

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No.
16 BIA CONTRACT 13
6. If Indian, Allottee or Tribe Name
JICARILLA APACHE NATION

1a. Type of work: ☒ DRILL ☐ REENTER

070 FARMINGTON NM

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

7. Unit or CA Agreement, Name and No.
N/A

2. Name of Operator
ELM RIDGE EXPLORATION COMPANY, LLC

8. Lease Name and Well No.
JICARILLA 13 PC #1

3a. Address **P. O. BOX 156
BLOOMFIELD, NM 87413**

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

9. API Well No.
30-039-29840

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

At surface **1450' FNL & 1450' FEL**

At proposed prod. zone **SAME**

10. Field and Pool, or Exploratory
BALLARD PICTURED CLIFFS

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

G 35-24N-5W NMPM

14. Distance in miles and direction from nearest town or post office*
8 AIR MILES NE OF COUNSELOR, NM

12. County or Parish
RIO ARRIBA

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **1,190'**

16. No. of acres in lease
1,920

17. Spacing Unit dedicated to this well
NE4

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **2,877' (C 3)**

19. Proposed Depth
2,500'

20. BLM/BIA Bond No. on file
BIA NATION WIDE 886441C w/ Jicarilla Office

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
6,696' GL

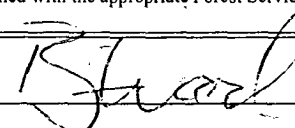
22. Approximate date work will start*
04/25/2006

23. Estimated duration
3 WEEKS

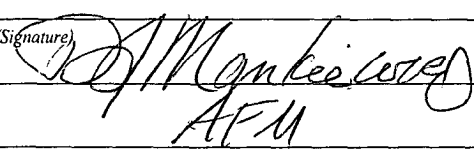
24. Attachments

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.

25. Signature  Name (Printed/Typed) **BRIAN WOOD** Date **03/11/2006**

Title **CONSULTANT** PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature)  Name (Printed/Typed) **AFM** Date **5/24/11**

Title **AFM** Office **FFO**

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 its jurisdiction.

*(Instructions on page 2)

A COMPLETE C-144 MUST BE SUBMITTED TO AND APPROVED BY THE NMOCD FOR: A PIT, CLOSED LOOP SYSTEM, BELOW GRADE TANK, OR PROPOSED ALTERNATIVE METHOD, PURSUANT TO NMOCD PART 19.15.17, PRIOR TO THE USE OR CONSTRUCTION OF THE ABOVE APPLICATIONS.

NOTIFY AZTEC OCD 24 HRS.
PRIOR TO CASING & CEMENT

JUN 10 2011

A

NMOCD

REC'D MAY 27 11
AL CON. DIV.

EST. 2

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

DISTRICT II
811 South First, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2006 MAR 14 PM 1 10 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29840		*Pool Code 71439	*Well Name 070 FARM, NM BALLARD PICTURED CLIFFS	
*Property Code 38403	*Property Name JICARILLA 13 PC		*Well Number 1	
*GRID No. 149052	*Operator Name ELM RIDGE EXPLORATION		*Elevation 6696	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	35	24 N	5 W		1450	NORTH	1450	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill .	¹⁴ Consolidation Code .	¹⁵ Order No. .
--------------------------------------	------------------------------------	---------------------------------------	------------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 S 86°58'32" E 5292.14'		1450'		5172.67'	5328.20'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Brian Wood</u> Printed Name BRIAN WOOD Title CONSULTANT Date MAR. 11, 2006
	SECTION 35					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown 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 8/26/05 Signature and Seal of Professional Surveyor: <u>Robert L. Pounds</u> Certificate Number 6846
N 0°12'02" W N 86°35'02" W				5184.65'	S 0°18'24" E	

Elm Ridge Exploration Company, LLC
Jicarilla 13 PC #1
1450' FNL & 1450' FEL
Sec. 35, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
San Jose	0'	5'	+6,696'
Ojo Alamo Sandstone	1,796'	1,801'	+4,900'
Kirtland	1,976'	1,981'	+4,720'
Pictured Cliffs Ss	2,326'	2,331'	+4,370'
Total Depth (TD)*	2,500'	2,505'	+4,196'

2. NOTABLE ZONES

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

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 use when kelly is not in use.

Elm Ridge Exploration Company, LLC
Jicarilla 13 PC #1
1450' FNL & 1450' FEL
Sec. 35, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

PAGE 2

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>Setting Depth</u>
12-1/4"	8-5/8"	24	J-55 or K-55	S T & C	New	250'
7-7/8"	5-1/2"	15.5	J-55	L T & C	New	2,500'

Surface casing will be cemented to the surface with ≈ 206 cubic feet (≈ 175 sacks) Class B with 1/4#/sk Flocele + 2% CaCl_2 . 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 ≈ 760 cubic feet (≈ 645 sacks) Class B with 1/4#/sk Flocele + 2% CaCl_2 . 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.

