



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

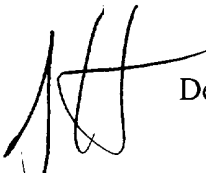
March 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Elm Ridge Resources, Inc.
P. O. Box 1317
Aztec, New Mexico 87410
Attention: Patrick Hegarty

Telefax No. (505) 334-4992

AMENDED Administrative Order NSL-4557

 Dear Mr. Hegarty:

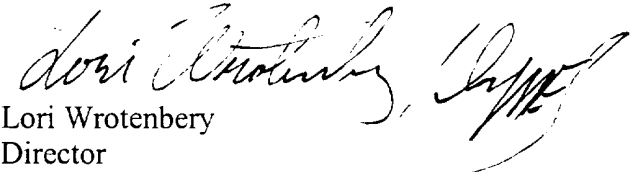
I received correspondence from the Aztec District Office of the Division that the description of the unorthodox gas well location in Division Administrative Order NSL-4557 is no longer applicable.

Division Administrative Order NSL-4557 authorized Elm Ridge Resources, Inc. to drill its Kelly "IND" Well No. 1-E (API No. 30-045-30471) at an unorthodox gas well location within the Basin-Dakota Pool 2480 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 27 North, Range 13 West, NMPM, San Juan County, New Mexico.

It is our understanding that the well was moved to the east-southeast a distance of 11 feet due to "powerlines and to improve access to existing road."

By the authority granted me under the provisions of Division Rule 104.F (2), Division Administrative Order NSL-4557 is hereby revised to reflect a location change for the proposed well in the W/2 of Section 12 to be drilled an unorthodox gas well location that is 2485 feet from the North line and 670 feet from the West line (Unit E) of Section 12. All other provisions of Division Administrative Order NSL-4557 shall remain in full force and effect until further notice.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

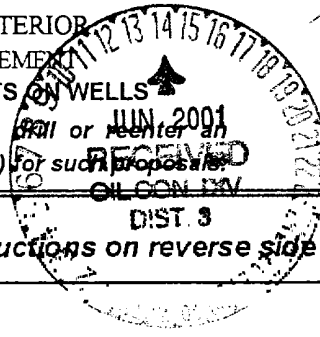
cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Farmington
File: NSL-4557



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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

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

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)
 2485' FNL & 670' FWL
 Sec. 12-T27N-R13W

5. Lease Serial No.
 NO-G-9811-1313

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.
 Kelly Indian #1E

9. API Well No.
 30-045-30471

10. Field and Pool, or Exploratory Area
 Basin Dakota

11. County or Parish, State
 San Juan, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 <u>Completion</u>
	<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 recomplete 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 03/21/01. Drilled 12-1/4 hole to 356' KB'. Ran 8 jts. 8-5/8" K-55, ST & C casing - set @ 356' KB. Cement w/280 sx Class "B" w/ 3% CaCl and 1/4# per sx Cello. Drilled 7-7/8" hole to 6085' KB. TD reached @ 12:00 pm on 3/29/01. Ran Halliburton High Resolution Induction and Spectral Density Dual Spaced Neutron Log. Ran 143-jts. 4-1/2", 10.5 #, J-55 casing - set @ 6085' KB. Stage tool set @ 4051' KB. Cement 1st stage w/200 sx HLC w/3% salt & 1/4 # per sx Cello and 300 sx Class "B" w/27% CaCl and 1/4# per sk Flocele. Bump plug to 1526 psi - open stage tool. Circulate 3 hrs and 50 bbls. cement to surface. Cement 2nd stage w/725 sx 37# and 17# cement w/additives. Followed by 50 sx Class "B" w/2% CaCl and 1/4# per sx Flocele. Drop plug & close stage tool w/ 2500 psi - plug held. Circulate 80 bbls to surface. Rig down cementers, Set slips. Cut off casing. Release rig. Install wellhead. R/U Halliburton Logging Services. Run CBL and perforate 5936' to 5982" KB w/ 4 SPF. R/U American Energy Services and frac Dakota w/ 2,000 gal 15% HCL, 66,234 gal Ambor 1025, 105,300 # 20/40 Brady Sand. ATP 1450. AIR 30 BPM and ISIP 1550.

