



27 C.R. 3025 • P.O. BOX 1317  
AZTEC, NEW MEXICO 87410  
(505) 325-5449 • FAX: (505) 334-4992  
E-MAIL: synergy@cyberport.com

January 8, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

J. B. Avant  
Rocanville Corp.  
P.O. Box 191108  
Dallas, Texas 75219-1108

Re: Application for Unorthodox Location  
Kelly IND. 1E - Elm Ridge Resources, Inc.  
660' FWL - 2480' FNL - Section 12, T27N, R13W  
San Juan County, New Mexico

Gentlemen.

Enclosed is a copy of the subject Application for Unorthodox Location.

You have been identified as an offsetting Operator to the above captioned location. If you do not have an objection to this Application, Elm Ridge Resources, Inc requests that you notify the Oil Conservation Division as soon as possible. Please send a waiver to the attention of Michael Stogner, New Mexico Oil Conservation Division, P. O. Box 2088, Santa Fe New Mexico 87504.

Please feel free to contact me if you have any questions.

Thank You,

Patrick Hegarty, Agent  
Elm Ridge Resources, Inc.

PH/mac

Enclosures

XC: NMOCD, Santa Fe, N.M.

*1 Feb '00*  
*We agree to waive & have no  
objection to this application*

*M. Hudson*  
*President*  
*Rocanville Corp.*

*cc: Hegarty*

JAN 26 2001



27 C.R. 3025 • P.O. BOX 1317  
AZTEC, NEW MEXICO 87410  
(505) 325-5449 • FAX: (505) 334-4992  
E-MAIL: synergy@cyberport.com

December 29, 2000

Mike Stogner  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504

Re: Application for Unorthodox Location  
Kelly IND. 1E - Elm Ridge Resources, Inc.  
660' FWL - 2480' FNL - Section 12, T27N, R13W  
San Juan County, New Mexico

Gentlemen:

Elm Ridge Resources, Inc. hereby requests administrative approval of an unorthodox location for the captioned well based upon topographic conditions and a Farmington Indian Mineral Office request.

As indicated by the attached topographic map, there exists a high power electric transmission line that is interfering with a legal location. Also cultural resources have ruled out development of other locations in this section.

Cross Timbers Operating Company, Energen Corp., Rocanville Corp. BP Amoco Exploration and Curtis Little Oil & Gas, offsetting operators, as indicated on the attached lease plat, have been notified of this application by certified mail.

Also attached are: the C-102 plat, producers map, Administrative Cover Sheet and a copy of a letter from Farmington Indian Minerals Office.

Please contact us if anything further is required to complete this application.

Respectfully submitted,

  
Patrick Hegarty, Agent  
Elm Ridge Resources, Inc.

