

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		070 Farmington, NM		5. Lease Serial No. <b>NOO-C-14-20-3622</b>	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone				6. If Indian, Allottee or Tribe Name <b>NAVAJO ALLOTMENT</b>	
2. Name of Operator <b>ELM RIDGE RESOURCES, INC.</b>				7. If Unit or CA Agreement, Name and No. <b>N/A</b>	
3a. Address <b>P. O. BOX 189 FARMINGTON, NM 87499</b>		3b. Phone No. (include area code) <b>(505) 632-3476</b>		8. Lease Name and Well No. <b>BUENA SUERTE 33 COM 1T</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>765' FSL &amp; 2250' FEL</b> At proposed prod. zone <b>SAME</b>				9. API Well No. <b>30-045- 32303</b>	
14. Distance in miles and direction from nearest town or post office* <b>20 AIR MILES SOUTH OF BLOOMFIELD</b>				10. Field and Pool, or Exploratory <b>BASIN FRUITLAND COAL</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>765'*</b>		16. No. of Acres in lease <b>160</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>0 33-26n-11w NMPM</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>190'***</b>		19. Proposed Depth <b>1,500'</b>		12. County or Parish <b>SAN JUAN</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6,286' GL</b>		22. Approximate date work will start* <b>UPON APPROVAL</b>		13. State <b>NM</b>	
		20. BLM/BIA Bond No. on file <b>#886441C (BIA - NATION WIDE)</b>		17. Spacing Unit dedicated to this well <b>S2 = 320 ACRES</b>	
		23. Estimated duration <b>2 WEEKS</b>			

## 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. |

## Comments

\*765' to closest communitization line & 390' to closest lease line  
\*\*190' to XTO's Gallegos 4 (a Dakota well)

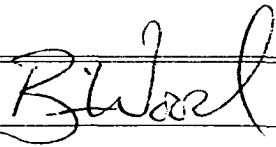

On site inspectors: Bryce Barlan and James Miles

ER Well #: 3649  
ER Lease #: 819

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".

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

25. Signature 	Name (Printed/Typed) <b>BRIAN WOOD</b>	Date <b>4-6-04</b>
Title <b>CONSULTANT</b>	PHONE <b>505 466-8120</b>	FAX: <b>505 466-9682</b>
Approved by (Signature) 	Name (Printed/Typed) <b>David J. Mankiewicz</b>	Date <b>MAY 19 2004</b>
Title	Office	

Application approval does not warrant or certify the 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.

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 <b>30-045-32303</b>	Pool Code <b>71629</b>	Pool Name <b>BASIN FRUITLAND COAL</b>
Property Code <b>27268</b>	Property Name <b>BUENA SUERTE 33 COM</b>	Well Number <b>1 AT</b>
OGPD No. <b>149052</b>	Operator Name <b>ELM RIDGE RESOURCES</b>	Elevation <b>6286'</b>

Surface Location

UL or Lot	Sec.	Twp.	Rge.	Lot Lch.	Feet from	North/South	Feet from	East/West	County
0	33	26 N.	11 W.		765'	SOUTH	2250'	EAST	SAN JUAN

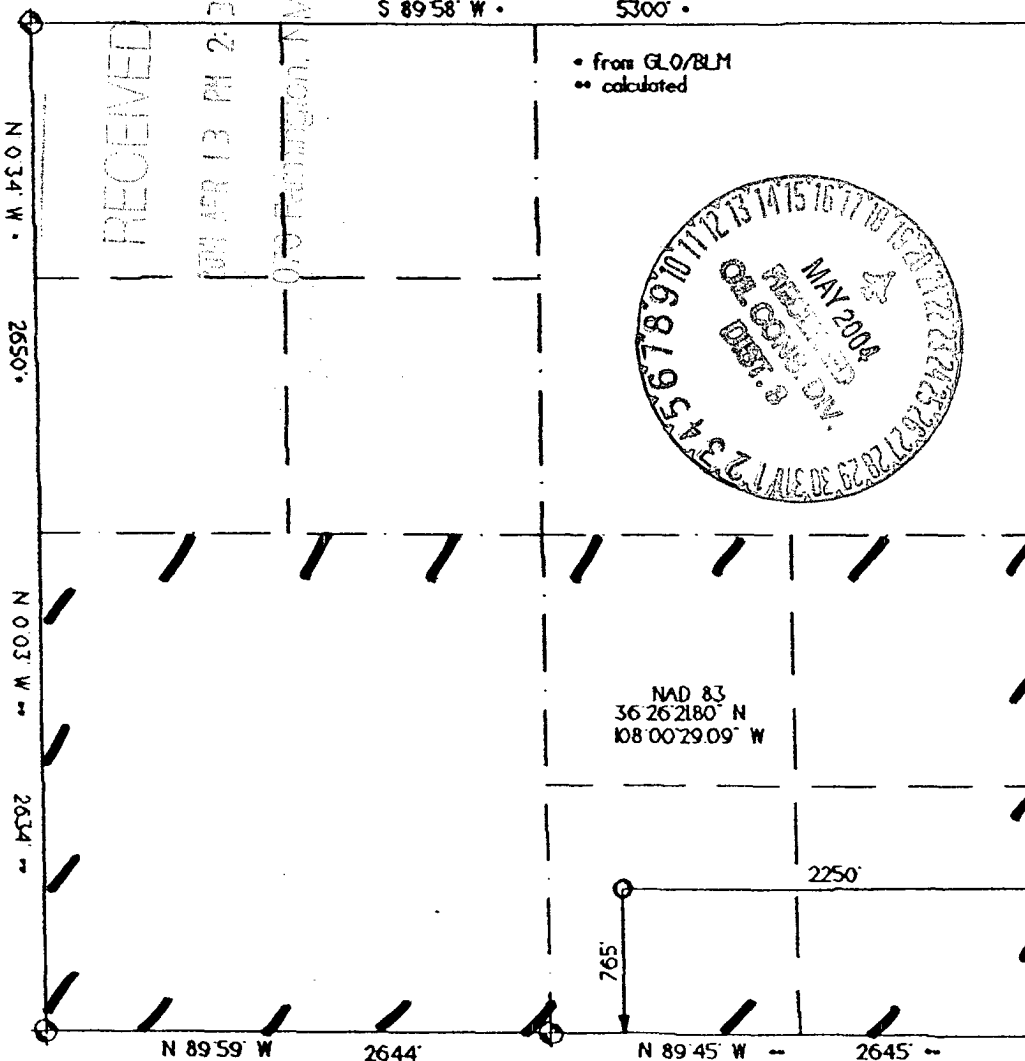
Bottom Hole Location if Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Lch.	Feet from	North/South	Feet from	East/West	County

