

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB No 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

JUL 20 2012

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Farmington Field Office
Bureau of Land Management

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1
☒ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator
ELM RIDGE EXPLORATION CO LLC

3a. Address
PO BOX 156 BLOOMFIELD NM 87413

3b. Phone No (include area code)
505-632-3476 EXT 205

4. Location of Well (Footage, Sec, T., R., M., or Survey Description)
835 FSL X 1660 FWL
"N" Sec. 23-T23N-R05W

5. Lease Serial No
Jic. Contract 429

6. If Indian, Allottee or Tribe Name
Jicarilla Apache

7. If Unit or CA/Agreement, Name and/or N
N/A

8. Well Name and No.
Jicarilla 429 GD 1

9. API Well No.
30-043-21043

10. Field and Pool, or Exploratory Area
WC Basin Manco; Basin DK

11. County or Parish, State
Sandoval County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
☒ Notice of Intent	☐ Acidize ☐ Deepen ☐ Production (Start/Resume) ☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other Approval to vent gas.
	☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon
	☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13 Describe Proposed or Completed Operations (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 recomple 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.)

Elm Ridge Exploration CO LLC would like to request approval to vent the gas from the above referenced well. This well produces approx 8 to 10 barrels of oil a day and 15-25 MCF casing head gas per day. Elm Ridge is requesting approval to vent gas because it is not economical to produce for sales at this time. The closest tie-in point for this well is 1.6 miles from the wellhead. The economics are as follows:

- 1.) Gas prices are 3.00 / MCF = 2250.00 per month
- 2.) Wellhead compression 1600.00 per month rental charge.
- 3.) Pipeline cost will be approx 253,440.00
- 4.) Transportation fee is \$0.72 MCF

RCVD AUG 20 '12
OIL CONS. DIV.
DIST. 3

Comply with C129 OCO Approval, Notice, NMF-D

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Amy Mackey Title Administrative Manager

Signature [Signature] Date July 19, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by [Signature] Title Petr. Eng Date 8/16/12

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

Title 18 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 representations as to any matter within its jurisdiction

(Instructions on reverse)

NMOCD

Minimum Gas Rate to Meet Operating Economics:

Taxes:

Severance	=	0.04
Ad valorem	=	0.014853
NGPT	=	0.0275
Conservation	=	0.0019
School	=	0.04
Priviledge	=	0.0829
Possessory	=	0.0189
Cap. Improv.	=	0.007
Total Tax	=	<u>0.23055300</u>

Royalty Rate 0.16667

Tot.Tax +Roy. = 0.39722300

Net Interest = 0.60277700

Estimated Monthly Operating Cost of Compression and Lease Maintenance:

\$ 1,600.00

Estimated Gas Price per Mcfg:

\$ 3.00

Net Gas Price per Mcfg.: \$ 1.81

Minimum Gas Rate to Meet Operating Economics(Mcfg/Month):

885 or **29 Mcfg/day**

Vented Gas After Fuel Used on Lease (Available gas): **23 Mcfg/day**

Since the available gas is < than the gas required to meet the minimum operating economics venting gas can be authorized per the provisions outlined in NTL - 4A

Because this is a solution gas drive reservoir, if venting/flaring were not allowed, the well would not be allowed to produce and therefore have to be abandoned.

Note: Pipeline Capital Investment costs would not be recovered if available gas was sold.

Jim Kovato,



BLM, Petroleum Engineer

8/16,2012

R & L Charts

(505) 632-9625

Production Period: 07/2012

Customer: 31 BEELINE GAS SYSTEMS
 Field: 11 TEST FILE
 Station: 31682 0 JIC 429 GD 1

District: Unknown District Meter Number:
 County: Unknown County UNKNOWN:
 State:

STATION DATA

Eff. Date: 06/25/12 -- Calculation Bases -- Rotation: 384.0 Ranges Tap Type: Flange
 Time: 00:00 Press: 14.730 Temp: 60 Orifice: 0.5000 Static: 500 Temp: 150 Static Source: Downstream
 Atmos: 12.000 BTU: Sat Tube Size: 2.0670 Diff.: 100 Press: Absol Measurement Type: Dry Flow
 Type: AGA3-92 Super Type: AGA8-Auto