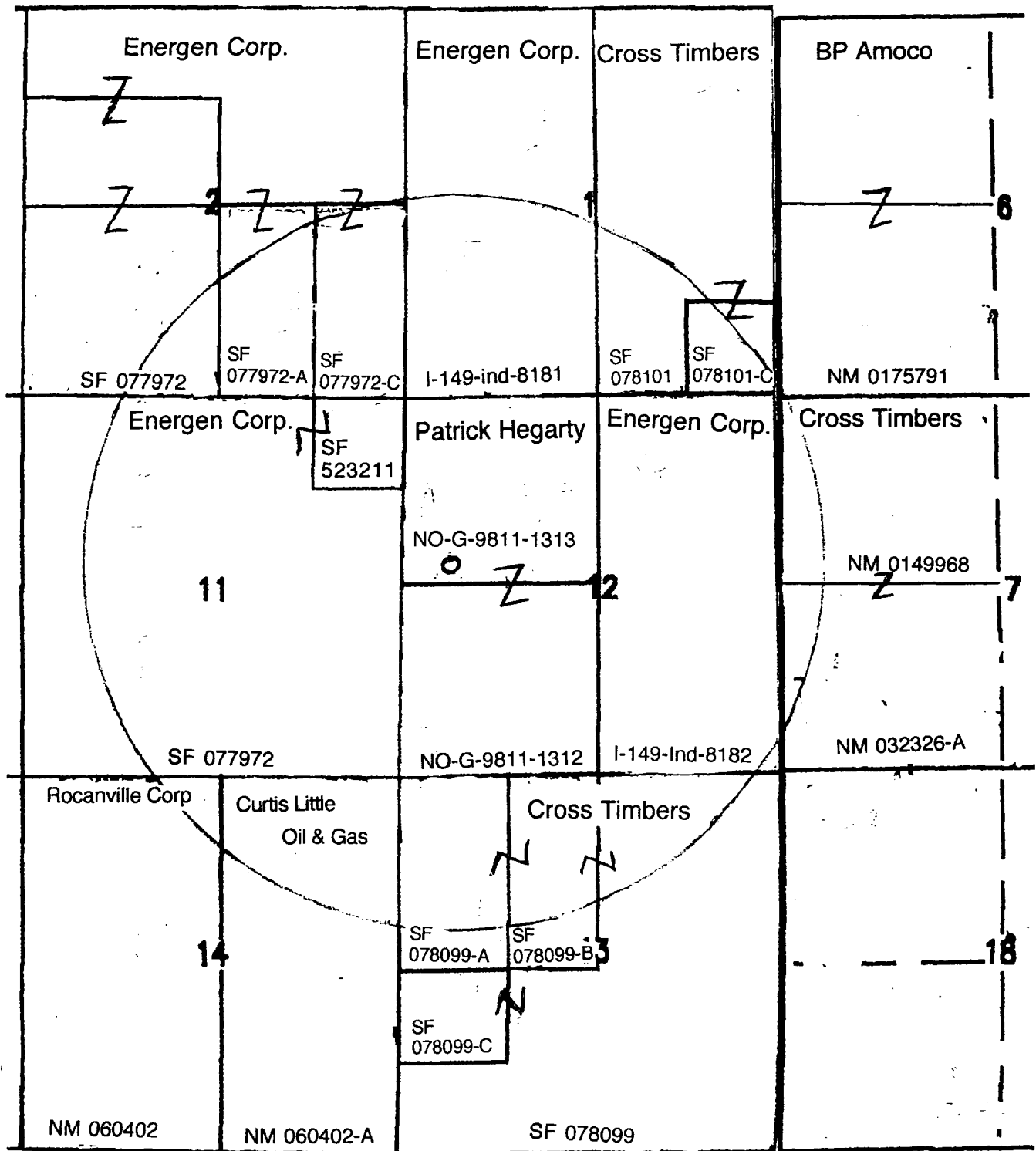
PH/mac  
Attachments

XC: Steve Hayden, NMOCD, NM  
Cross Timbers Operating Company,  
Energen Corp.,  
Rocanville Corp.  
BP Amoco Exploration  
Curtis Little Oil & Gas,

