prod. zone SAME | | 9. API Well No. 30-039- |
| 14. Distance in miles and direction from nearest town or post office* 5 AIR MILES NE OF COUNSELOR, NM | | 10. Field and Pool, or Exploratory GALLO CANYON; GALLUP/DAK |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 765' | 16. No. of acres in lease 2,560 | 11. Sec., T. R. M. or Blk. and Survey or Area 9-23N-5W NMPM |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 141' (A-2 (PC)) | 19. Proposed Depth 6,600' | 12. County or Parish RIO ARriba |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,618' GL | 22. Approximate date work will start* 08/15/2007 | 13. State NM |
| 17. Spacing Unit dedicated to this well NWSW | | |
| 20. BLM/BIA Bond No. on file BIA NATION WIDE 886441C | | |
| 23. Estimated duration 4 WEEKS | | |

24. Attachments

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|--|---|---------------------------|
| 25. Signature  | Name (Printed/Typed) BRIAN WOOD | Date 05/05/2007 |
| Title CONSULTANT | | |
| PHONE: (505) 466-8120 FAX: (505) 466-9682 | | |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title | Office | |

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)

EXHIBIT A

DISTRICT II
811 South First, Artesia, N.M. 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 875

OIL CONSERVATION DIVISION

P.O. 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

Free Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------------|---|---|
| ¹ API Number 30-039- | ² Pool Code 96369 | ³ Pool Name GALLO CANYON; GALLUP/DAKOTA |
| ⁴ Property Code . | ⁵ Property Name JICARILLA 77 GD | ⁶ Well Number . 1 |
| ⁷ OGRID No. 149052 | ⁸ Operator Name ELM RIDGE EXPLORATION | ⁹ Elevation 6618 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| L | 9 | 23 N | 5 W | | 1390 | SOUTH | 1205 | WEST | RIO ARRIBA |

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 40 | ¹³ Joint or Infill . | ¹⁴ Consolidation Code . | ¹⁵ Order No. . |
|-------------------------------------|------------------------------------|---------------------------------------|------------------------------|

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


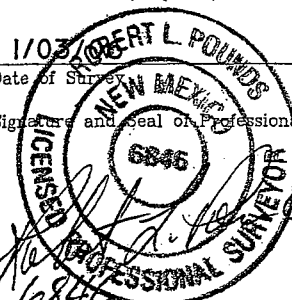
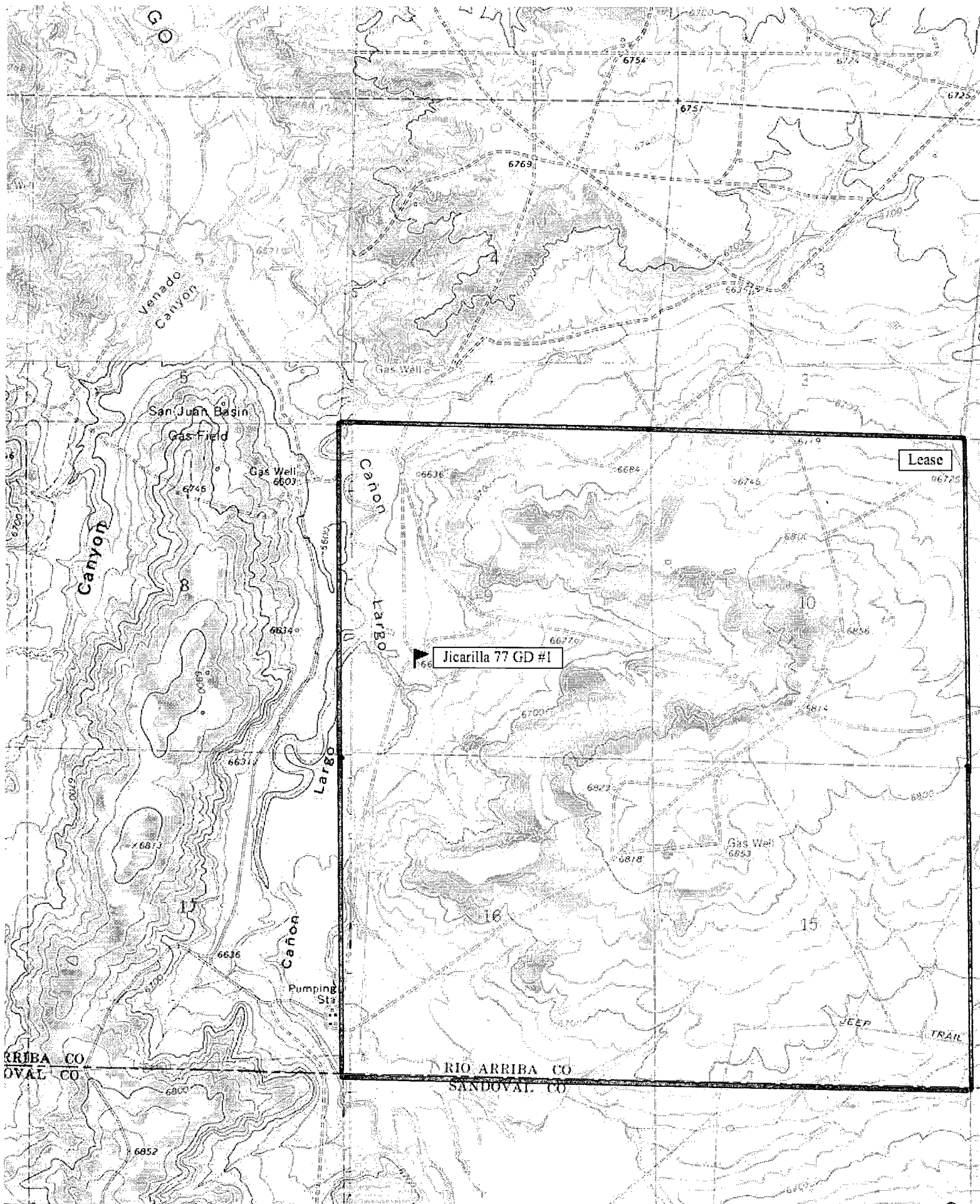
| | | | | |
|-------------------------------|---|--|----------|---|
| 16 N 89°56'39" E 5359.90' | | | 5281.11' | 17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature . . . BRIAN WOOD Printed Name CONSULTANT Title MAY 5, 2007 Date |
| | | | | |
| 1205' | SECTION 9 LAT. 36.236270° LONG. 107.371509° NAD 83 | | | 18 SURVEYOR CERTIFICATION <i>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.</i> 1/03/08 Date of Survey  Signature and Seal of Professional Surveyor: |
| N 0°22'31" W S 89°55'50" E | 1390' | | 5228.88' | S 0°10'58" W Certificate Number |

