

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
JAN 25 2008
Bureau of Land Management
Farmingington Field Office
505-632-3476 x 201

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Elm Ridge Exploration Company, LLC

3a. Address
 PO Box 156 Bloomfield, NM 87413

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 790' FNL & 790' FWL
 Sec. 1-T22N-R3W

5. Lease Serial No.
 Contract 360

6. If Indian, Allottee or Tribe Name
 Jicarilla Tribe

7. If Unit or CA/Agreement, Name and/or N
 RCVD FEB 1 '08
 OIL CONS. DIV.

8. Well Name and No. DIST. 3
 Bonanza #3

9. API Well No.
 30-043-20497

10. Field and Pool, or Exploratory Area
 W. Lindrth Gallup Dakota

11. County or Parish, State
 Sandoval, New Mexico

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 Production Test
	<input type="checkbox"/> Change Plans <input checked="" 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 recomplate 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 recomplate 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.)

This well does not make enough gas to run the pumping unit. We have installed a propane tank to run the pumping unit, to test for oil production. If we are unable to restore this well to production by February 29, 2008, we plan to plug and abandon this well according to the attached procedure.

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

Name (Printed/Typed) Amy Mackey	Title Production Assistant
Signature <i>Amy Mackey</i>	Date January 21, 2008

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Original Signed: Stephen Mason	Title	Date JAN 31 2008
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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.

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
B 2/1

Plugging Program for Bonanza #3:

Plug 1: Spot 15 sack balanced plug from 6947-6810', to cover 100' across perforations and top of Dakota.

~~5778~~ 5678

Plug 2: Spot 12 sack balanced plug from ~~5472-5372~~' to cover 100' across top of Gallup.

Plug 3: Spot 12 sack balanced plug from 4232-4132' to cover 100' across Cliff House top.

Plug 4: Spot 12 sack balanced plug from 3520-3420' to cover 100' across Chacra top.

Plug 5: Spot 38 sack balanced plug from 2716-2272' to cover 100' across Pictured Cliffs, Fruitland, and Ojo Alamo tops.

1138

Plug 6: Perf 4 holes at ~~1242~~'. Set retainer at ~~1462~~'. Squeeze below retainer with 43 sacks. Spot 4 sacks on top of retainer to cover 100' across Nacimiento top, inside and outside casing. (~~1138~~ - 1038)

Plug 7: Perf 4 squeeze holes at 240'. Tie onto 4-1/2" 10.5# casing. Establish rate through perforations. Pump 102 sacks down 4-1/2" casing, or sufficient volume to circulate cement to surface inside and outside 4-1/2" casing.

NOTE: All cement volumes include excess.

Elm Ridge Resources

Pertinent Data Sheet

Well Name: Bonanza #3
Footage: 790' FNL and 790' FWL
Location: Section 1, T22N, R3W
County: Sandoval County, NM
API#: 30-043-20497

Field: W. Lindrith Gallup-Dakota **Elevation:** 7169' KB **TD:** 7149' KB
PBTD: 7113' KB

Completed: 1/9/81

Casing Record:

Hole Size	Casing Size	Wt.	Grade	Depth Set	Cement
12-1/4"	8-5/8"	28#	J-55	190'	207 ft ³ (Circ. To Surface)
7-7/8"	4-1/2"	10.5/11.6#	N-80/ K-55	7148'	Stg 1: 488 ft ³ Stg 2: 1058 ft ³ (DV@4892') ⁽¹⁾

⁽¹⁾ 1st Stage: TOC: 5170' (Calc.). 2nd Stage: TOC 1667' (Calc)

Tubing: NC, 1 jt. 2-3/8" tbg, 3'x2-3/8" PS, SN, 10 jts 2-3/8" tbg, 4-1/2'x2-3/8" TAC, 206 jts. 2-3/8" tbg. TAC @ 6632', SN @ 6957', NC @ 6994'.

Rods: 2x1-1/4"x14' RHAC pump, 173x3/4", 103x7/8", 7/8"x6' pony, 1-1/4x22' PR w/1-1/2"x10' liner.