NMOCD

**LEASE PLAT**  
TOWNSHIP 27 NORTH, RANGES 12 & 13 WEST  
**R 13W**

**R12W**

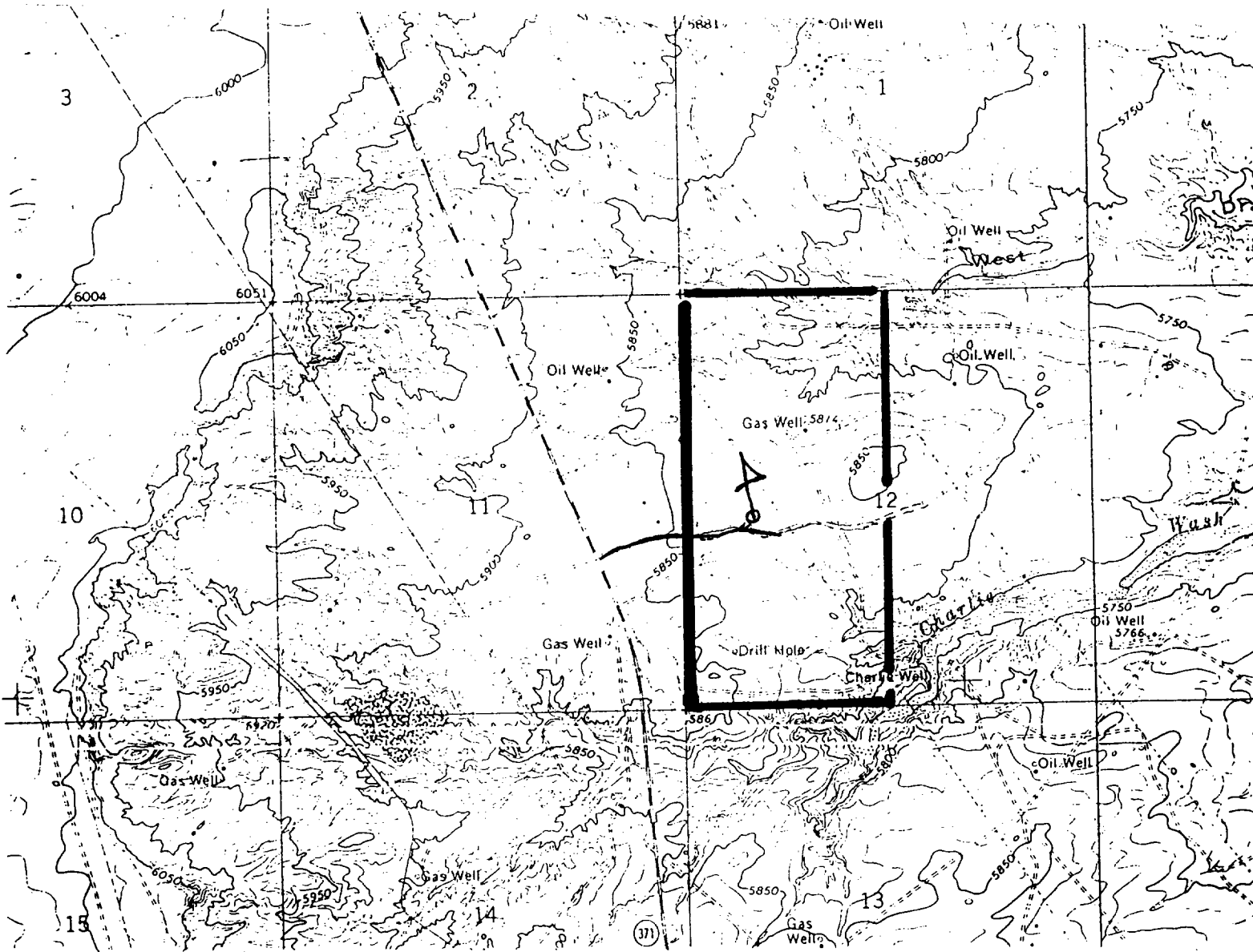


**OFFSETTING OPERATORS:**

Cross Timbers Operating Company,  
Energen Corp.,  
Rocanville Corp.  
BP Amoco Exploration  
Curtis Little Oil & Gas,

Appl. for Unorthodox Location  
Elm Ridge Resources, Inc.  
Kelly IND. 1E -  
660' FWL - 2480' FNL  
Section 12, T27N, R13W  
San Juan County, N. M.

# TOPO PLAT



QUADRANGLE LOCATION

1:24 000

HUGH LAKE, N. MEX.  
N3630—W10807.5/7.5

1965  
PHOTOREVISED 1979  
DMA 4357 II SW—SERIES V881

## ROAD CLASSIFICATION

Medium-duty

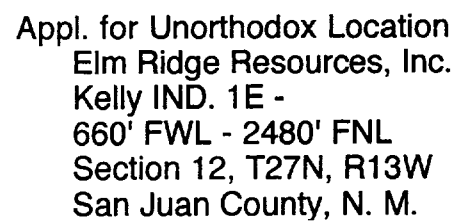
Light-duty

Unimproved dirt

○ State Route

Appl. for Unorthodox Location  
Elm Ridge Resources, Inc.  
Kelly IND. 1E -  
660' FWL - 2480' FNL  
Section 12, T27N, R13W

## R12W



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

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71599		3 Pool Name BASIN DAKOTA	
4 Property Code		5 Property Name KELLY IND			6 Well Number 1E
7 OGRID No.		8 Operator Name DELHI-TRADING INCORPORATED			9 Elevation 5824'

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
E	12	27N	13W		2480'	NORTH	660'	WEST	SAN JUAN

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.
320			

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		N89°59'W		5282.64'	
reissued to show revised location					
5280.00'		2480'		5280.00'	
660'		* Non-standard due to Powerlines and access to existing roads			
Section 12					
N00°01'W				North	
5281.32'		S89°59'W			
17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature: Patrick Henry Printed Name: PATRICK HENRY Title: PRESIDENT Date: 10-24-00					
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: 10/06/00 Signature and Seal of Professional Surveyor:  HENRY P. BROADHURST, JR. REGISTERED PROFESSIONAL SURVEYOR Certification Number: 11383					



## United States Department of the Interior

### FARMINGTON INDIAN MINERALS OFFICE

1235 La Plata Highway Suite B  
Farmington, New Mexico 87401-1805

December 18, 2000

Elm Ridge Resources  
C/O Patrick Hegarty, President  
DELHI-Trading Incorporated  
P.O. Box 1317  
Aztec, New Mexico 87410