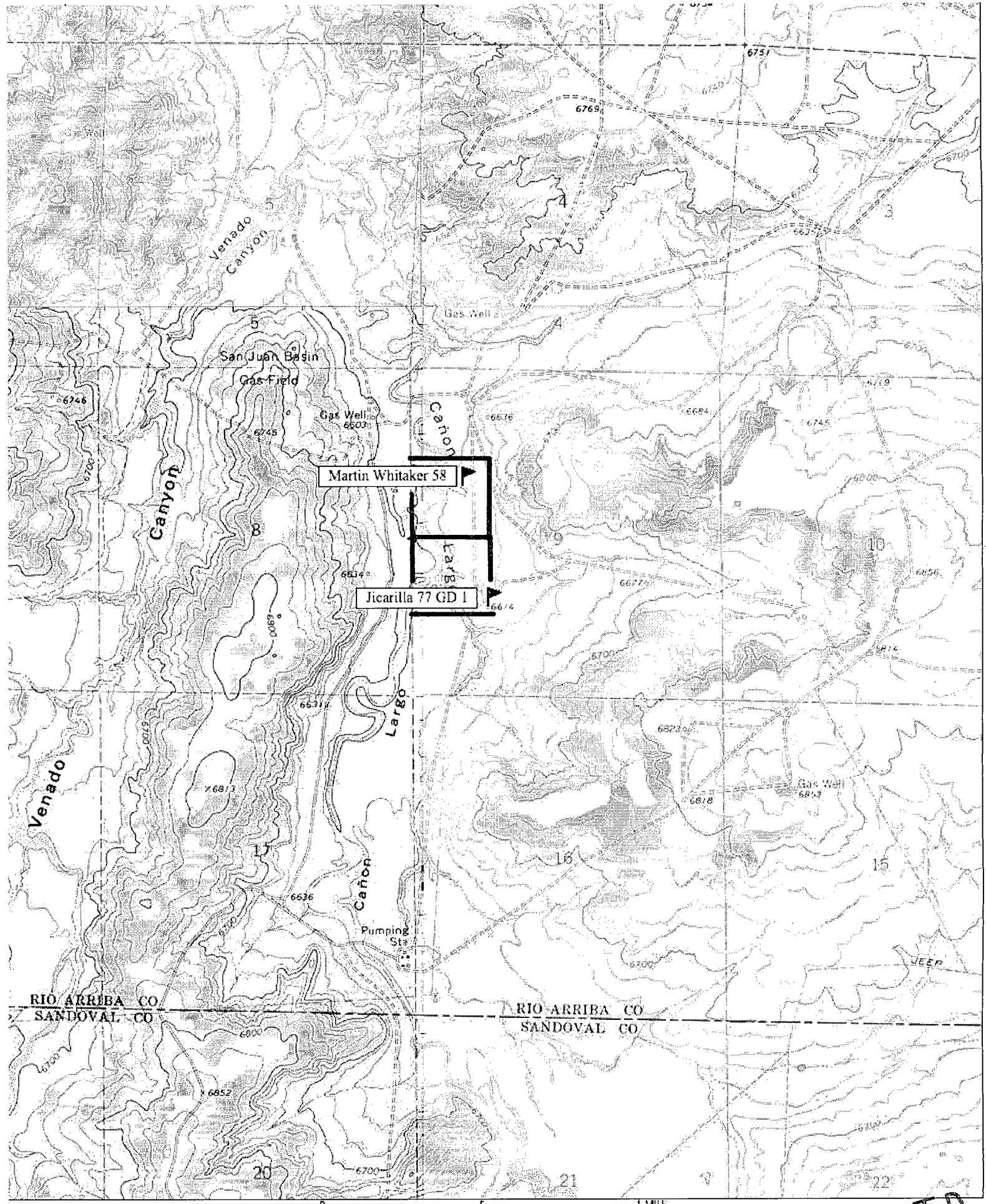
EXHIBIT B



↑ MN
10 1/2°

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT C



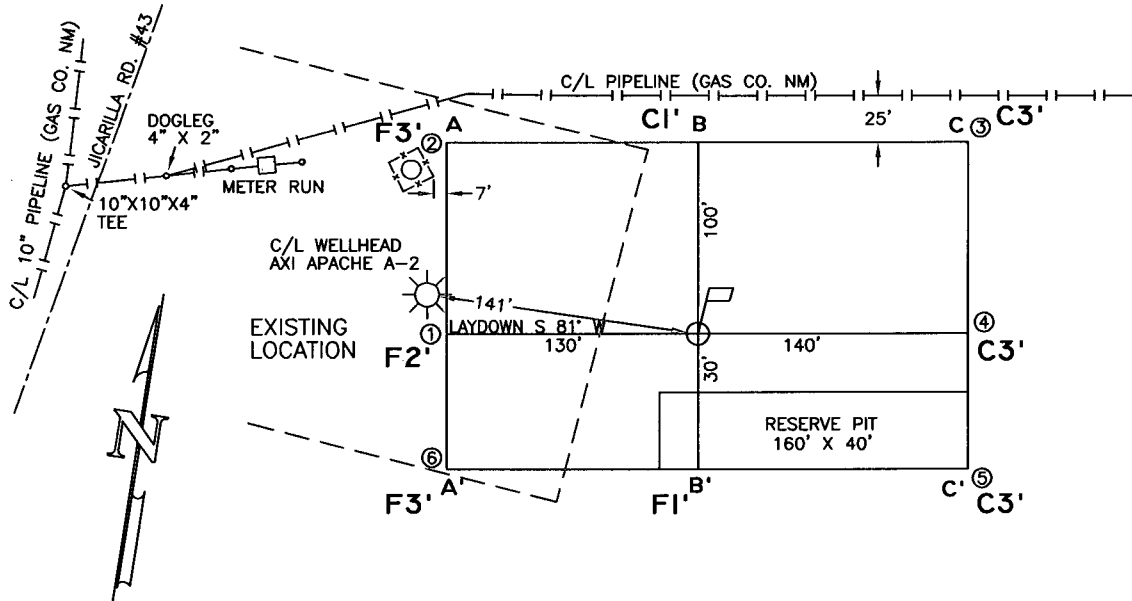
↑ N
MN
10 1/2°

0 1000 FEET 0 500 1000 METERS

1 MILE

Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT D



ELEVATION A-A'

℄

| | | | | |
|------|-------|-------|-------|-------|
| 6640 | | | | |
| 6630 | | | | |
| 6620 | | | | |
| 6610 | | | | |
| 6600 | | | | |

B-B'

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| 6640 | | | | |
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C-C'

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| 6640 | | | | |
| 6630 | | | | |
| 6620 | | | | |
| 6610 | | | | |
| 6600 | | | | |

EXHIBIT E

LEASE: JICARILLA 77 GD #1

FOOTAGE: 1390' FSL, 1205' FWL

SEC. 9 TWN. 23 N RNG. 5 W N.M.P.M.

LATITUDE: 36.236270° LONGITUDE: 107.371509°

ELEVATION: 6618

ELM RIDGE EXPLORATION DALLAS, TEXAS

SURVEYED: 1/03/06

REV. DATE:

APP. BY R.P.

DRAWN BY: A.D.

