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January 28, 2003

Case 13009

Hand Delivered

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for an unorthodox location, and a proposed advertisement, filed on behalf of Elm Ridge Resources, Inc. Please set this matter for the February 20, 2003 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk under "ELM."

Very truly yours,

James Bruce

Attorney for Elm Ridge Resources, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

UG JAM 28 P.: 12: 50

APPLICATION OF ELM RIDGE RESOURCES, INC. FOR AN UNORTHODOX OIL WELL LOCATION, RIO ARRIBA COUNTY, NEW MEXICO.

No. 13009

APPLICATION

Elm Ridge Resources, Inc. applies for approval of an unorthodox oil well location in Section 16, Township 23 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in Section 16, and has the right to drill a well thereon.
- 2. Applicant has drilled its State 16 Well No. 5, at an unorthodox oil well location 640 feet from the south line and 2290 feet from the east line of Section 16, and completed it in the Counselors Gallup-Dakota Oil Pool. The SE% of Section 16 is dedicated to the well.
- 3. Approval of the unorthodox location will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order approving the above location.

Respectfully submitted,

Jaimes Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Elm Ridge Resources, Inc.

PROPOSED ADVERTISEMENT

Case 13009: Application of Elm Ridge Resources, Inc. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant seeks authorization to drill and produce its State 16 Well No. 5 in the Counselors Gallup-Dakota Pool at an unorthodox oil well location 640 feet from the south line and 2290 feet from the south line of Section 16, Township 23 South, Range 6 West, NMPM. The SE% of Section 16 will be dedicated to the well. The unit is located approximately 1 mile northwest of Counselor, New Mexico.