Re: UNORTHODOX LOCATION  
Kelly Ind. Well (SW/4 NW/4)  
W/2 of Section 12 -T27N, R13W  
Indian Allotted Leases:  
NW/4 - BIA # No-G-9811-1313  
SW4 - BIA # No-G-9811-1312  
San Juan County, New Mexico

Gentlemen:

It was brought to our attention that you will be needing to apply for an unorthodox location for the captioned Dakota well in the 320 acre proration Unit, being the W/2 of section 12 T27N, R13W which involve the following two Indian Allotted Leases: NW/4 - BIA # No-G-9811-1313, and in the SW4 - BIA # No-G-9811-1312.

The need for moving the location of the well located in the NW/4 to the new site is based upon interference with a high voltage electric power line. Also key to this request for moving the location is the need to reduce Off-Road-Vehicle traffic on Indian Allotted lands. This restriction will limit off-road-vehicle travel in order to avoid an adverse grazing impact by unnecessary road construction.

A well site of 660' From West Line and 2480' from North Line in the W/2 of section 12 will assist in placing the location much closer to an existing road. This unorthodox location will minimize off-road-vehicle travel which is consistent with our supervisory role set forth for Indian Allotted lands.

It is hoped that this unorthodox location will receive administrative approval by the governing officer.

Sincerely,  
Farmington Indian Minerals Office

  
Kevin Gambrell - Director

KG/mac



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

February 12, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Delhi-Trading Incorporated**  
**P. O. Box 1317**  
**Aztec, New Mexico 87410**

**Attention: Patrick Hegarty**

**Re:** *Application for administrative approval for an exception to the well location requirements provided within "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, for the proposed Kelly "IND" Well No. 1-E to be drilled 2480' FNL & 660' FWL (Unit E) of Section 12, Township 27 North, Range 13 West, NMPM, San Juan County, New Mexico. The W/2 of Section 12 is to be dedicated to the proposed well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool.*

Dear Mr. Hegarty:

In reviewing the subject application at face value and assuming no other factors, it would appear that there are other locations on old well pads in the SE/4 NW/4 (Unit F) and the SW/4 SW/4 (Unit M) of Section 12 that meet the set back requirements of the Basin-Dakota pool rules and the Bureau of Land Management's cultural resources concerns and would serve to avoid the topographic conditions caused by the power lines. Please provide a detailed topo-map, one that is readable, that shows the power lines and roads in the W/2 of the section.

Should there be other factors why these two old well pads were not considered in the first place, now would be a good time to cover this matter in detail.

Thank you for your cooperation in this matter.

Sincerely

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec  
U. S. Bureau of Land Management - Farmington

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/12/01 13:01:15  
OGOMES -TQA7  
PAGE NO: 1

Sec : 12 Twp : 27N Rng : 13W Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Indian owned	Indian owned	Indian owned A	Indian owned
E 40.00	F 40.00	G 40.00	H 40.00
Indian owned	Indian owned	Indian owned	Indian owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

02/12/01 13:01:19  
OGOMES -TQA7  
PAGE NO: 2

Sec : 12 Twp : 27N Rng : 13W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Indian owned	Indian owned	Indian owned	Indian owned
		A	
M 40.00	N 40.00	O 40.00	P 40.00
Indian owned	Indian owned	Indian owned	Indian owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :  
OG6IWCM

ONGARD  
INQUIRE WELL COMPLETIONS

02/12/01 13:01:44  
OGOMES -TQA7

API Well No : 30 45 6730    Eff Date : 03-01-1998    WC Status : A  
Pool Idn : 71599 BASIN DAKOTA (PRORATED GAS)  
OGRID Idn : 162928 ENERGEN RESOURCES CORPORATION  
Prop Idn : 22885 CHARLEY HOSH

Well No : 001  
GL Elevation: 5798

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: B	12	27N	13W	FTG 990 F N	FTG 1750 F E	P

Lot Identifier:  
Dedicated Acre: 320.00  
Lease Type : N  
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



27 C.R. 3025 • P.O. BOX 1317  
AZTEC, NEW MEXICO 87410  
(505) 325-5449 • FAX: (505) 334-4992  
E-MAIL: synergy@cyberport.com

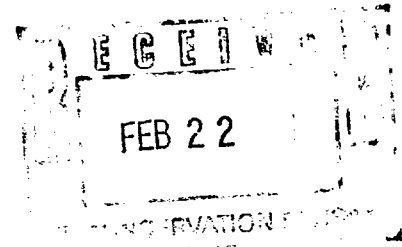
February 21, 2001

VIA FEDEX

Michael E. Stogner  
Chief Hearing Officer/Engineer  
NM Energy, Minerals and Natural Resources Dept.  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

RE: Application for Unorthodox location  
Kelly IND. 1E - Elm Ridge Resources, Inc.