DATE DRAWN: 1/05/06

FILE NAME: 6424C01



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

BIA Real Estate Services
P. O. Box 167
Dulce, NM 87528

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Elm Ridge Exploration Company, LLC is applying to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Jicarilla 77 GD #1 Total Depth: 6,600'

Proposed NSL Zone: Gallo Canyon; Gallup/Dakota

NSL Acreage Dedication: 40 acres (NWSW Section 9)

Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,

Rio Arriba County, NM on Jicarilla lease BIA Contract #77

Approximate Location: ~5 air miles northeast of Counselors, NM

Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476

Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Questions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT F

2538 0004 1418 5622

| | |
|--|---------|
| U.S. Postal Service TM | |
| CERTIFIED MAIL TM RECEIPT | |
| (Domestic Mail Only; No Insurance Coverage Provided) | |
| For delivery information visit our website at www.usps.com | |
| OFFICIAL USE | |
| Postage | \$ 0.41 |
| Certified Fee | \$ 2.65 |
| Return Receipt Fee (Endorsement Required) | \$ 2.15 |
| Restricted Delivery Fee (Endorsement Required) | \$ 0.00 |
| Total Postage & Fees | \$ 5.21 |

0991 8549-90928 04 Postmark JUN 6 1 11PM 06/19/2007

Sent to *Annette TORIVIO*
Street, Apt. No.,
or PO Box No. *Jic. D&B*
City, State, ZIP+4 *Dulce*

PS Form 3800, June 2002 See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

BLM
1235 LaPlata Highway
Farmington, NM 87401

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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE
FARMINGTON, NM 87401

| | |
|---|---------|
| Postage | \$ 0.41 |
| Certified Fee | \$2.65 |
| Return Receipt Fee (Endorsement Required) | \$2.15 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 5.21 |

Postmark
JUN 19 2007
SANTA FE, NM

Sent To BLM

Street, Apt. No.,
or PO Box No.

EXHIBIT F

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

Annette Torivio
Jicarilla Apache Nation Oil & Gas Administration
P. O. Box 146
Dulce, NM 87528

Dear Annette,

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Sincerely,

Brian Wood

EXHIBIT F

7004 2510 0004 1418 5646

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

| Postage | \$ 00.41 |
|--|----------|
| Certified Fee | \$ 2.65 |
| Return Receipt Fee (Endorsement Required) | \$ 2.15 |
| Restricted Delivery Fee (Endorsement Required) | \$ 0.00 |
| Total Postage & Fees | \$ 5.21 |

0991

POST OFFICE EXPRESS
JUN 19 2007
00619270007

Sent To: George Loretto
Street, Apt. No., or PO Box No. BIA - Real Estate
City, State, ZIP+4 Dulce

PS Form 3800, June 2002 See Reverse for Instructions

**REQUEST FOR ADMINISTRATIVE APPROVAL
FOR NONSTANDARD LOCATION
FOR ELM RIDGE EXPLORATION COMPANY, LLC
JICARILLA 77 GD #1
1390' FSL & 1205' FWL SEC. 9, T. 23 N., R. 5 W.
RIO ARriba COUNTY, NM**

I. The well is on Jicarilla Apache Nation surface and on Jicarilla Apache Nation oil and gas lease BIA Contract 77. The proposed location is nonstandard for the Gallo Canyon; Gallup/Dakota (Pool Code 96369) due to topography (Canon Largo) and surface use. (The Jicarilla Apache Nation wants to minimize surface disturbance. The proposed well overlaps a Pictured Cliffs gas well pad.) A standard location must be at least 330' from the quarter-quarter line. This well is staked 260' further south and 215' further east than is standard. (Closest standard location would be 1650' FSL and 990' FWL.) The APD cover sheet is attached as EXHIBIT A.

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BIA
BLM
Jicarilla Apache Nation



Brian Wood, Consultant

6-19-07

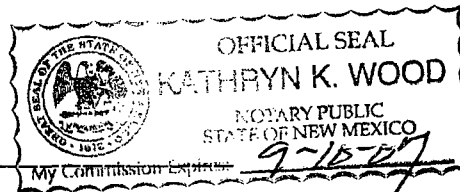
STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 19th day of
June, 2007 by Brian Wood. Witness my hand and official seal.


