



# 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:  
NMNM- 23233  
3162.3-1 ( 07100 )

April 5, 2002

Elm Ridge Resources, Inc.  
P.O. Box 189  
Farmington, NM 87499

Dear Ms. Grubelnik:

Reference is made to the following well on Federal oil and gas lease **NMNM - 23233**:

*[Handwritten signature]*  
**South Blanco Coal 22 # 1, located 1307' FNL and 720' FEL, Sec 22 - T24N., - R8W.,  
San Juan County, NM.**

This well was approved for drilling on August 30, 2001, as a Basin Fruitland Coal well to a total depth of 2500'. The permit entailed the drilling of an 8 5/8" hole and the installation of 7" surface casing. We received your Subsequent Report Sundry Notice dated March 19, 2002, outlining in essence, after the fact details of drilling a 12 1/4" hole and using 8 5/8" for surface casing. Pursuant to the General Requirements attached to the APD, prior approval by the BLM Authorized Officer is required for a variance from the approved drilling program. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent ( on a Sundry Notice Form, Form 3160-5) within three business days. This office has no record of prior approval, written or verbal, being authorized to change the size of surface casing installed in this well. As such, you are in violation of 43 CFR 3162.3-1 for failure to comply with the written requirements of the Application for Permit to Drill. However, this is considered a minor violation and this will serve as notice that if violations of this sort occur in the future, you will be subject to a monetary assessment. Enclosed you will find the after the fact processed Sundry Notices.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the assessment 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, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request will not result in a suspension of the order(s) unless the reviewing official so determine. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3154.4 and 43 CFR 4.400 et seq.

If you have any questions regarding the above contact Matt Halbert @ (505) 599-6350 or the undersigned @ (505) 599-6367.

Sincerely,

*/s/ Jim Lovato*

Jim Lovato  
Senior Technical Advisor  
Petroleum Management Team

cc:  
NMOCD, Aztec, NM  
NMOCD, Santa Fe, NM



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.

NMMNM-23283

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

South Blanco Coal 22 #1

9. API Well No.

30-045-30772

10. Field and Pool, or Exploratory Area

Basin Fruitland

11. County or Parish, State

San Juan, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Elm Ridge Resources, Inc.

3a. Address

PO Box 189, Farmington, NM 87499

3b. Phone No. (include area code)

505-632-3476

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

1307' FNL & 720' FEL

Se4c. 22-T24N-R8W

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 checked="" 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 Drilling
	<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 recomple 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 recompletion 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.)

Spud well on 12/26/01. Drilled 12-1/4 hole to 280' KB. Ran 9-joints, 8-5/8, J-55 STC casing set @ 404.13' KB. Cemented with 315 sx Class "B", 3% CC, 1/2# Celloflake. Displace 23.35 bbls water. Plug down @ 7:30 PM on 12/27/01. Circulate 20 bbls cement to surface. Drilled 7-7/8 to 2186' KB. TD reached 5:45 Am on 12-29-01. Ran 48-joints, 4-1/2, 11.6#, J-55 LTC casing set @ 2116.51' KB. Cemented w/350 sx 65/35 STD POZ, 6% gel, 1/4# Flocele, 10# Gilsonite, 1% CC and 165 sx Class "H", .5% HALAD-9, 5# Gilsonite, 1/4# Flocele, 1% CC. Bump plug w/1200 PSI - did not hold. Circulate 35 bbls to surface. Plug down @ 10:00 PM on 12-29-01. Rig down casers. Set slips. Cut off casing. Release rig. Install wellhead. R/U Computalog and run CBL. Perforate from 1988' to 1995' KB w/4 SPF. R/U American Energy Services and frac Fruitland Coal w/24 bbls 10% Formic Acid, 205.10 bbls AmborMax 1025, 2500#s 20/40 Super LC. ATP - 3500. AIR - 36 BPM. ISIP - 3418.

Certified Return Receipt# 7001 0320 0002 6707 1781

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

Name (Printed/Typed)

Trudy Grubelnik

Title

Production Technician

Signature

Date

March 19, 2002

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

ACCEPTED FOR RECORD

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

APR 03 2002

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.

FARMINGTON FIELD OFFICE  
BY

Elm Ridge Resources, Inc.  
South Blanco Coal 22 #1  
Sec. 22-T25N-R8W  
San Juan, New Mexico

SLOPE TESTS

DEPTH

3/4  
1  
3/4  
1  
1/2

HOLE DEVIATION

104  
240  
793  
1323  
1832

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 21<sup>st</sup> day of March, 2002

Kelly DeLapp

Notary Public

My commission Expires 9/18/04

ACCEPTED FOR RECORD

APR 03 2002

FARMINGTON FIELD OFFICE  
BY MAJ