Dear Mr. Stogner:



Pursuant to your letter dated February 12, 2001, enclosed please find a copy of the following data that will address the stated concerns:

- 1) detailed readable topo map that shows power lines and roads in W/2 of section 12,
- 2) Sundry Notice of revised NW/4 location with C-102 attached,
- 3) additional C-102 of staked Dakota well in SW SW of said section.

Concerning utilization of old well pads. Be advised that the old well pad in the NW/4 was utilized for a Dakota well that was produced, plugged and abandoned. As such, this well pad would not be suitable for a new well. Concerning the old well pad in the SW SW, please reference the enclosed C-102. We are utilizing this old well pad for the drilling of the Kelly IND. #1 Dakota well.

Hopefully the enclosed satisfies your questions necessary to receive administrative approval for an exception to the well location requirements. Please note that we have secured a rig necessary to drill this well. All of the other regulatory requirements necessary to drill this well have been completed.

Thank You for your consideration of this matter.

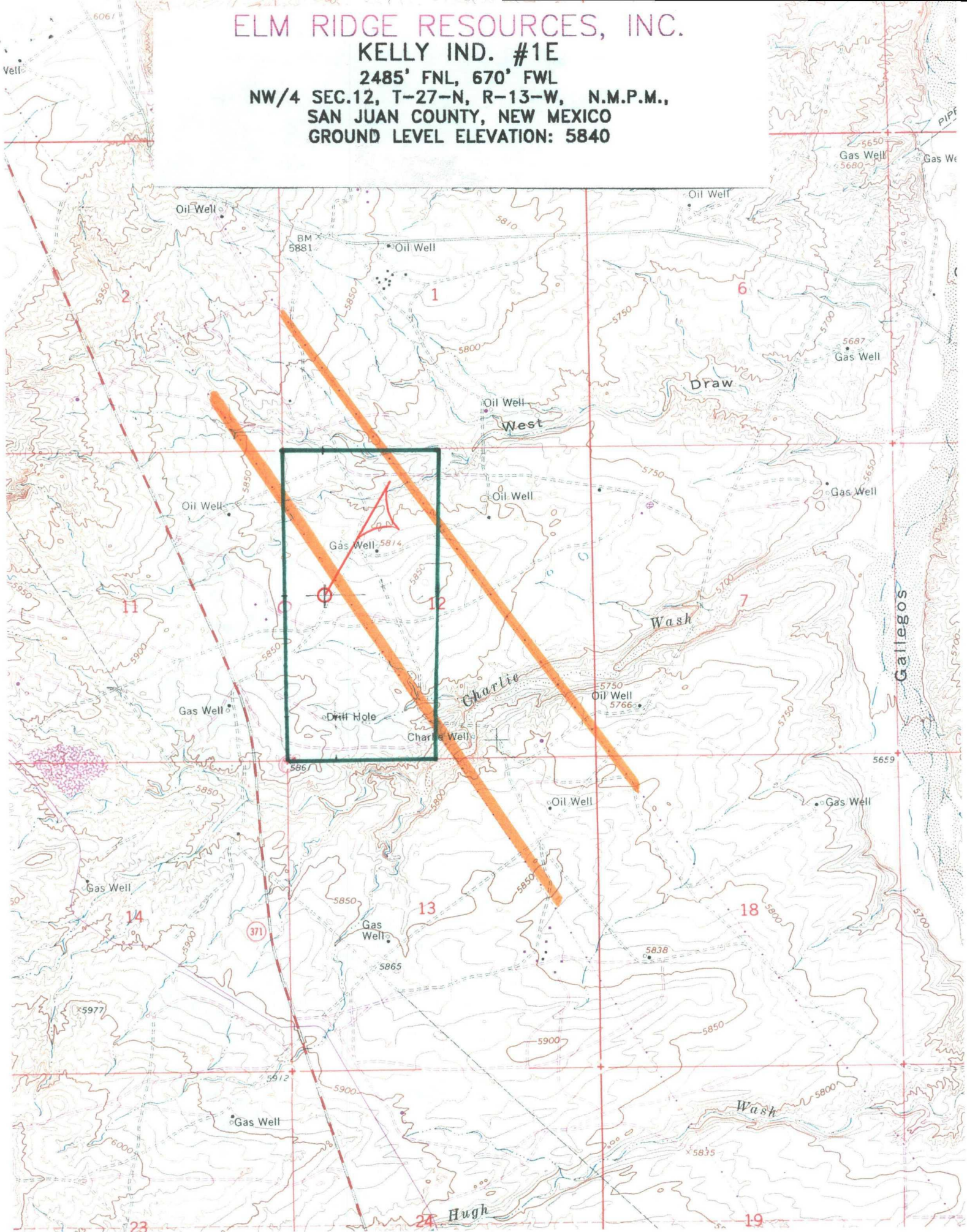
Sincerely,

Patrick Hegarty, Agent  
Elm Ridge Resources, Inc.

PH/mac

enclosures

NW/4 SEC.12, T-27-N, R-13-W, N.M.P.M.,  
SAN JUAN COUNTY, NEW MEXICO  
GROUND LEVEL ELEVATION: 5840



13LW

KELLY IND. #1-E SUNDRY NOTICE

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUNDRY NOTICES AND REPORTS ON WELLS  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.

NO-G--9811-1313

6. If Indian, Allottee or Tribe Name

Indian Allotted

7. If Unit or CVA Agreement, Name and/or No.

8. Well Name and No.

Kelly IND. #1E

9. API Well No.

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

ELM RIDGE RESOURCES, INC.

3a. Address

PO Box 189 Farmington, NM 87499

3b. Phone No. (include area code)

632-3476

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2485' FNL, and 670' FWL, (SW NW)  
Section 12, T27N, R13W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 <u>revise</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>well location</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (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 recomplete 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 recompletion 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.)

