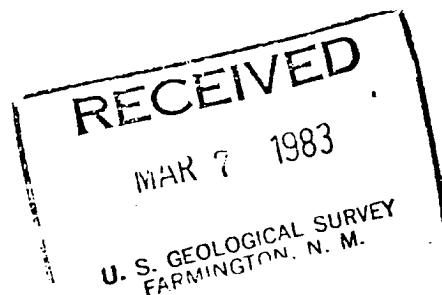


BENSON-MONTIN-GREER DRILLING CORP.

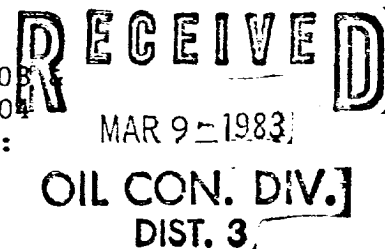
221 PETROLEUM CENTER BUILDING, FARMINGTON, NM. 87401 505-325-8874

March 4, 1983

Mr. James F. Sims
District Oil and Gas Supervisor
U.S. Department of the Interior
Bureau of Land Management
Drawer 600
Farmington, NM 87499



RE: JICARILLA TRIBAL LEASE 403
JICARILLA TRIBAL LEASE 404
WELL NUMBERS I-17 & O-16:
APPLICATION TO VENT GAS



Dear Mr. Sims:

Further with reference to your letters of December 21, 1982 and March 2, 1983, as we have advised, the captioned wells are shut in pending your approval to vent gas.

We hereby make application for authority to vent gas under the provision which allows such venting if it will be eliminated within one year from the date of the application under a specific action plan.

Our plan for continued operation of these wells and leases is through unitization whereby gas will be gathered and reinjected. Details of the plan have been presented to the Jicarilla Tribe in meetings attended by MMS personnel. Further additional meetings have been held with the Jicarilla Tribal Council and its Natural Resources Committee. A rather voluminous amount of material was involved; and if the Department requires that it be filed (or "re-filed") we will be glad to do so if you determine such is necessary.

Briefly, however, the plan involves separate unitization of the Indian lands adjoining the Canada Ojitos Unit to the north with an agreement for gathering, compressing, injecting, gas lift and commingling of gas; and oil produced from each unit will be separately metered and accounted for.

Gas ownership and royalty distribution of proceeds of gas sales (after such time as injection is ceased and sales are made) will be through the Canada Ojitos Unit facilities and the royalty division

...

N/MOCD

BENSON-MONTIN-GREER DRILLING CORP.

Mr. James F. Sims
Bureau of Land Management

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March 4, 1983

will be based on an arbitrary figure of an amount allocated to the Tribal unit as opposed to the federal unit.

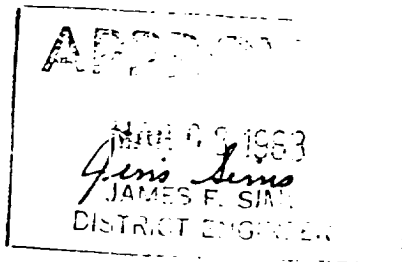
Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:


Albert R. Greer, President

Approval granted for 1 year, not to exceed 10 MMCF per month per well.



ARG/tlp