

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NOO-C-14-20-3600
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 NAVAJO ALLOTMENT
2. Name of Operator ELM RIDGE RESOURCES, INC.		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. <u>4 L Com #1T</u> BUENA SUERTE <u>COM-1T</u>
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 1045 FSL & 940 FEL At proposed prod. zone SAME		9. API Well No. 30-045-32664
10. Field and Pool, or Exploratory BASIN FRUITLAND COAL		11. Sec., T. R. M. or Blk. and Survey or Area P 4-25N-11W NMPM
14. Distance in miles and direction from nearest town or post office* 20 AIR MILES SOUTH OF BLOOMFIELD	12. County or Parish SAN JUAN	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 94'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well S2 320
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. >53'	19. Proposed Depth 1,600'	20. BLM/BIA Bond No. on file BIA NATIONWIDE 886441C
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,428' GL	22. Approximate date work will start* 12/01/2005	23. Estimated duration 2 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 <u>Brian Wood</u>	Name (Printed/Typed) BRIAN WOOD	Date 10/31/2004
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Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) <u>[Signature]</u>	Name (Printed/Typed)	Date 12/28/04
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Title AFM Office FFO

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)

~~Well name & number changed from
Notice of Staking (Buena Suerte 4 L Com-1-T)~~

*XTO's Nocki #1, a Dakota well

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

NMOCD

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

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

Form C - 102

2004 NOV 2 PM 4 25 ☐ AMENDED REPORT

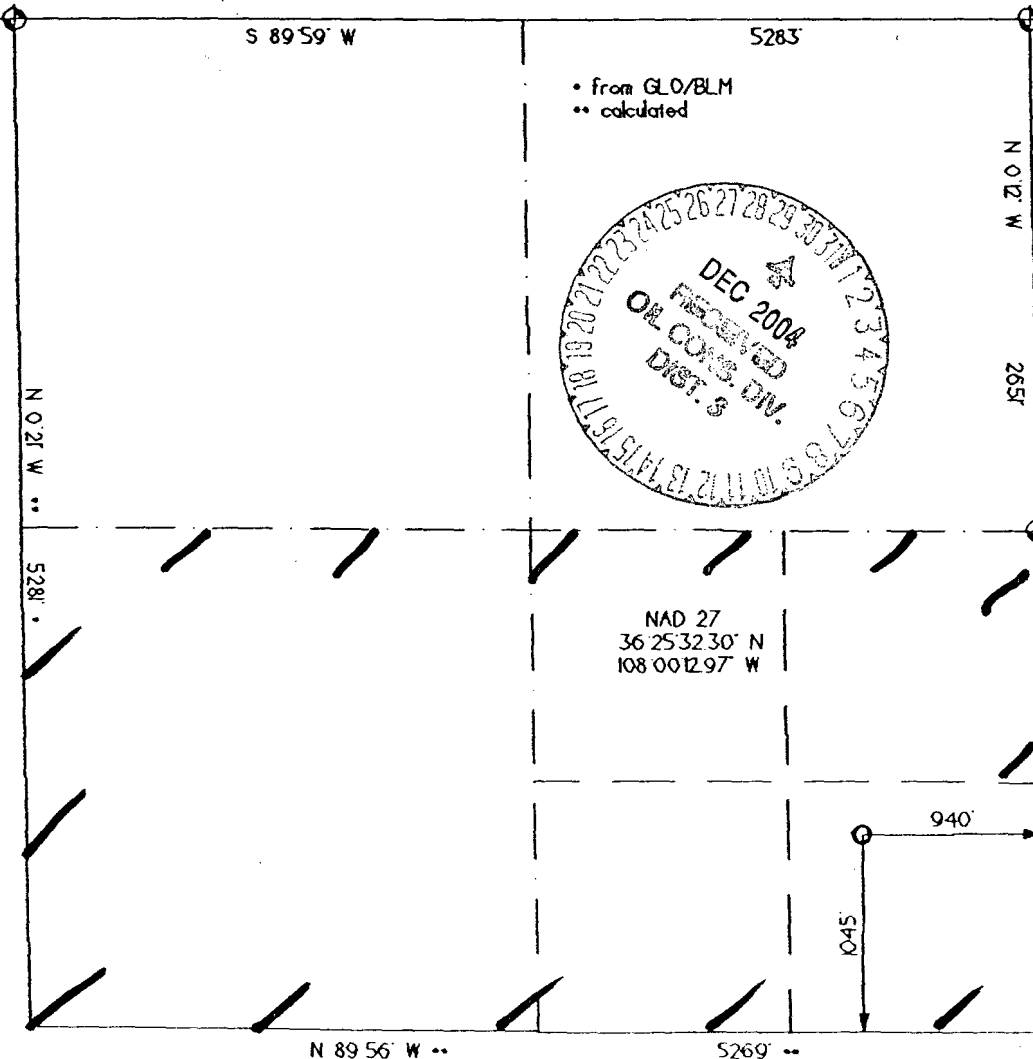
WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number 30-045-32664	Pool Code 71629	Pool Name 070 FARMINGTON NM
Property Code 27225	Property Name BUENA SUERTE EC 4 COM	Well Number 10T
UARD No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 6428'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Lth	Feet From	North/South	Feet From	East/West	County
P	4	25 N.	11 W.		1045	SOUTH	940'	EAST	SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Lth	Feet From	North/South	Feet From	East/West	County
Dedication 320	Joint ? .	Consolidation C	Order No. .						