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

Name (Printed/Typed) Trudy Grubelnik	Title Production Technician
Signature <i>Trudy Grubelnik</i>	Date June 6, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
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.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK
 OIL WELL GAS WELL DRY DIST Other _____
 1b. TYPE OF WELL
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR Other _____

2. NAME OF OPERATOR
Elm Ridge Resources, Inc.

3. ADDRESS AND TELEPHONE NO.
PO Box 189, Farmington, NM 87499 (505) 632-3476

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)
 At Surface **2485' FNL & 670' FWL Sec. 12-T27N-R13W**

At top prod. Interval reported below
 At total depth

5. LEASE DESIGNATION AND SERIAL NO.
NO-G-9811-1313

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Kelly Indian #1E

9. API WELL NO.
30-045-30471

10. FIELD AND POOL OR WILDCAT
Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 12-T27N-R13W

12. COUNTY OR PARISH **San Juan** 13. STATE **New Mexico**

14. PERMIT NO. _____ DATE ISSUED _____
 15. DATE SPUDDED **3/21/01** 16. DATE T.D. REACHED **03/30/01** 17. DATE COMPL. (Ready to prod) **5/30/01** 18. ELEVATIONS (DF, RKB, RT, GR, ETC)* **5824' GL** 19. ELEV. CASINGHEAD _____

20. TOTAL DEPTH, MD & TVD **6085 MD** 21. PLUG BACK T.D., MD & TVD **6056 MD** 22. IF MULTIPLE COMPL., HOW MANY* _____ 23. INTERVALS DRILLED BY ROTARY TOOLS _____ CABLE TOOLS _____

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*
Basin Dakota
5952' - 5993'

25. WAS DIRECTIONAL SURVEY MADE
N/A

26. TYPE ELECTRIC AND OTHER LOGS RUN
Spectral Density Dual Spaced Neutron Log & High Resolution Induction Log

27. WAS WELL CORED _____

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8	24#	356	12-1/4	280 sx to surface	
4-1/2	10.5#	6085	7-7/8	925 sx to surface	
				1275	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
93/8	5941	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
5954 to 5982	.43	4 jspf
5890 to 5894	.43	4 jspf
5936 to 5940	.43	4 jspf

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5936 to 5982	2000 gal 15% HCL, 66,234 gal Ambor 1025, 105,300 # 20/40 Brady. ATP - 1450. AIR - 30 BPM and ISIP - 1550

33.* PRODUCTION

DATE FIRST PRODUCTION **Pending Approval C-104** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **Flowing** WELL STATUS (Producing or shut-in) **Testing**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL--BBL.	GAS--MCF	WATER--BBL.	GAS-OIL RATIO
5/25/01	24	1/4		0	132	2	
FLOW TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF	WATER--BBL.	OIL GRAVITY-API (CORR)	
90	400		0	132	2		

34. DISPOSITION OF GAS (Solid, used for fuel, vented, etc.) **Vented** TEST WITNESSED BY **Billy Schaeferhck**

35. SIGNATURE AND COMMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.
 SIGNED: [Signature] TITLE: Production Technician DATE: 05/29/2001

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title to 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.

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37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	TOP	
				NAME	TRUE
				MEAS. DEPTH	VERT. DEPTH
Farmington	412				
Fruitland	1008				
Pictured Cliffs	1272				
Lewis	1392				
Cliff House	2180				
Menefee	2255				
Point Lookout	3810				
Mancos	4035				
Base Gallup	5340				
Sanastee	5390				
Greenhorn	5765				
Graneros	5816				
Dakota	5845				