Elm Ridge Exploration Company, LLC
Jicarilla 13 PC #1
1450' FNL & 1450' FEL
Sec. 35, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

PAGE 4

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned. DIL/GR log may be run from TD to surface. CNL/FSC log may be run over certain intervals.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be $\leq 1,000$ psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take <1 week to drill and ≈ 2 weeks to complete the well.

Elm Ridge Exploration Company, LLC
Jicarilla 13 PC #1
1450' FNL & 1450' FEL
Sec. 35, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

PAGE 5

Surface Use Plan

1. DIRECTIONS & EXISTING ROADS (See PAGES 10 & 11)

From the junction of US 550 and NM 537 ...

Go North 4.5 miles on NM 537 to the equivalent of Mile Post 4.5

Then turn left and go Northwest 6.0 miles on J-36 to just past a dog leg

Then turn right and Northeast $\approx 1,900'$ on a two track road

Then turn right and go South 10' cross country to the proposed pad

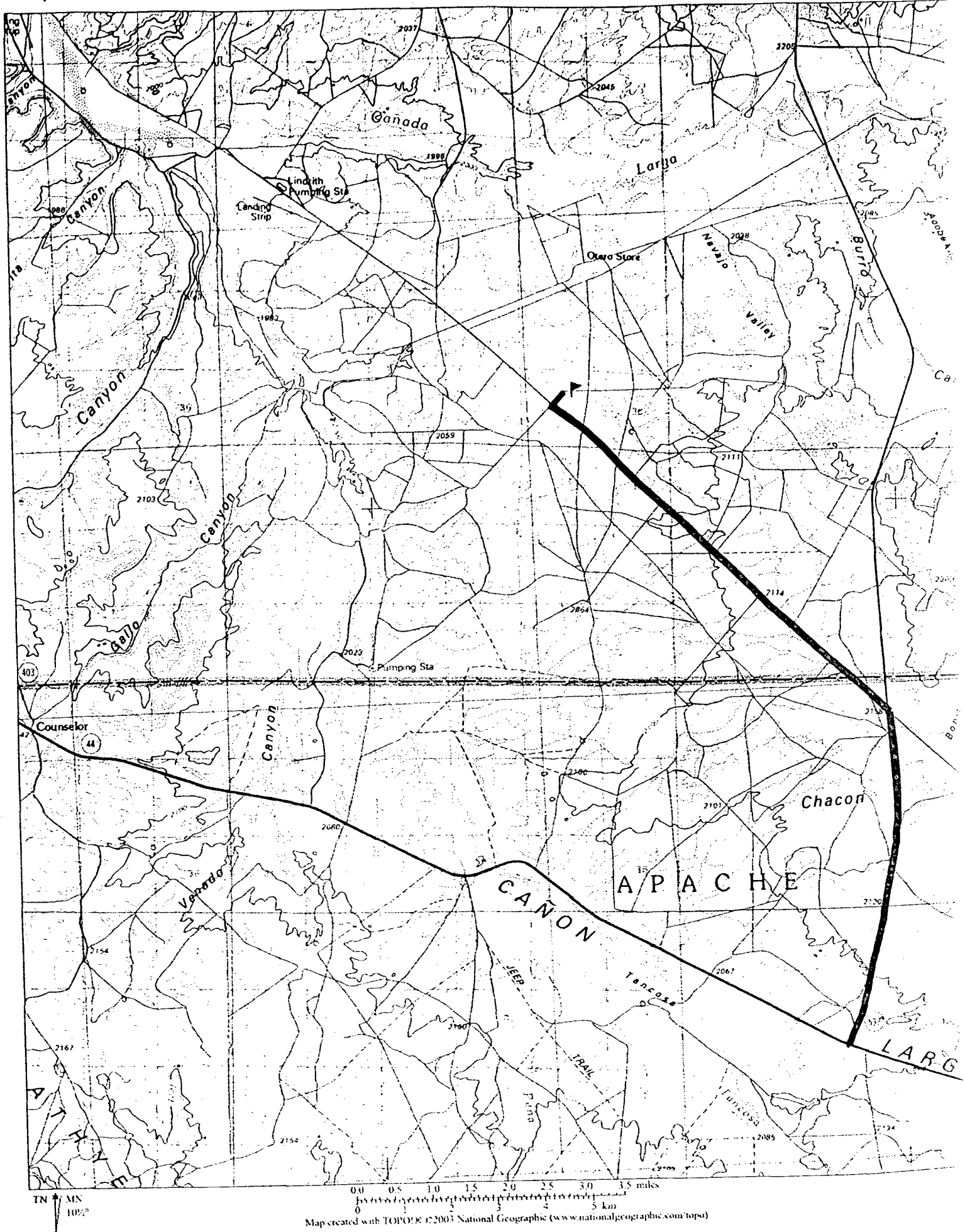
Roads will be maintained to at least equal to their present condition.