Reissued Form C-102 to show revised location. Location was moved due to Powerlines and to improve access to existing road

ENTERED  
AFMSS

FEB 21 2001

BY CEH14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Patrick Hegarty

Title

Agent

Signature

Patrick Hegarty

Date

01-29-01

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Chip Haraden - Acting Team Lead

Title

Acting Team Lead

Date

2/21/01

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

FARMINGTON COPY

FFO

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.

District I  
 PO Box 1900, Hobbs, NM 88241-1900  
 District II  
 111 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71599		3 Pool Name BASIN DAKOTA	
4 Property Code		5 Property Name KELLY IND			6 Well Number 1E
7 OGRID No.		8 Operator Name ELM RIDGE RESOURCES, INC.			9 Elevation 5840'

10 Surface Location

UL or lot no. E	Section 12	Township 27N	Range 13W	Lot Idn	Feet from the 2485'	North/South line NORTH	Feet from the 670'	East/West line WEST	County SAN JUAN
--------------------	---------------	-----------------	--------------	---------	------------------------	---------------------------	-----------------------	------------------------	--------------------

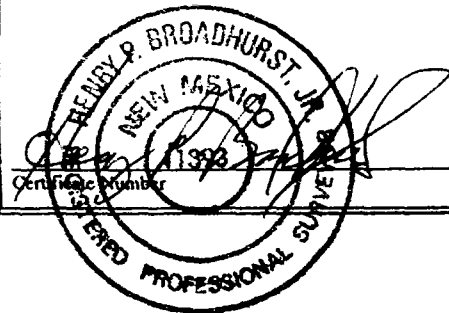
11 Bottom Hole Location If Different From Surface

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.
--------------------	--------------------	-----------------------	--------------

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	5280.00'	2485'	670'	N89°59'W	5282.64'	Section 12	North	5280.00'	17 OPERATOR CERTIFICATION
									I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature: <i>Patrick Hearty</i> Printed Name: PATRICK HEARTY Title: Agent Date: 01-06-01
N00°01'E	5280.00'	2485'	670'	S89°59'W	5281.32'	Section 12	North	5280.00'	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: 01/04/01 Signature and Seal of Professional Surveyer:





District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 71629		3 Pool Name FRUITLAND COAL	
4 Property Code		5 Property Name Kelly F. C.			6 Well Number 1
7 OGRID No.		8 Operator Name DELHI-TRADING INCORPORATED			9 Elevation 5861'

10 Surface Location

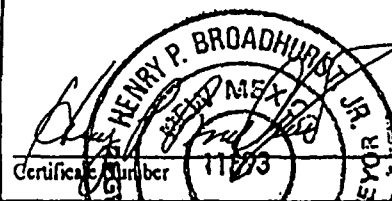
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	27N	13W		740'	SOUTH	820'	WEST	SAN JUAN

