

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
Elm Ridge Resources, Inc. (505) 632-3476

3. ADDRESS AND TELEPHONE NO.
P. O. Box 189, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 894' FNL & 963' FEL
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
7 air miles NE of Counselor

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)
963'

16. NO. OF ACRES IN LEASE
2,560

17. NO. OF ACRES ASSIGNED
TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
112'

19. PROPOSED DEPTH
6,850'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6,714' ungraded

22. APPROX. DATE WORK WILL START*
Oct. 1, 2001

5. LEASE DESIGNATION AND SERIAL NO.
BIA #11

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
9026 N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla B 18

9. AP WELL NO.
30039-26884

10. FIELD AND POOL, OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
A29-24n-5w NMPM
Rio Arriba NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	K-55 8-5/8"	24	350'	≈250 cu. ft. & to surface
7-7/8"	J-55 4-1/2"	10.5	6,850'	≈3,200 cu. ft. & to surface

Discard earlier APD dated 5-9-01 for this location to a shallower depth.

Adjacent (112' away) Jicarilla B 13 which was a Dakota well has been plugged back and recompleted in Pictured Cliffs. This will be the only Dakota well in the quarter section. (The B 13 had only a 3-1/2" O D long string which hindered deeper downhole operations.)

cc: BIA, BLM, Elm (D&F), OCD (via BLM), Tribe

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen into new, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Consultant (505) 466-8120 8-21-01

SIGNED: [Signature] TITLE: DATE:

(This space for Federal or State office use)

APPROVAL DATE:

Agent hereby certifies and warrants or certifies that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to a production payment.

CONDITIONS OF APPROVAL IF ANY:

5/Sa Anderson Asst. Field Mgr.

*See Instructions On Reverse Side

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

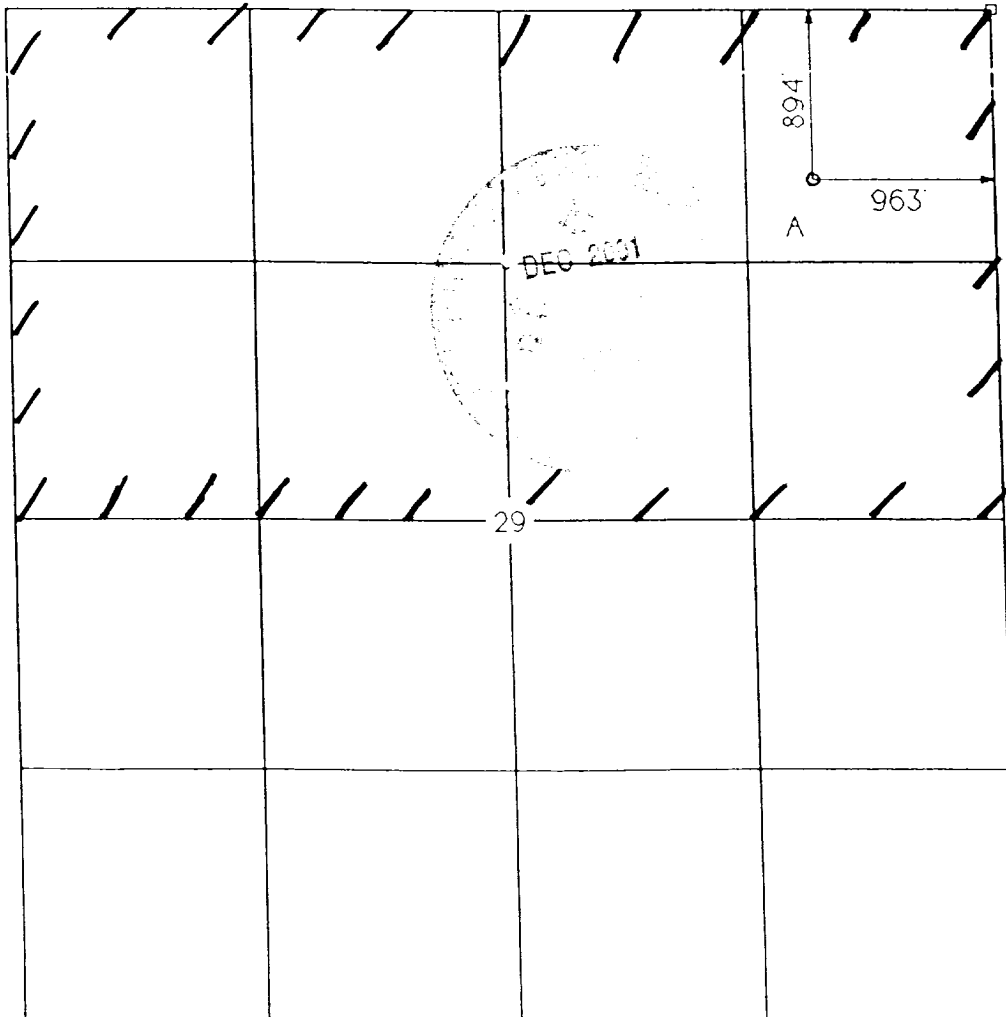
APA Number 30-039-26884	Pool Code 71599	Pool Name BASIN DAKOTA
Property Code 19026	Property Name Jicarilla Apache B	Well Number 18
OGRID No. 149052	Operator Name ELM RIDGE RESOURCES	Elevation 6714'

