

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NMNM-53936A		
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A		
2. NAME OF OPERATOR Elm Ridge Resources, Inc. (505) 632-3476			7. UNIT AGREEMENT NAME N/A		
3. ADDRESS AND TELEPHONE NO. P. O. Box 189, Farmington, NM 87499			8. FARM OR LEASE NAME, WELL NO. 27186 Berry Federal #3		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1975' FNL & 2153' FWL			9. API WELL NO. 30-045-31044		
At proposed prod. zone Same			10. FIELD AND POOL OR WIDENING Bisti Lower Gallup		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 22 air miles S of Farmington			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA F11-25n-13w NMPM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 487'		16. NO. OF ACRES IN LEASE 240	17. NO. OF ACRES ASSIGNED TO THIS WELL E/NW/4 80		20. ROTARY OR CABLE TOOLS Rotary
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,000'		19. PROPOSED DEPTH 5,100'	22. APPROX. DATE WORK WILL START* Sept. 15, 2002		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,304' ungraded					

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24	350'	≈300 cu. ft. & to surface
7-7/8"	J-55 4-1/2"	10.5	5,100'	≈2,350 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



cc: BIA, BLM, Elm (D&F), NAPI, OCD (via BLM), Tribe

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. Brian White Consultant (505) 466-8120 DATE 3-21-02
SIGNED _____ TITLE _____ DATE _____
(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 /s/ David J. Mankiewicz TITLE _____ DATE MAR 11 2004

*See Instructions On Reverse Side NMOCU

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

Form C - 102

☐ AMENDED REPORT

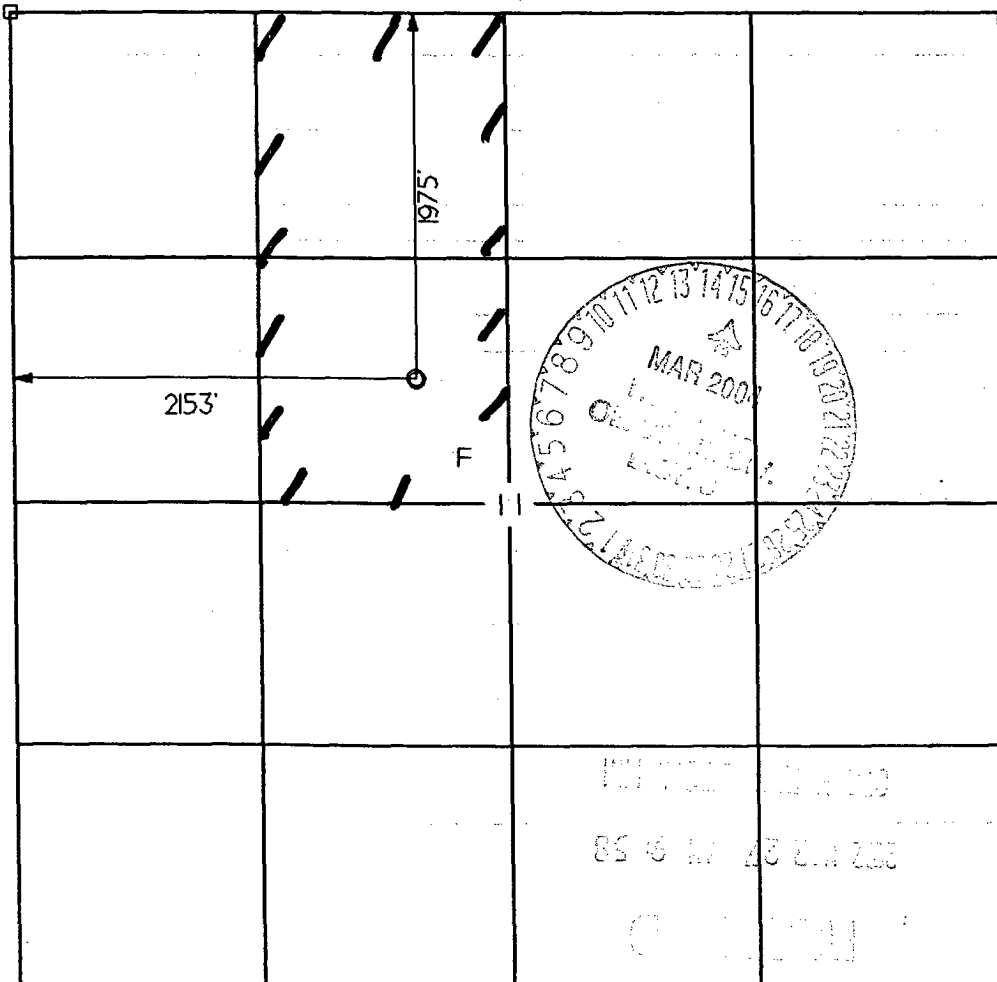
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-31044	Pool Code 05890	Pool Name BISTI LOWER GALLUP
Property Code 004525	Property Name BERRY FEDERAL	Well Number 3
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 6304'

Surface Location									
UL or Lot F	Sec. 11	Twp. 25 N.	Rge. 13 W.	Lot Ltn.	Feet from >	North/South	Feet from >	East/West	County SAN JUAN
					1975'	NORTH	2153'	WEST	

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Ltn.	Feet from >	North/South	Feet from >	East/West	County
Dedication 80	Joint ?	Consolidation	Order No.						

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	<i>Brian Wood</i>
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	MAR. 20, 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	2-12-'02
Signature and Seal	<i>[Signature]</i>

Elm Ridge Resources, Inc.
Berry Federal #3
1975' FNL & 2153' FWL
Sec. 11, T. 25 N., R. 13 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	000'	12'	+6,304'
Fruitland Coal	1,054'	1,066'	+5,250'
Pictured Cliffs Ss	1,254'	1,266'	+5,050'
Lewis Sh	1,379'	1,391'	+4,925'
Cliff House Ss	1,989'	2,001'	+4,315'
Menefee Sh	2,624'	2,636'	+3,680'
Pt. Lookout Ss	3,829'	3,841'	+2,475'
Mancos Sh	3,929'	3,941'	+2,375'
Gallup Ss	4,504'	4,516'	+1,800'
Tocito Ss	4,914'	4,926'	+1,390'
Total Depth	5,100'	5,112'	+1,204'

* all elevations reflect the ungraded ground level of 6,304'

2. NOTABLE ZONES

Oil &/or Gas Zones

Fruitland
Pictured Cliffs
Gallup

Water Zones

Nacimiento
Fruitland
Pictured Cliffs

Coal Zone

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.

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PAGE 2

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 $\geq 3,000$ 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

<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>
12-1/4"	8-5/8"	24	K-55	ST&C	New	350'
7-7/8"	4-1/2"	10.5	J-55	LT&C	New	5,100'

Surface casing will be cemented to the surface with ≈ 300 cubic feet (≈ 254 sx) Class B with 1/4#/sk Flocele + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 105% 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 the surface in 2 stages with a stage tool set @ $\approx 3,700'$. Centralizers will be installed on the middle of the shoe joint and on every joint thereafter (total ≈ 22 centralizers). Thread lock the guide shoe, bottom of float collar, and bottom of stage tool only. Use API casing dope.