2. ROAD TO BE BUILT OR UPGRADED (See PAGES 11 - 13)

The final $\approx 1,910'$ of access will be crowned and ditched with a 14' wide running surface. Maximum disturbed width will be $\approx 30'$. Borrow ditches will be turned out at least once every ≈ 100 yards on each side. The ditch turnouts will be skewed to drain. Maximum cut or fill = 3'. Maximum grade = 5%. One vehicle turn out will be built $\approx 1,300'$ northeast of J-36. No culvert, gate, or other upgrade is needed.

3. EXISTING WELLS (See PAGE 11)

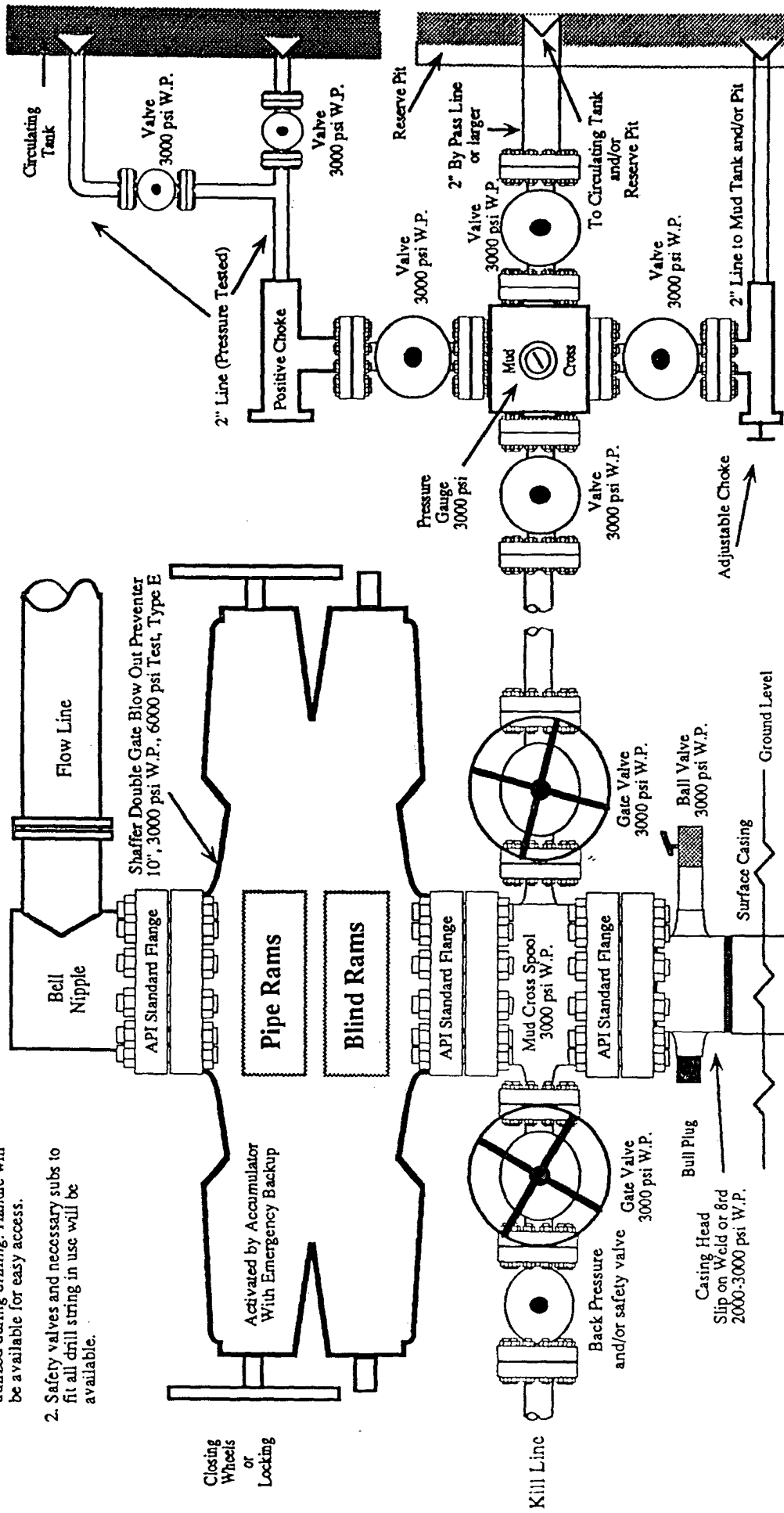
There are four gas or oil wells, two plugged and abandoned wells, and one water well within a one mile radius according to Oil Conservation Division and State Engineer's records. There are no injection wells within a mile.



2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs 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.