

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

5. Lease Serial No.:

BIA #11

6. If Indian, Allottee or Tribe Name

JICARILLA APACHE

7. If Unit or CA Agreement, Name and No.

N/A

8. Lease Name and Well No.

JICARILLA APACHE B 24

9. API Well No.

30-039- 29284

10. Field and Pool, or Exploratory

BALLARD PICTURED CLIFFS

11. Sec., T., R., M., or Blk. and Survey or Area

A 30-24n-5w NMPM

12. County or Parish

RIO ARRIBA

13. State

NM

1a. Type of Work: ☒ DRILL

☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☒ Single Zone ☐ Multiple Zone

2. Name of Operator

ELM RIDGE RESOURCES, INC.

3a. Address **P. O. BOX 189**

FARMINGTON, NM 87499

3b. Phone No. (include area code)

(505) 632-3476

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface **1155' FNL & 1080' FEL**

At proposed prod. zone **SAME**

14. Distance in miles and direction from nearest town or post office*

6 AIR MILES NORTHEAST OF COUNSELORS

15. Distance from proposed*

location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

4,125'

16. No. of Acres in lease

2,560

17. Spacing Unit dedicated to this well

NE4 = 160 ACRES

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

97'

19. Proposed Depth

2,400'

20. BLM/BIA Bond No. on file

#886441C (BIA - NATION WIDE)

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

6,615' GL

22. Approximate date work will start*

UPON APPROVAL

23. Estimated duration

3 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.

2. A Drilling Plan.

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).

4. Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the
authorized officer.

Comments

The only other well in the quarter-quarter is an Elm Ridge well.

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

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

cc: BIA, BLM (&OCD), Elm (D & F), Nation

25. Signature

Name (Printed/Typed)

BRIAN WOOD

Date

8-6-03

Title

CONSULTANT

PHONE: 505 466-8120

FAX: 505 466-9682

Approved by (Signature)

Name (Printed/Typed)

Date

3/9/05

Title

Field Manager - Minerals

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 the jurisdiction of such department or agency.

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

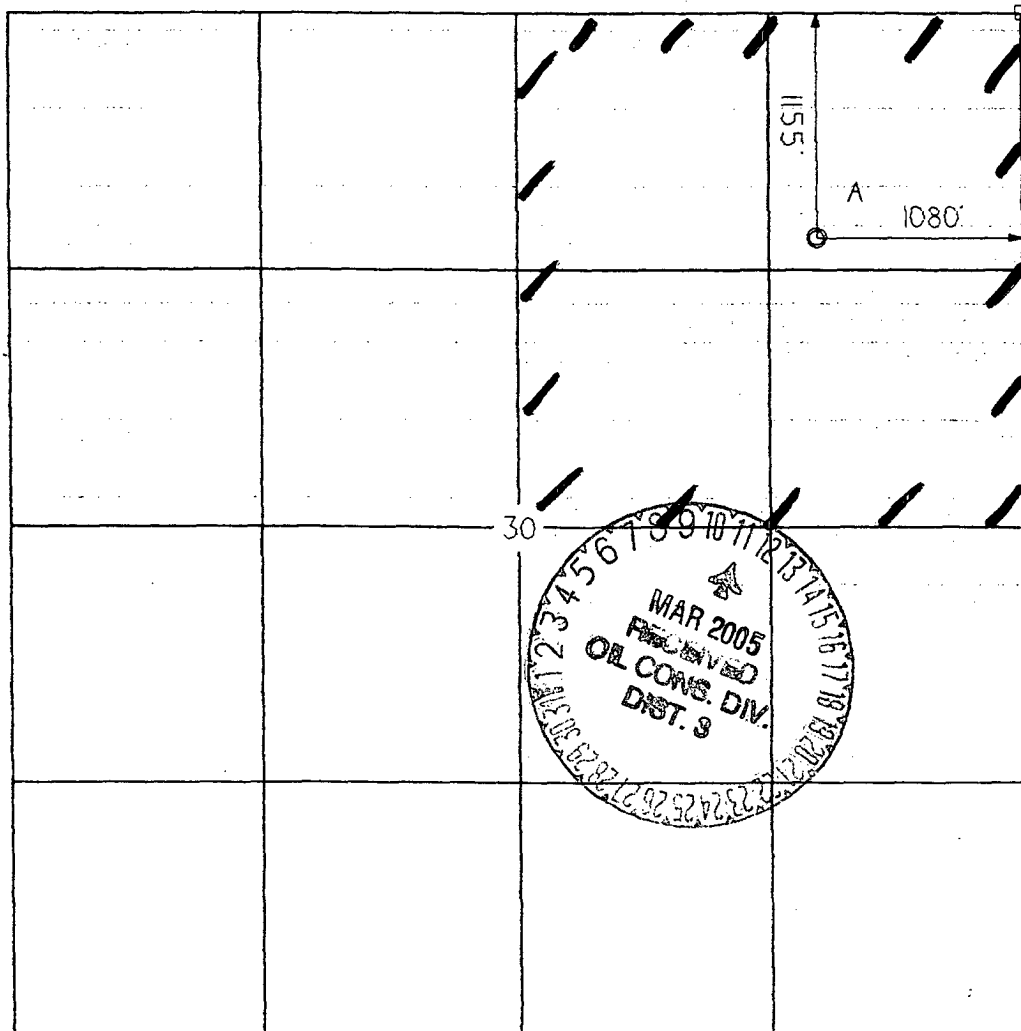
APA Number 30-039-29284		Pool Code 71439	Pool Name BALLARD PICTURED CLIFFS
Property Code 19026	Property Name Jicarilla Apache B		Well Number 24
OGRD No. 149052	Operator Name ELM RIDGE RESOURCES		Elevation 6615'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
A	30	24 N.	5 W.		1155'	NORTH	1080'	EAST	RIO ARriba