Surface Location									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from	North/South	Feet from	East/West	County
A	29	24 N	5 W		894'	NORTH	963'	EAST	RIO ARriba

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from	North/South	Feet from	East/West	County

Dedication 321	Joint ?	Consolidation	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Brian Wood*

Printed Name **BRIAN WOOD**

Title **CONSULTANT**

Date **AUG. 21, 2001**

SURVEYOR CERTIFICATION

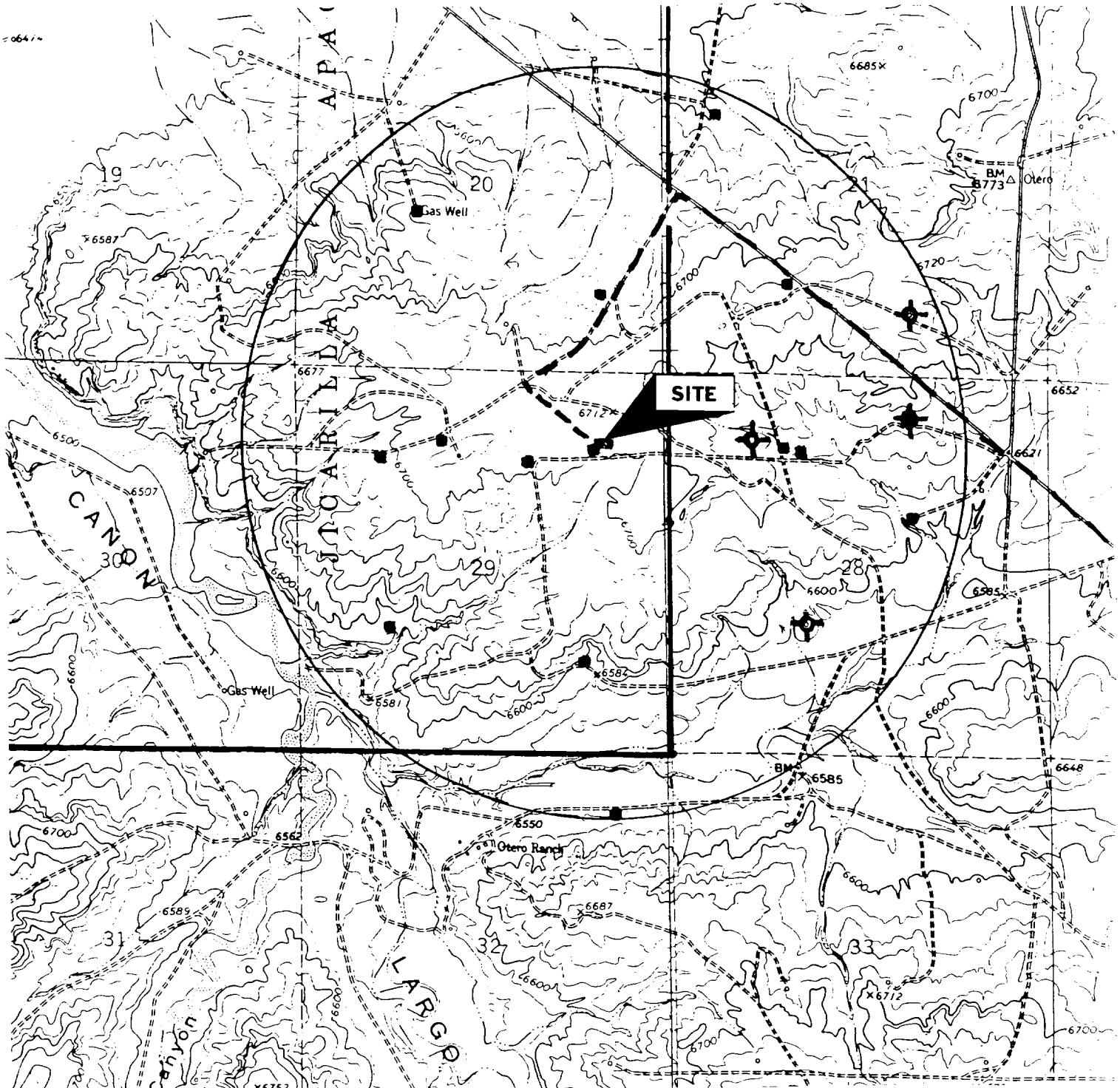
I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
FEBRUARY 2001