Notary Public

My Commission Expires: 9-15-07

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508



cc: Aztec OCD, Elm (Bloomfield & Dallas)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

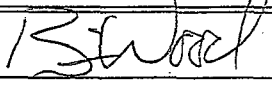
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

| | | |
|--|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. BIA CONTRACT 77 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name JICARILLA APACHE |
| 2. Name of Operator ELM RIDGE EXPLORATION COMPANY, LLC | | 7. If Unit or CA Agreement, Name and No. N/A |
| 3a. Address P. O. BOX 156 BLOOMFIELD, NM 87413 | 3b. Phone No. (include area code) (505) 632-3476 | 8. Lease Name and Well No. JICARILLA 77 GD #1 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1390' FSL & 1205' FWL At proposed prod. zone SAME | | 9. API Well No. 30-039- |
| 14. Distance in miles and direction from nearest town or post office* 5 AIR MILES NE OF COUNSELOR, NM | | 10. Field and Pool, or Exploratory GALLO CANYON; GALLUP/DAK |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 765' | | 11. Sec., T. R. M. or Blk. and Survey or Area 9-23N-5W NMPM |
| 16. No. of acres in lease 2,560 | 17. Spacing Unit dedicated to this well NWSW | 12. County or Parish RIO ARriba |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 141' (A-2 (PC)) | 19. Proposed Depth 6,600' | 13. State NM |
| 20. BLM/BIA Bond No. on file BIA NATION WIDE 886441C | 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,618' GL | 22. Approximate date work will start* 08/15/2007 |
| 23. Estimated duration 4 WEEKS | | |

24. Attachments

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

| | | |
|--|---|---------------------------|
| 25. Signature  | Name (Printed/Typed) BRIAN WOOD | Date 05/05/2007 |