VOLUME DATA

Date On	Time On	Date Off	Time Off	Count	PSIG	Chart Diff	Hours	Temp	Orif. Size	Spec. Grav.	Grav.	Temp.	Factors Fpv	FrFy	P-Base	Volume (MCF)	Volume (MMBTU)
07/01	00:00	07/02	00:00	28	39.9A	14.24	18.6	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	29	0
07/02	00:00	07/03	00:00	25	40.2A	15.67	16.1	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	27	0
07/03	00:00	07/04	00:00	27	40.4A	16.35	16.6	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	28	0
07/04	00:00	07/05	00:00	26	42.3A	15.79	16.4	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	28	0
07/05	00:00	07/06	00:00	25	43.6A	14.83	15.9	60	0.5000	0.6000	1.2910	1.0000	1.0025	0.0000	1.0000	27	0
07/06	00:00	07/07	00:00	25	44.0A	14.62	15.5	60	0.5000	0.6000	1.2910	1.0000	1.0025	0.0000	1.0000	26	0
07/07	00:00	07/08	00:00	25	42.3A	14.78	15.8	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	25	0
07/08	00:00	07/09	00:00	26	42.0A	15.76	16.1	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	27	0
07/09	00:00	07/10	00:00	24	43.3A	11.65	17.1	60	0.5000	0.6000	1.2910	1.0000	1.0025	0.0000	1.0000	25	0
07/10	00:00	07/11	00:00	20	42.3A	12.83	13.4	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	21	0
07/11	00:00	07/12	00:00	15	38.1A	9.98	12.4	60	0.5000	0.6000	1.2910	1.0000	1.0020	0.0000	1.0000	16	0
07/12	00:00	07/13	00:00	18	41.6A	10.44	14.1	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	19	0
07/13	00:00	07/14	00:00	17	40.8A	9.44	14.0	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	18	0
07/14	00:00	07/15	00:00	18	40.3A	10.29	14.4	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	19	0
07/15	00:00	07/16	00:00	20	40.2A	11.72	14.8	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	21	0
07/16	00:00	07/17	00:00	15	40.3A	11.42	11.0	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	16	0
07/17	00:00	07/18	00:00	15	40.4A	11.91	11.1	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	16	0
07/18	00:00	07/19	00:00	19	40.5A	11.53	14.3	60	0.5000	0.6000	1.2910	1.0000	1.0022	0.0000	1.0000	20	0
07/19	00:00	07/20	00:00	20	42.1A	11.63	14.4	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	21	0
07/20	00:00	07/21	00:00	21	42.0A	12.26	14.8	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	22	0
07/21	00:00	07/22	00:00	22	40.9A	13.07	15.3	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	23	0
07/22	00:00	07/23	00:00	21	41.9A	12.62	14.9	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	23	0
07/23	00:00	07/24	00:00	19	41.9A	10.88	14.2	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	20	0
07/24	00:00	07/25	00:00	20	41.7A	11.91	14.6	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	21	0
07/25	00:00	07/26	00:00	22	42.0A	13.02	15.2	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	23	0
07/26	00:00	07/27	00:00	21	41.9A	12.17	14.9	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	22	0
07/27	00:00	07/28	00:00	22	41.9A	12.92	14.8	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	23	0
07/28	00:00	07/29	00:00	21	41.7A	12.77	14.4	60	0.5000	0.6000	1.2910	1.0000	1.0023	0.0000	1.0000	22	0
07/29	00:00	07/30	00:00	23	41.9A	14.11	15.3	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	25	0
07/30	00:00	07/31	00:00	22	42.2A	13.08	15.1	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	23	0
07/31	00:00	08/01	00:00	22	42.1A	13.55	15.0	60	0.5000	0.6000	1.2910	1.0000	1.0024	0.0000	1.0000	24	0

460.6

701

0

~23 Mcf/d
 * This is available (vented) gas after fuel use.

08/09/2012 14:54

5056321181

R L CHART SERVICES

PAGE 02/02

Lovato, Jimmy A

From: Terry Lindeman <TLindeman@elmridge.net>
Sent: Friday, August 10, 2012 11:47 AM
To: Lovato, Jimmy A
Subject: Jicarilla 429 GD #1 Venting permit
Attachments: 429 GD 1 gas.pdf

Jim,

Attached is the July gas volume for the 429 well. The meter is after the pumping unit and separator gas usage. This would be the vented volume.

Thanks,

Terry