Formation Tops:

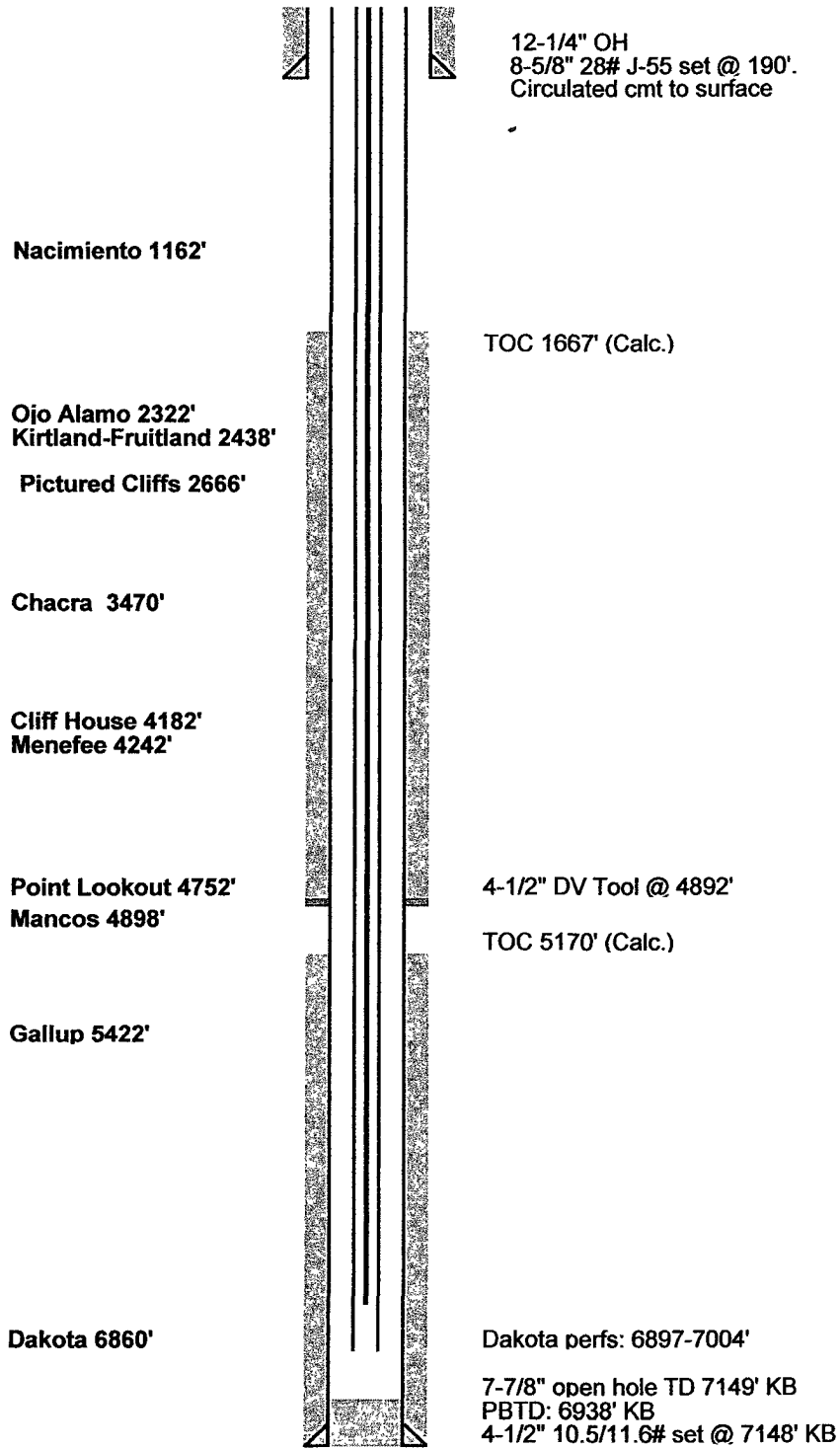
Nacimiento 1162'
Ojo Alamo 2322'
Kirtland-Fruitland 2438'
Pictured Cliffs 2666'
Chacra 3470'
Cliff House 4182'
Menefee 4242'
Point Lookout 4752'
Mancos 4898'
Gallup 5422'
Greenhorn 6747'
Graneros 6800'
Dakota 6860'

Perforations: Dakota: 6897'-7004'