| Title CONSULTANT | | |
| PHONE: (505) 466-8120 FAX: (505) 466-9682 | | |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| Title | Office | |

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)

EXHIBIT A

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Free Lease - 3 Copies

☐ AMENDED REPORT

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------------|---|---|
| ¹ API Number 30-039- | ² Pool Code 96369 | ³ Pool Name GALLO CANYON; GALLUP/DAKOTA |
| ⁴ Property Code . | ⁵ Property Name JICARILLA 77 GD | ⁶ Well Number . 1 |
| ⁷ OGRID No. 149052 | ⁸ Operator Name ELM RIDGE EXPLORATION | ⁹ Elevation 6618 |

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 |
| L | 9 | 23 N | 5 W | | 1390 | SOUTH | 1205 | WEST | RIO ARRIBA |

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 40 | ¹³ Joint or Infill . | ¹⁴ Consolidation Code . | ¹⁵ Order No. . |
|-------------------------------------|------------------------------------|---------------------------------------|------------------------------|

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

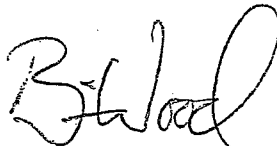
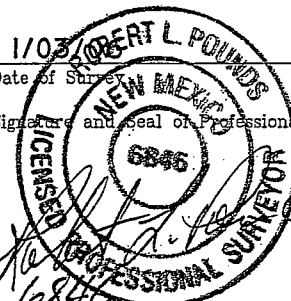
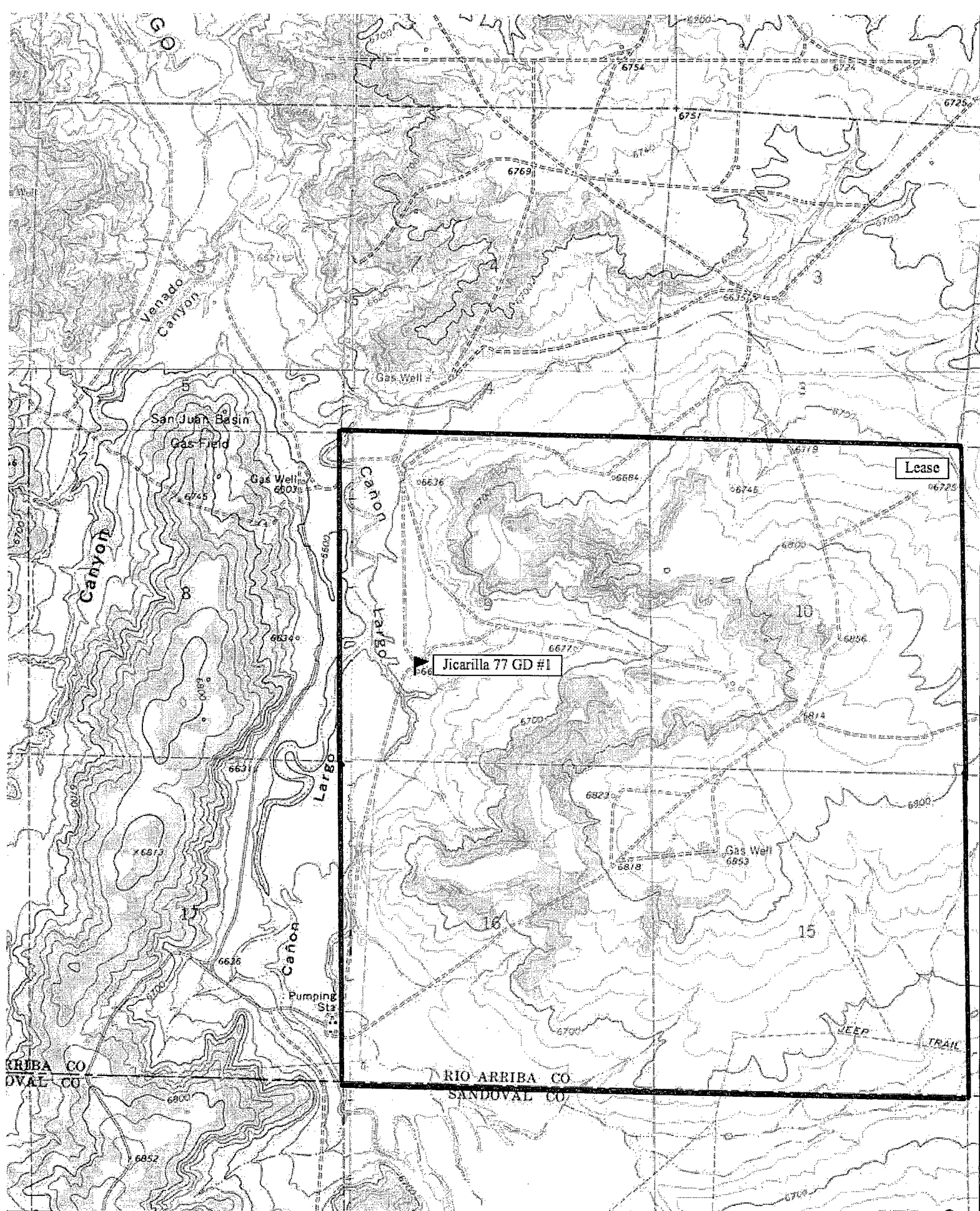
| | | | | |
|-------------------------------|---|--|----------|--|
| 16 N 89°56'39" E 5359.90' | | | 5281.11' | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature BRIAN WOOD Printed Name CONSULTANT Title MAY 5, 2007 Date |
| | | | | |
| 1205' | SECTION 9 LAT. 36.236270° LONG. 107.371509° NAD 83 | | | 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. 1/03/08 Date of Survey  Signature and Seal of Professional Surveyor: |
| N 0°22'31" W S 89°55'50" E | 1390' | | 5228.88' | S 0°10'58" W Certificate Number |