Dedication <b>320</b>	Joint?	Consolidation <b>C</b>	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

S 89°58' W • 5300' •



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

**APR. 6, 2004**

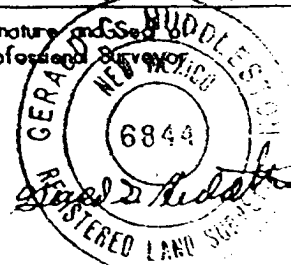
SURVEYOR CERTIFICATION

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

**01/08/2004**

Signature and Seal of Professional Surveyor



Elm Ridge Resources, Inc.  
Buena Suerte 33 Com #1-T  
765' FSL & 2250' FEL  
Sec. 33, T. 26 N., R. 11 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>Sub Sea Elevatio</u>
Nacimiento	000'	5'	+6,286'
Fruitland Coal	1,056'	1,061'	+5,230'
Pictured Cliffs	1,376'	1,381'	+4,910'
Lewis Shale	1,451'	1,456'	+4,835'
Total Depth (TD)*	1,500'	1,505'	+4,786'

\* all elevations reflect the ungraded ground level of 6,286'

### 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.

Elm Ridge Resources, Inc.  
Buena Suerte 33 Com #1-T  
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PAGE 2

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	S T & C	New	120'
6-3/4"	4-1/2"	10.5	J-55	L T & C	New	1,500'