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication 160	Joint ? .	Consolidation .	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



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 AUG. 6, 2003	
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 20 NOVEMBER 2002 Signature and Seal <i>[Signature]</i> Professional Surveyor Seal: 6844 REGISTERED LAND SURVEYOR	

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Department of Geology, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Well API NO.	30-039-
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	BIA # 11
7. Lease Name or Unit Agreement Name	JICARILLA APACHE B
8. Well Number	24
9. OGRID Number	149052
10. Pool name or Wildcat	BALLARD PICTURED CLIFFS

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,615' GL

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type Reserve Depth to Groundwater ~200' Distance from nearest fresh water well ~1.2mi Distance from nearest surface water ~326'

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator ELM RIDGE RESOURCES, INC.

3. Address of Operator P.O. BOX 156, BLOOMFIELD, NM 87413

4. Well Location

Unit Letter A : 1155 feet from the NORTH line and 1080 feet from the EAST line
Section 30 Township 24N Range 5W NMPM County RIO ARRIBA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
6,615' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

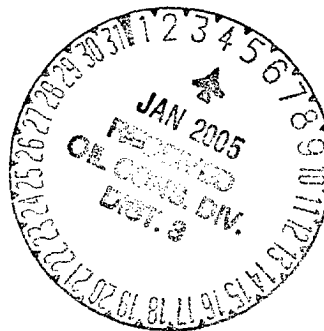
OTHER: RESERVE PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

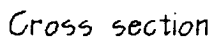
SIGNATURE Craig M. Fiehler TITLE Biologist DATE 12/30/04

Type or print name Craig M. Fiehler E-mail address: craig@permitswest.com Telephone No. 505-466-812
For State Use Only

APPROVED BY: Original Signed By DENNY G FOUST, DEPUTY OIL & GAS INSPECTOR, DIST. 4 JAN 4 2004

Conditions of Approval (if any):

well pad & section



Elm Ridge Resources, Inc.
Jicarilla Apache 8 #24
1155' FNL & 1080' FEL
Sec. 30, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
San Jose	000'	5'	+6,615'
Kirtland-Fruitland	1,900'	1,905'	+4,715'
Pictured Cliffs Ss	2,180'	2,185'	+4,435'
Lewis Shale	2,260'	2,265'	+4,355'
Total Depth (TD)*	2,400'	2,405'	+4,215'

* all elevations reflect the ungraded ground level of 6,615'

2. NOTABLE ZONES

<u>Oil & Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Ojo Alamo	San Jose	Fruitland
Pictured Cliffs		

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 drilling contract has not yet been awarded, thus the exact BOP model to be used is 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

Elm Ridge Resources, Inc.
Jicarilla Apache 8 #24
1155' FNL & 1080' FEL
Sec. 30, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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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>
8-5/8"	7"	23	K-55	S T & C	New	250'
6-3/4"	4-1/2"	10.5	J-55	L T & C	New	2,400'

Surface casing will be cemented to the surface with ≈70 cubic feet (≈60 sacks) Class B with 1/4#/sk Flocele + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 100% 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.