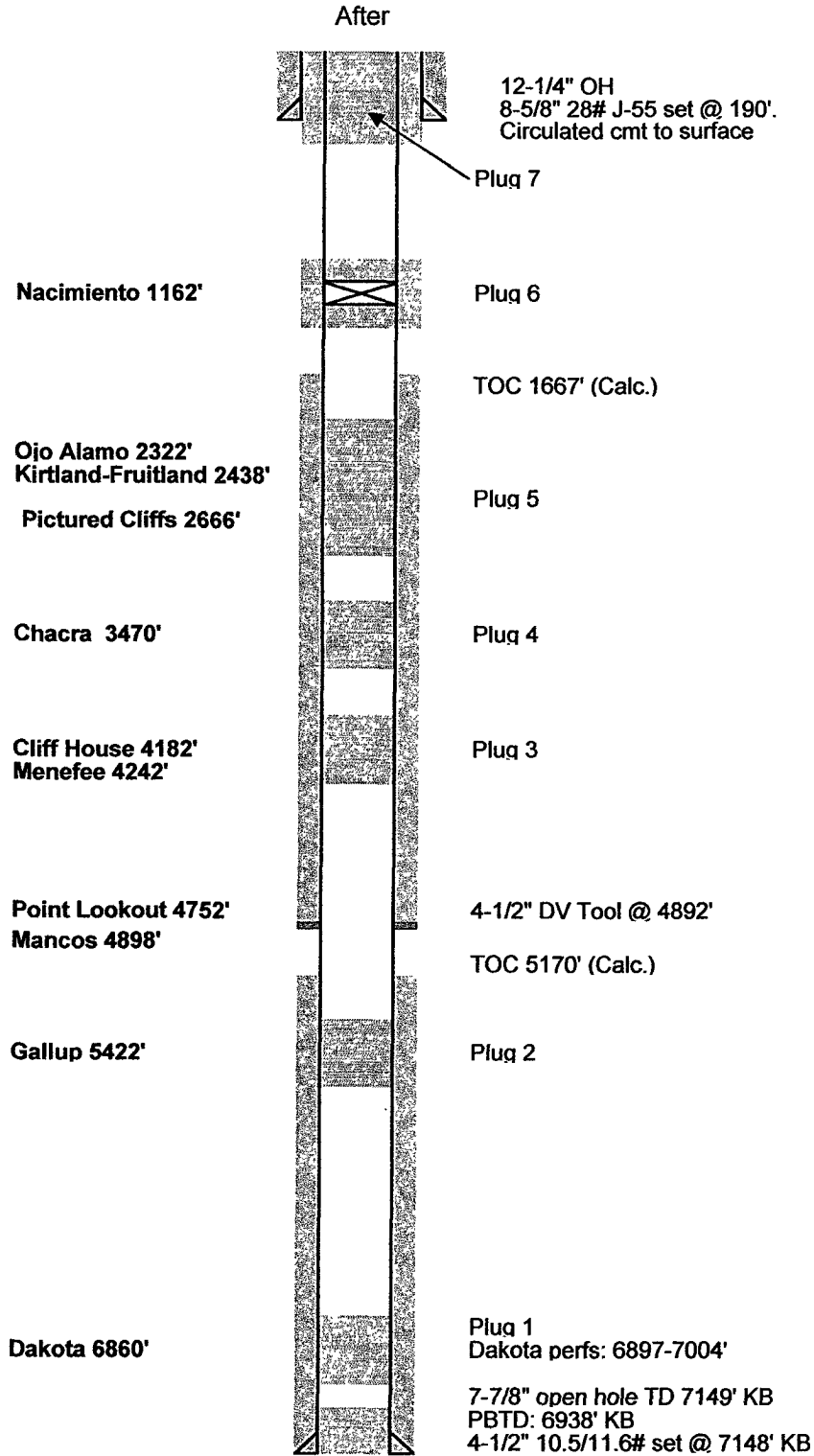
Notes: Possible tight spots at 6947', 5500', and 5400'

Wellbore Diagram
 Bonanza #3
 NW/4 Sec. 1, T22N, R3W
 Sandoval Co., NM
 API #30-043-20497

Before



Wellbore Diagram
 Bonanza #3
 NW/4 Sec. 1, T22N, R3W
 Sandoval Co., NM
 API #30-043-20497



**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 3 Bonanza

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Gallup plug from 5778' – 5678'.
 - b) Place the Nacimiento plug from 1138' – 1038' inside and outside the 4 ½" casing.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.