BENSON-MONTIN-GREER DRILLING CORP.

August 25, 1998

ECEIVED

Mr. Charles Perrin New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410

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Re:

EAST PUERTO CHIQUITO MANCOS UNIT #27 (H-5), SEC. 5, T-26N, R-1E:

BRADENHEAD TEST

Dear Charles:

Bradenhead tests were run on B-M-G's wells in East and West Puerto Chiquito this last spring and summer. Our field people failed to send in the reports. They are preparing their reports now. In the meantime from the abbreviated schedule they sent in, they show communication with the producing formation when blowing down the bradenhead on the captioned well. The pressure broke down and apparently stabilized in 4 hours at 18# on a 46/64" choke, which in round numbers approximates 300 MCF/D.

Surface pipe was cemented through the Mesa Verde formation and only the producing (Mancos) formation is exposed below the surface pipe.

Because of the volume we assumed communication between the bradenhead and the casing. We can confirm that when we get their detailed reports. In any event, the bradenhead appears to be in communication with the producing formation with no water sands exposed above it. Accordingly we recommend no remedial work be done on this well.

Enclosed is a copy of the Gamma Ray Induction log run by Standard of Texas in 1962.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

By:

Albert R. Greer, President