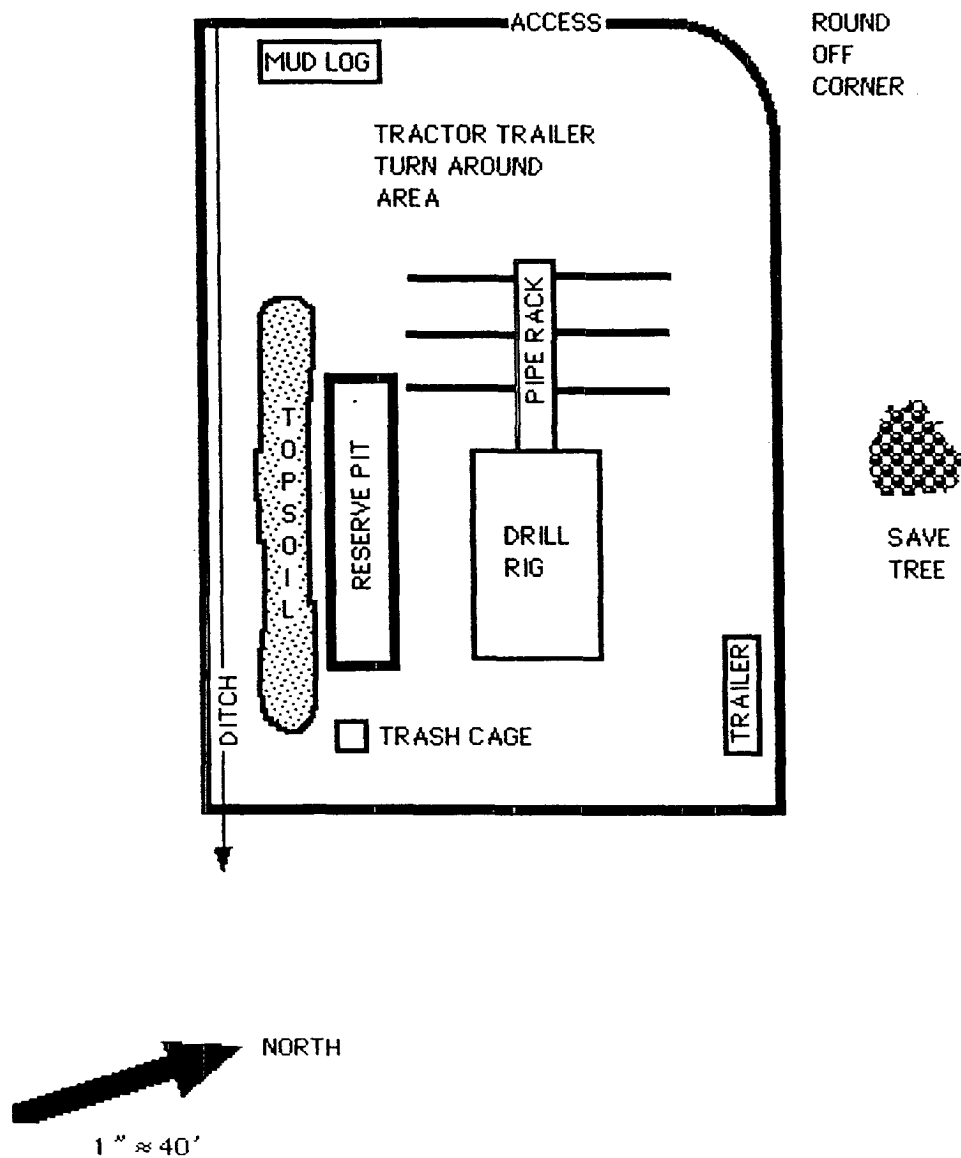
NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <i>B. Wood</i>	
Printed Name	BRIAN WOOD
Title	CONSULTANT
Date	OCT. 31, 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 07/28/04	
Signature and Seal of Professional Surveyor	

Elm Ridge Resources, Inc.
Buena Suerte FC 4 Com #1-T
1045' FSL & 940' FEL
Sec. 4, T. 25 N., R. 11 W.
San Juan County, New Mexico

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Elm Ridge Resources, Inc.
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RECEIVED
070 FARMINGTON NM

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'	+6,428'
Fruitland Coal	1,328'	1,333'	+5,100'
Pictured Cliffs	1,398'	1,403'	+5,030'
Lewis Shale	1,553'	1,558'	+4,875'
Total Depth (TD)*	1,600'	1,605'	+4,828'

* all elevations reflect the ungraded ground level of 6,428'

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	S T & C	New	120'
6-3/4"	4-1/2"	10.5	J-55	L T & C	New	1,600'

Surface casing will be cemented to the surface with ≈ 35 cubic feet (≈ 30 sacks) Class B + 1/4 pound per sack cello flake + 2% 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.