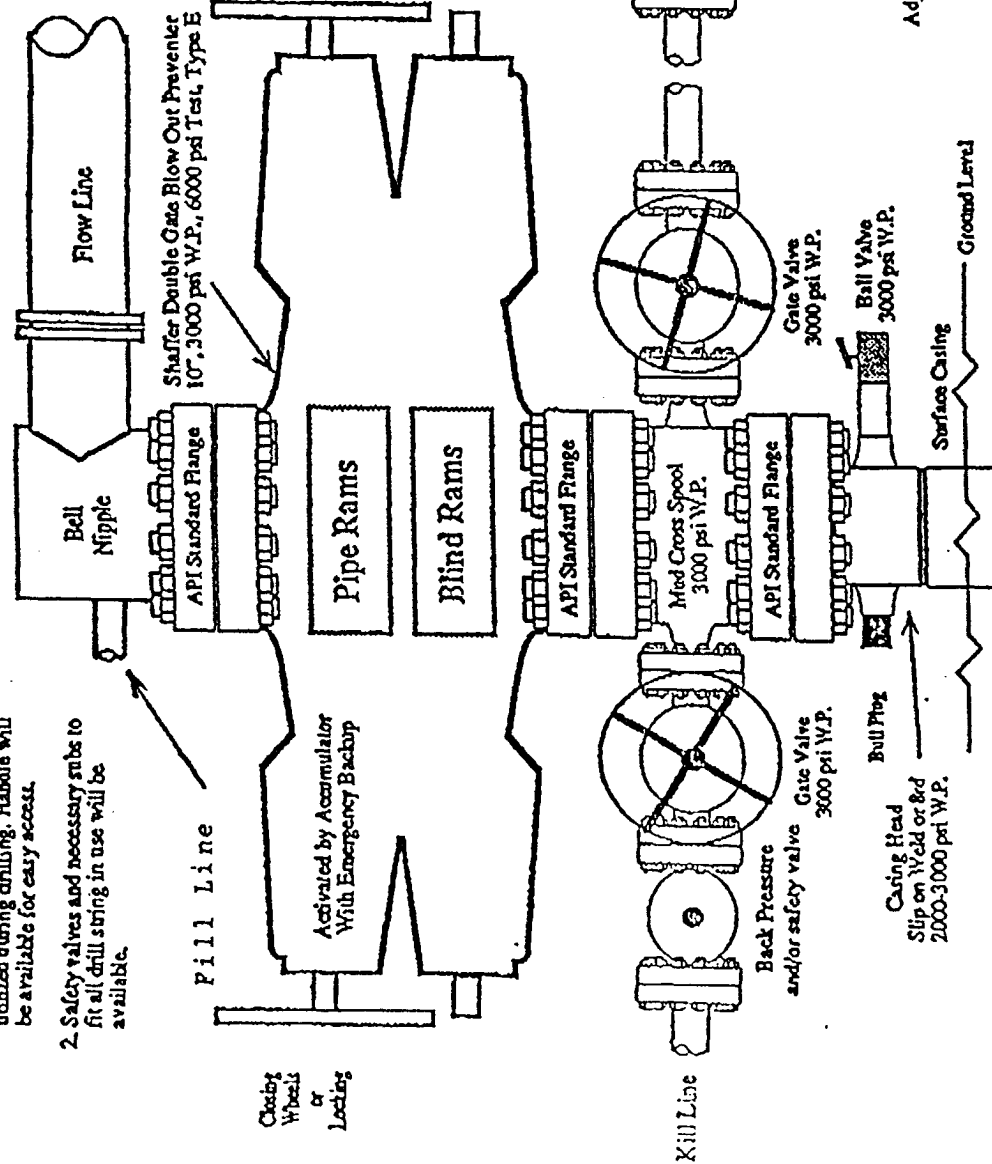
Surface casing will be cemented to the surface with  $\approx 35$  cubic feet ( $\approx 30$  sacks) Class B + 1/4 pound per sack cello flake + 2%  $\text{CaCl}_2$ . Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% excess. Two centralizers will be run. Thread lock guide 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-five barrels of fresh water will then be circulated. Lead with  $\approx 245$  cubic feet ( $\approx 119$  sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack and weight = 12.5 pounds per gallon). Tail with  $\approx 140$  cubic feet ( $\approx 119$  sacks) of Class B with 2%  $\text{CaCl}_2$  (yield = 1.18 cubic feet per sack and weight = 15.2 pounds per gallon). Total cement volume is 385 cubic feet based on  $\geq 75\%$  excess and circulating to surface.

# Pressure Control Equipment

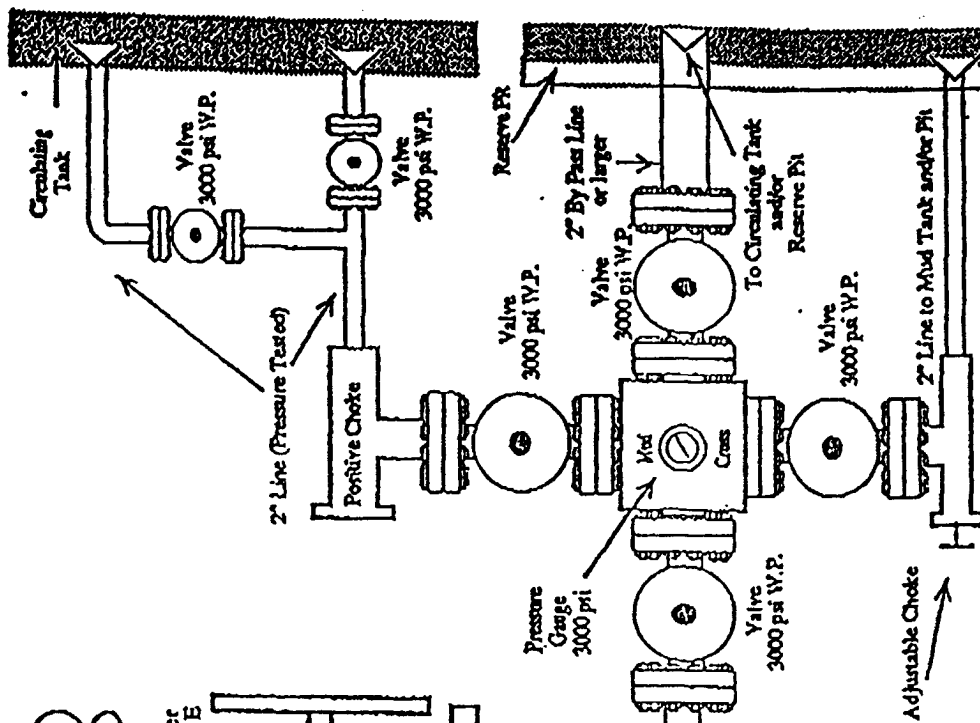
Note: 1. An upper Kelly cock valve will be utilized during drilling. Handline will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Minimum 2" Choke Line.  
Minimum 2" Kill Line.  
At Least One 2" Minimum Kill Line Valve.



Buena Suerte 33 COM 1 - T

well pad and section