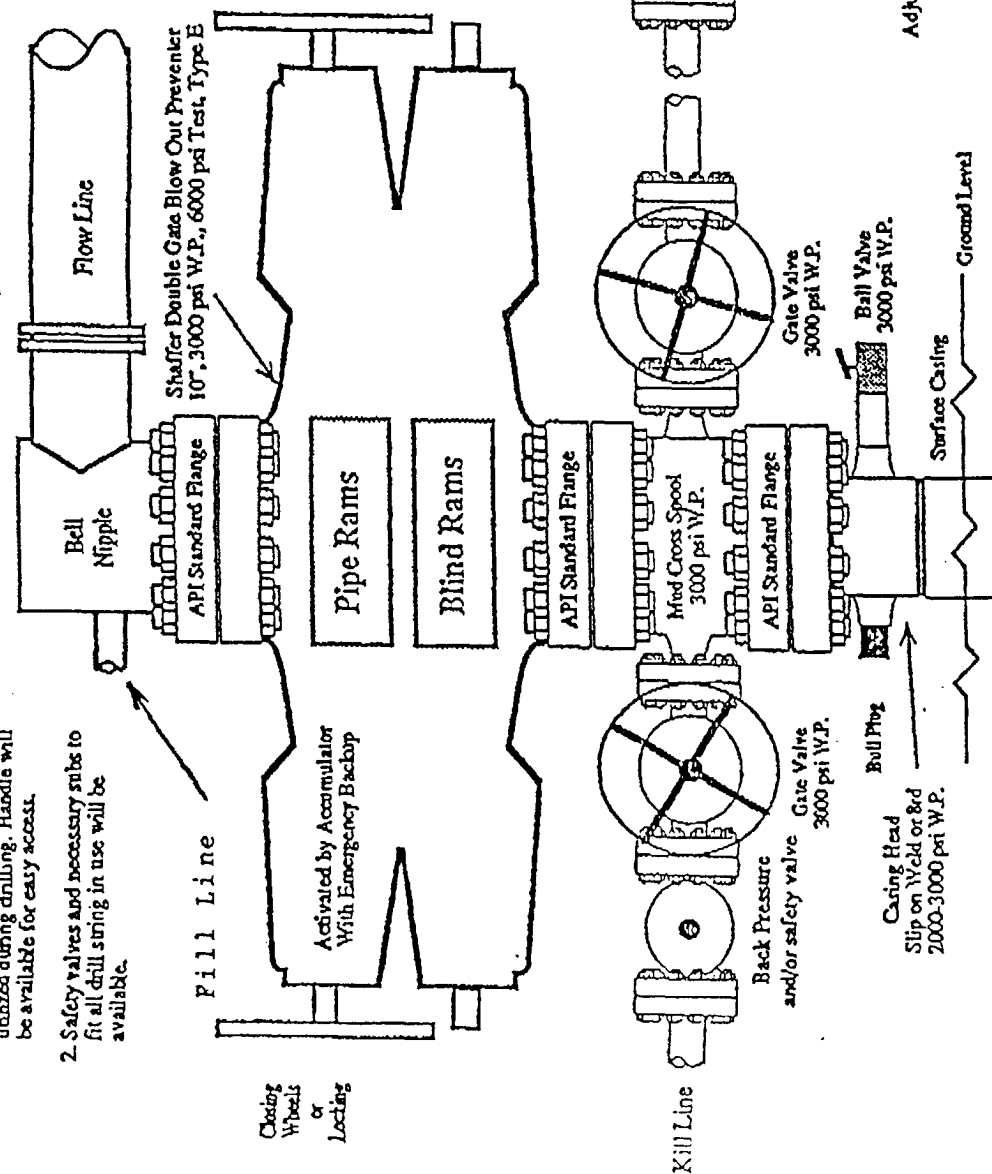
Production casing will be cemented to the surface with ≈590 cubic feet (≈500 sacks) Class B with 1/4#/sk Flocele + 2% CaCl₂. Yield = 1.18 cubic feet per sack. Weight = 15.2 pounds per gallon. Volume = 75% excess. At least six centralizers will be used.

5. MUD PROGRAM

A nine 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 Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary snibs 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.