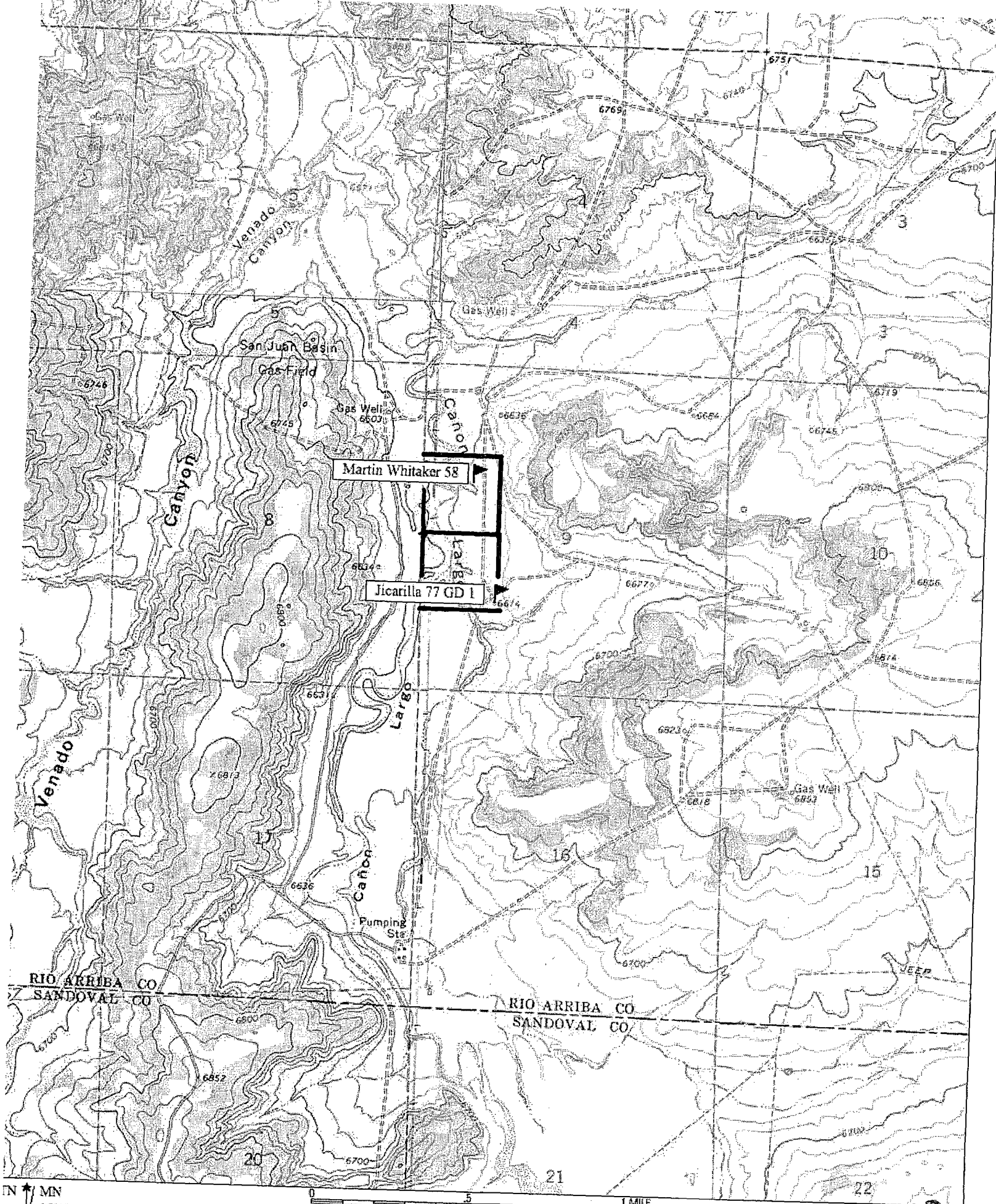
EXHIBIT B



TN * MN
10 1/2°

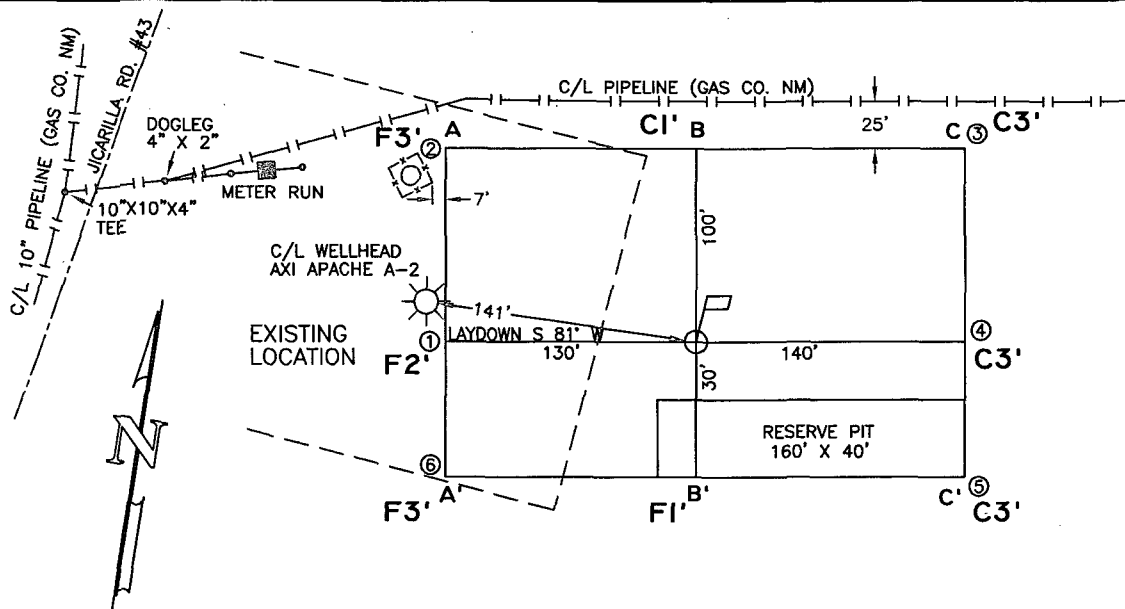
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT C



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

EXHIBIT D



ELEVATION A-A'

| | | | | | | | | | |
|------|---|---|---|---|---|---|---|---|---|
| 6640 | . | . | . | . | . | . | . | . | . |
| 6630 | . | . | . | . | . | . | . | . | . |
| 6620 | . | . | . | . | . | . | . | . | . |
| 6610 | . | . | . | . | . | . | . | . | . |
| 6600 | . | . | . | . | . | . | . | . | . |

B-B'

| | | | | | | | | | |
|------|---|---|---|---|---|---|---|---|---|
| 6640 | . | . | . | . | . | . | . | . | . |
| 6630 | . | . | . | . | . | . | . | . | . |
| 6620 | . | . | . | . | . | . | . | . | . |
| 6610 | . | . | . | . | . | . | . | . | . |
| 6600 | . | . | . | . | . | . | . | . | . |

C-C'

| | | | | | | | | | |
|------|---|---|---|---|---|---|---|---|---|
| 6640 | . | . | . | . | . | . | . | . | . |
| 6630 | . | . | . | . | . | . | . | . | . |
| 6620 | . | . | . | . | . | . | . | . | . |
| 6610 | . | . | . | . | . | . | . | . | . |
| 6600 | . | . | . | . | . | . | . | . | . |

EXHIBIT E

LEASE: JICARILLA 77 GD #1

FOOTAGE: 1390' FSL, 1205' FWL

SEC. 9 TWN. 23 N RNG. 5 W N.M.P.M.