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 320	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 N89°59'W 5280.00' Section 12 820' 740' S89°59'W		5282.64' 5281.32'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <i>Patrick Hearty</i> Printed Name <b>PATRICK HEARTY</b> Title <b>PRESIDENT</b> Date <b>10-24-00</b>
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 <b>10/06/00</b> Signature and Seal of Professional Surveyer: 			



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
**Oil Conservation Division**

February 28, 2001

**Elm Ridge Resources, Inc.**  
**P. O. Box 1317**  
**Aztec, New Mexico 87410**

**Attention: Patrick Hegarty**

**Re:** *Application for administrative approval for an exception to the well location requirements provided within "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, for the proposed Kelly "IND" Well No. 1-E to be drilled 2480' FNL & 660' FWL (Unit E) of Section 12, Township 27 North, Range 13 West, NMPM, San Juan County, New Mexico. The W/2 of Section 12 is to be dedicated to the proposed well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool.*

Dear Mr. Hegarty:

I have reviewed your letter dated February 21, 2001 in response to my letter dated February 12, 2001. You indicate that Elm Ridge Resources, Inc. will be utilizing the old well pad in the SW/4 SW/4 (Unit M) of Section 12 for your proposed Kelly "IND" Well No. 1 to be drilled as a Dakota test; however, the referenced C-102 indicates a Fruitland Coal gas test with your proposed Kelly F.C. Well No. 1 to be drilled 740 feet from the South line and 820 feet from the West line of Section 12. Are these the same wells? Please submit a correct C-102 with further explanation.

I again thank you for your cooperation in this matter.

Sincerely

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec  
U. S. Bureau of Land Management - Farmington



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**

Governor

**Jennifer A. Salisbury**

Cabinet Secretary

## ILLEGIBLE

**Lori Wrotenbery**

Director

Oil Conservation Division

### FAX TRANSMITTAL SHEET

DATE: 5-2-01

FROM: Steve Hayden

TO: Mike Stogner

COMMENTS I concur w/ this App

NUMBER \_\_\_\_\_ S INCLUDING COVER \_\_\_\_\_ CHARGES \_\_\_\_\_

Drilling  
subject  
"General Requirements".

This document is a  
processed and approved pursuant to 40 CFR 3165.3

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL -	5. Lease Number NO-G-9811-1312 - Unit Reporting Number
1b. TYPE OF WELL GAS -	6. If Indian, All. or Tribe INDIAN ALLOTTED
2. Operator ELM RIDGE RESOURCES, INC. 505-632-3476	7. Unit Agreement Name 27508
3. Address & Phone No. of Operator PO Box 189 Farmington, NM 87499	8. Farm or Lease Name KELLY IND.
	9. Well Number #1
4. Location of Well 820' FWL, 720' FSL	10. Field, Pool Wildcat BASIN DAKOTA
	11. Sec., Twn, Rge, Mer. (NMPM) M SW SW SEC. 12, T27N, R13W API # 30045-30473
14. Distance in Miles from Nearest Town 13 MILES SOUTH OF FARMINGTON	12. County 13. State SAN JUAN, N.M.
15. Distance from Proposed Location to Nearest Property or Lease Line 720'	
16. Acres Assigned to Well 320	17. Acres Assigned to Well 320
18. Distance from Proposed Location to Nearest Well, Drig, Compl or Applied for on this Lease 1800'	
19. Proposed Depth 6070' -	20. Rotary or Cable Tools ROTARY
21. Elevations (DF, FT, GR, Etc.) 5861' GL	22. Approx. Date Work will Start LATE FEBRUARY
23. Proposed Casing and Cementing Program SEE OPERATIONS PLAN ATTACHED	
24. Authorized by: PATRICK HEGARTY, Agent	Date 12-20-00

PERMIT NO. \_\_\_\_\_

APPROVAL DATE \_\_\_\_\_

APPROVED BY

Chip Hamada

TITLE

PRT-Geologist  
DATE 2/20/01

Archaeological Report to be submitted

Threatened and Endangered Species Report to be submitted

NOTE: This format is issued in lieu of U.S. BLM Form 3160-3

Title 1 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 presentations as to any matter within its jurisdiction.

