

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

NOV 12 2010

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

5. Lease Serial No.

Contract 39

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

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

8. Well Name and No.

AXI Apache C #3

9. API Well No.

30-039-05211

10. Field and Pool, or Exploratory Area

Ballard Pictured Cliffs

11. County or Parish, State

Rio Arriba, NM

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)

990' FSL X 990' FWL

Sec. 34-T24N-R5W

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 checked="" 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 <input type="checkbox"/> Produce for sales
	<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.)

The Beeline pipeline to which this well is connected has experienced numerous leaks, and as a result, this well has been shut in. With market pricing for natural gas currently depressed, it is not economic to replace approximately 1.5 miles of pipeline. There are several additional locations in this area that Elm Ridge Exploration intends to drill when prices firm up, and at that time we plan to replace the existing 8" pipeline. In the interim, we will briefly produce this well through the sales meter to show that this well is still capable of production. A sundry notice showing that the well has been returned to production will be submitted once production has been shown on the chart. We expect that this procedure will be completed by November 15, 2010.

RCVD NOV 23 '10
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed)

Amy Mackey

Title

Administrative Manager

Signature

Date

November 4, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

NOV 18 2010

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