LATITUDE: 36.236270° LONGITUDE: 107.371509°

ELEVATION: 6618

ELM RIDGE EXPLORATION DALLAS, TEXAS

SURVEYED: 1/03/06

REV. DATE:

APP. BY R.P.

DRAWN BY: A.D.

DATE DRAWN: 1/05/06

FILE NAME: 6424C01



P.O. BOX 3651
FARMINGTON, NM 87499
OFFICE: (505) 334-0408

PERMITS WEST. INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

BIA Real Estate Services
P. O. Box 167
Dulce, NM 87528

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Elm Ridge Exploration Company, LLC is applying to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Jicarilla 77 GD #1 Total Depth: 6,600'

Proposed NSL Zone: Gallo Canyon; Gallup/Dakota

NSL Acreage Dedication: 40 acres (NWSW Section 9)

Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,

Rio Arriba County, NM on Jicarilla lease BIA Contract #77

Approximate Location: ~5 air miles northeast of Counselors, NM

Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476

Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

uestions.

Sincerely,

Brian Wood
Brian Wood

EXHIBIT F

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information, visit our website at www.usps.com

| OFFICIAL USE | |
|---|---------|
| Postage | \$ 0.41 |
| Certified Fee | \$2.65 |
| Return Receipt Fee (Endorsement Required) | \$2.15 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 5.21 |

0991 004 0919-90929
Postmark
JUNE 6 11 AM
06/19/2007

Sent to *Annette TORIVIO*
Street, Apt. No.,
or PO Box No. *Sic. D&E*
City, State, ZIP+4 *Dulce*

See Reverse for Instructions

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

BLM
1235 LaPlata Highway
Farmington, NM 87401

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Elm Ridge Exploration Company, LLC is applying to drill its Jicarilla 77 GD #1 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The proposed well is 260' further south and 215' further east than is standard. Thus, it is a nonstandard location. The NSL is due to topography and land use.

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Proposed NSL Zone: Gallo Canyon; Gallup/Dakota

NSL Acreage Dedication: 40 acres (NWSW Section 9)

Location: 1390' FSL & 1205' FWL Sec. 9, T. 23 N., R. 5 W.,

Rio Arriba County, NM on Jicarilla lease BIA Contract #77

Approximate Location: ~5 air miles northeast of Counselors, NM

Applicant Name: Elm Ridge Exploration Company, LLC (505) 632-3476

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questions.

Sincerely,



Brian Wood

EXHIBIT F

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

FARMINGTON, NM 87401

| Postage | \$ 00.41 |
|---|----------|
| Certified Fee | \$2.65 |
| Return Receipt Fee (Endorsement Required) | \$2.15 |
| Restricted Delivery Fee (Endorsement Required) | \$0.00 |
| Total Postage & Fees | \$ 05.21 |

0991 POST OFFICE EXPRESS
04 JUN 19 2007
Postmark Here
06/19/2007

Sent To BLM

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4 Fgtn, NM

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

June 19, 2007

Annette Torivio
Jicarilla Apache Nation Oil & Gas Administration
P. O. Box 146
Dulce, NM 87528

Dear Annette,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

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Rio Arriba County, NM on Jicarilla lease BIA Contract #77

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Applicant's Address: P. O. Box 156, Bloomfield, NM 87413

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division. If they determine the application fulfills the regulations, then it will be approved. The New address is 1220 South St. Francis Dr. Santa Fe, NM 87505. My phone number is (505) 476-3440.

questions.

Sincerely,

Brian Wood

Brian Wood

EXHIBIT F

9495 9141 4000 0752 4007

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|----|--------|
| Postage | \$ | \$0.41 |
| Certified Fee | | \$2.65 |
| Return Receipt Fee (Endorsement Required) | | \$2.15 |
| Restricted Delivery Fee (Endorsement Required) | | \$0.00 |
| Total Postage & Fees | \$ | \$5.21 |

0991

Postmark Here
JUN 19 2007

Sent To: George Loretto
Street, Apt. No., or PO Box No.: BIA - Real Estate
City, State, ZIP+4: Dulce

PS Form 3800, June 2002