NM000

ILLEGIBLE

District II

811 South Main, Artesia, NM 87010

District III

1000 Rio Grande Blvd., Alamo, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

* API Number <b>30-043-30473</b>		* Pool Code <b>71599</b>	* Pool Name <b>basin dakota</b>
* Property Code <b>2233</b>	* Property Name <b>KELLY IND.</b>		* Well Number <b>1</b>
* OGHM No. <b>44002</b>	* Operator Name <b>DELHI-TRADING INCORPORATED</b>		* Elevation <b>5861</b>

**10 Surface Location**

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>12</b>	<b>27N</b>	<b>13W</b>		<b>720'</b>	<b>SOUTH</b>	<b>820'</b>	<b>WEST</b>	<b>SAN JUAN</b>

**11 Bottom Hole Location If Different From Surface**

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

* Dedicated Acre <b>320</b>	* Joint or Infill	* Consolidation Code	* 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

	<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>Patrick Hearty</i> Printed Name: <b>PATRICK HEARTY</b> Title: <b>PRESIDENT</b> Date: <b>10-24-00</b></p>
	<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date of Survey: <b>10/06/00</b> Signature and Seal of Professional Surveyor: <i>Henry P. Broadhurst Jr.</i> Certificate Number: <b>11003</b></p>



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON  
Governor  
Jennifer A. Salsbury  
Cabinet Secretary

Lori Wretenbery  
Director  
Oil Conservation Division

## ILLEGIBLE

### FAX TRANSMITTAL SHEET

DATE: 3-6-01

FROM: Steve Hayden

TO: Mike Stogher

COMMENTS: Here are the changes I called  
you about

NUMBER OF PAGES INCLUDING COVER \_\_\_\_\_ CHARGES \_\_\_\_\_

**ILLEGIBLE**

<b>THE INTERIOR</b> <b>DEPARTMENT OF LAND MANAGEMENT</b> <b>SUNDRY NOTICES AND REPORTS ON WELLS</b> <i>Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.</i>		<b>FORM APPROVED</b> <b>OMB No. 1004-0135</b> <b>Expires November 30, 2000</b>
<b>SUBMIT IN TRIPLICATE - Other Instructions on reverse side</b>		3. Lease Serial No. <b>NO-G-9811-1313</b>
1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name <b>Indian Allotted</b>
2. Name of Operator <b>ELM RIDGE RESOURCES, INC.</b>		7. If Unit or CA/Agreement, Name and No.
3a. Address <b>PO Box 189 Farmington, NM 87499</b>		8. Well Name and No. <b>Kelly IND. #1E</b>
3b. Phone No. (include area code) <b>632-3476</b>		9. API Well No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>2485' FNL, and 670' FWL, (SW NW)          Section 12, T27N, R13W</b>		10. Field and Pool, or Exploratory Area <b>Basin Dakota</b>
		11. County or Parish, State <b>San Juan, NM</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Activate	<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"/> Re-complete	<input checked="" type="checkbox"/> Other <u>revise well location</u>
	<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 Operation (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 recompletion in a new interval, a Form 3160-3 shall be filed once drilling 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.)

Reissued Form C-102 to show revised location. Location was moved due to Powerlines and to improve access to existing road



14. I hereby certify that the foregoing is true and correct. (Name, Printed/Typed)		Title Agent
<b>Patrick Hegarty</b>		Date 01-29-01
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		

15. Signature of Agent <b>Patrick Hegarty</b>	Title <b>Acting Team Leader</b> Date <b>2/21/01</b>
16. Signature of Supervisor <b>Chip Hamade</b>	Office <b>FFO</b>

17. If any maps, diagrams, or other data are attached, Approval of this notice does not warrant or certify that the information is legal or equitable title to these rights in the subject lands. The applicant is responsible for conducting operations thereon.

**NMOCB**



CMD : ONGARD 03/27/01 10:13:23  
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQI3

OGRID Idn : 149052 API Well No: 30 45 30471 APD Status(A/C/P): A  
Opr Name, Addr: ELM RIDGE RESOURCES INC Aprvl/Cncl Date : 02-27-2001  
12225 GREENVILLE AVE  
STE 950  
DALLAS,TX 75243-9362

Prop Idn: 27508 KELLY IND Well No: 1 E

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----		-----	-----
Surface Locn :	E	12	27N	13W			FTG 2485 F N	FTG 670 F W
OCD U/L :	E		API County :	45				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F  
Lease typ(F/S/P/N/J/U/I): I Ground Level Elevation : 5824

State Lease No: Multiple Comp (S/M/C) : S  
Prpsd Depth : 6070 Prpsd Frmtn : BASIN DAKOTA

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12