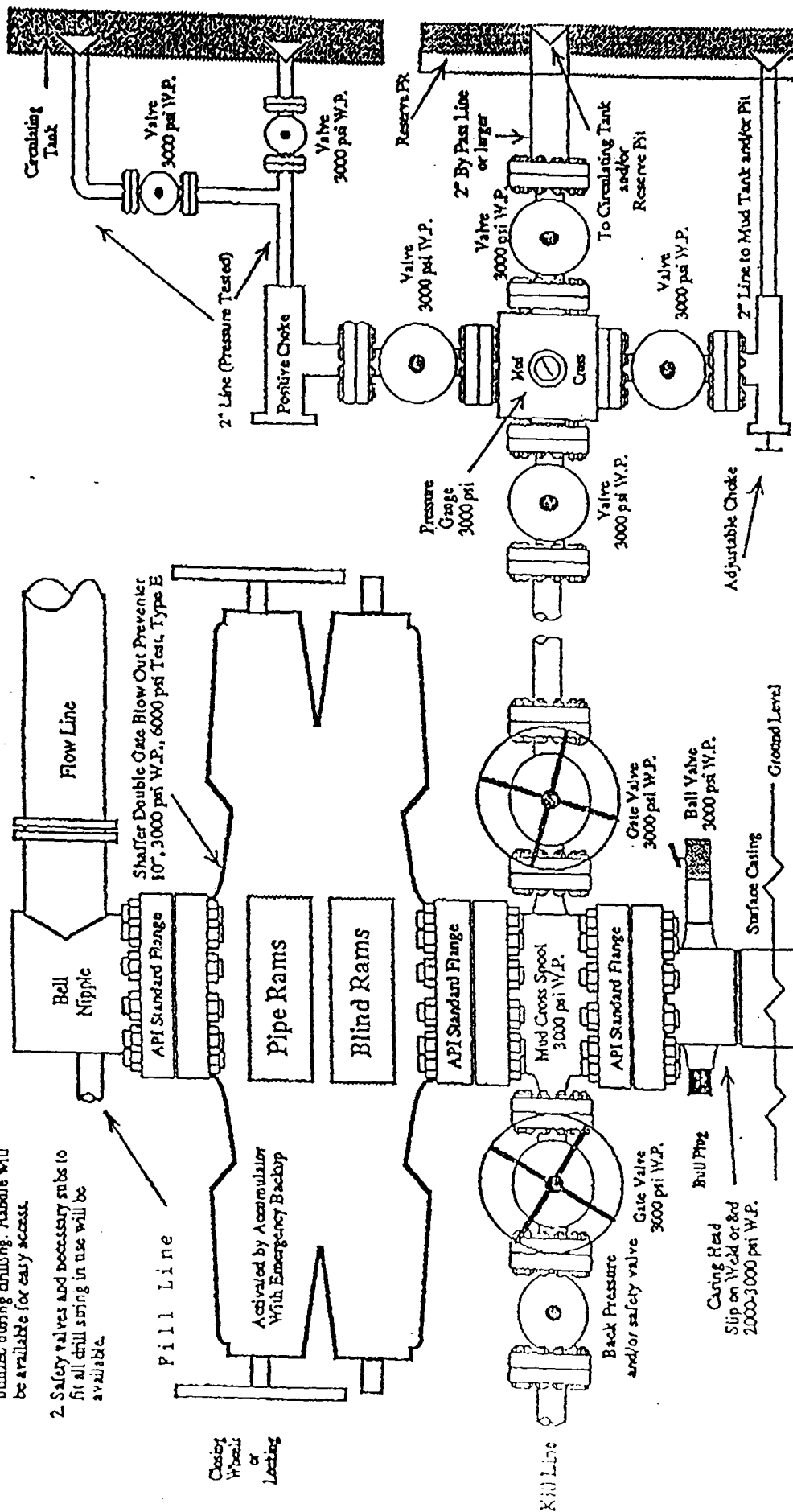
Production casing hole will be cleaned of rock chips by circulating $\geq 150\%$ of the hole volume with mud to the surface. Forty barrels of fresh water will then be circulated. Lead with ≈ 260 cubic feet (≈ 126 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack and weight = 12.5 pounds per gallon). Tail with ≈ 150 cubic feet (≈ 127 sacks) of Class B with 2% CaCl_2 (yield = 1.18 cubic feet per sack and weight = 15.2 pounds per gallon). Total cement volume is 410 cubic feet based on $\approx 75\%$ 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.

Pressure Control Equipment

- Note: 1. An upper Xelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary sub 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.