

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.

Jicarilla Joint Venture

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

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

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. 201

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FSL X 2310' FWL

F-Sec. 4-T23N-R3W

8. Well Name and No.

Jicarilla Joint Venture KD #4

9. API Well No.

30-039-21457

10. Field and Pool, or Exploratory Area

W. Lindrith Gallup Dakota

11. County or Parish, State

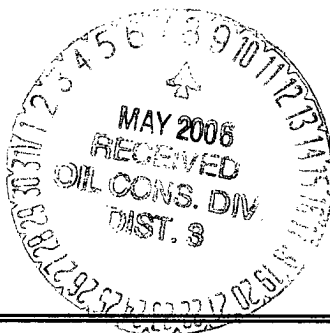
Rio Arriba, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Evaluate and return to production. |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> 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 recompleat 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 recompleat 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, intends to move a rig onto this location to return this well to production. Based on current rig availability, we expect this work to be completed within the next 60 days.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Amy Mackey

Title

Production Assistant

Signature

Date

April 26, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

MAY 05 2006

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
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

NMSF-078056 et al. (WC)
3162.3-2 (21110)

March 31, 2006

Mr. Terry Lindeman
Elm Ridge Resources, Inc.
PO box 156
Bloomfield, NM 87413

Dear Mr. Lindeman:

Our records indicate that you are the operator of the following wells:

- 1) No. 55 Central Bisti Unit located 660' FSL & 1980' FEL sec. 6, T. 25 N., R. 12 W., San Juan County, New Mexico, Lease NMSF-078056. Well has not produced since April, 2005.
- 2) No. 68 Central Bisti Unit located 520' FSL & 1980' FWL sec. 8, T. 25 N., R. 12 W., San Juan County, New Mexico, Lease 14-20-603-324. Well has not produced since April, 2005.
- 3) No. 58 Central Bisti Unit located 660' FSL & 1980' FEL sec. 4, T. 25 N., R. 12 W., San Juan County, New Mexico, Lease 14-20-603-1424. Well has not produced since April, 2005.
- 4) No. 4 Jicarilla Joint Venture KD located 2310' FNL & 2310' FWL sec. 4, T. 23 N., R. 3 W., Rio Arriba County, New Mexico, Lease Jicarilla Joint Venture. Well has not produced since October, 2004.

Title 43 CFR Section 3162.3-4 requires that the lessee shall promptly plug and abandon, condition as a service well, or condition as a water well, any well on a lease that is not used or useful for the purpose of the lease. Accordingly, you are required to advise this office by Sundry Notice within 30 calendar days of your intent to perform one of the following: a) Condition the well to a useful function, b) Temporarily abandon the well, c) Continued shut-in status, d) Permanently plug and abandon the well.

See attached General Requirements for Non-Producing wells on Federal leases.

The 30 calendar days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 calendar days may result in an assessment in accordance with 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management (NM-93000), P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 *et seq.*