Signature and Seal
Professional Surveyor
Gerald S. Wood
GERALD S. WOOD
NEW MEXICO
6844
REGISTERED LAND SURVEYOR

Elm Ridge Resources, Inc.
Jicarilla B 18
894' FNL & 963' FEL
Sec. 29, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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PROPOSED WELL:

LEASE BOUNDARY:

EXISTING WELL:

EXISTING ROAD:

P & A WELL:

PERMITS WEST INC.
PROVIDING PERMITS AND LAND SERVICES

Elm Ridge Resources, Inc.
Jicarilla B 18
894' FNL & 963' FEL
Sec. 29, T. 24 N., R. 5 W.
Rio Arriba County, New Mexico

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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 3,000 psi model is on PAGE 3. A $\geq 3,000$ psi BOP and choke manifold system will be installed and tested to 2,000 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.

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>GL Setting Depth</u>
12-1/4"	8-5/8"	24	K-55	ST&C	New	350'
7-7/8"	4-1/2"	10.5	J-55	LT&C	New	6,850'

Surface casing will be cemented to the surface with ≈ 250 cubic feet (≈ 250 sx) Class B with 1/4#/sk Flocele + 2% CaCl₂. Volume is based on 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.

Elm Ridge Resources, Inc.
Jicarilla B 18
894' FNL & 963' FEL
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Rio Arriba County, New Mexico

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Production casing will be cemented to the surface in 2 stages with a stage tool set at $\approx 4,750'$. First stage volume will be $\approx 1,280$ cu ft consisting of ≈ 320 sx Halliburton Lite with 1/4 #/sk Flocele followed by ≈ 590 sx Class B with 2% CaCl_2 . Second stage volume will be $\approx 1,920$ cu ft consisting of $\approx 1,040$ sx of Halliburton Lite with 2% CaCl_2 followed by ≈ 55 sx Class B with 2% CaCl_2 to cover the Mesa Verde, Pictured Cliffs, and Ojo Alamo. Volume is based on 75% excess, but caliper log will be used to determine actual volume needed. Centralizers will be installed on the middle of the shoe joint and on every joint thereafter for a total of ≈ 30 centralizers. Thread lock the guide shoe, bottom of float collar, and bottom of stage tool only. Use API casing dope.

5. MUD PROGRAM

<u>Depth</u>	<u>Type</u>	<u>ppg</u>	<u>Viscosity</u>	<u>Fluid Loss</u>	<u>pH</u>
0' - 350'	Fresh water gel chem	9.0	50	NC	9
350' - TD'	Fresh water gel chem	9.0	38-50	6.0	9

Sufficient material to maintain mud properties, control lost circulation, and contain a blowout will be available at the well site while drilling. Mud will be checked hourly by rig personnel. Material to soak up possible oil or fuel spills will be on site.

6. CORING, TESTING, & LOGGING

No cores or DSTs are planned. DIL/GR logs will be run from TD to surface. CNL/FDC logs may be run over selected segments. Samples will be collected every 10' from 200' above the Point Lookout to the base of the Point Lookout and through the Gallup and Dakota. Samples will be collected every 30' elsewhere.

Elm Ridge Resources, Inc.
Jicarilla Apache B #18
Sec. 29-T24N-R5W
Rio Arriba, New Mexico

SLOPE TESTS

DEPTH

1/2
1
1
1/2
1/4
3/4
1-1/4
1

HOLE DEVIATION

88
615
1131
3096
3595
3825
4350
5329

State of New Mexico)

) ss
County of San Juan)

I, Trudy Grubelnik, being first duly sworn, depose and state that the above and foregoing depth and hole deviation figures are true and correct to the best of my information and belief.

Trudy Grubelnik

Subscribed and sworn before me this 30th day of April, 2002.

Kelly Depp

Notary Public

My commission Expires

Sept 18, 2004