

March 7, 2011

U.S. Department of the Interior
Attn: Jim Lovato
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, Nm 87401

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504
Attention: Will Jones
Senior Petroleum Geologist

Director
Jicarilla Apache Oil & Gas Administration
P.O. Box 146
Dulce, NM 87528

Mr. Derek Padilla
Santa Fe National Forest
Cuba Ranger District
P.O. Box 130
Cuba, NM 87013

Re: EAST PUERTO CHIQUITO MANCOS
UNIT 2011 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2010 and Operator's Plan of Development for 2011.

1. Summary of 2010 Operations:
No changes have been made in the geologic interpretations, wells or participating area boundaries so no new maps are submitted.
No new wells were drilled.
No additional wells have been plugged.
2010 operations for individual wells are detailed on attached schedule.
2. Listing of status of all wells is enclosed here as Schedule I.

RECEIVED OGD
2011 MAR 10 P 1:01

3. Production and injection statistics are enclosed as Schedule II along with production and injection curves.
4. Plans for development.

The economics of further development has changed dramatically from 2008. We continue to analyze additional drilling and now have a more comfortable future pricing scenario than a year ago. We have had nominations into the Santa Fe Forest for three un-leased parcels within the Unit for some time but are not certain when these leases might be released for sale. When originally nominated, we had planned to drill one well each on these leases and while continuing to analyze the economics of horizontal versus vertical wells, we still plan to drill if we can acquire the leases.

2011 production operations will continue generally unchanged from current operations.
5. Effectiveness of enhanced recovery project (water flood):

Schedule II states the cumulative oil, gas and water production, and monthly water injection volumes as of December 31, 2009. Please note that gas injection was discontinued after February 2007.
6. Disposition of shut in wells:

The #13 (F-30) will be produced intermittently from May to October in the future. The #30 (I-8) was shut-in for a short time because of access issues but has been producing since January 2010.

We hereby request your approval of this 2011 Plan of Development.

Sincerely,

BENSON-MONTIN-GREER DRILLING CORP.

By: 
Mike Dimond, President

Encl.

EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO
December 31, 2010

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	Status
#1 (L-29)	SW/SW Sec. 29, T-27N, R-1E	N36.31.317, W106.51.447	Plugged & Abandoned
#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	N36.31.557, W106.50.890	Producing
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E	N36.52845, W106.85293	Producing
#4 (K-29)	SE/SW Sec. 29, T-27N, R-1E	N36.31.359, W106.51.189	Plugged & Abandoned
#5 (A-29)	NE/NE Sec. 29, T-27N, R-1E	N36.31.715, W106.50.670	Plugged & Abandoned
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Producing
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	Producing
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	Producing
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	Producing
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	Producing
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	Producing
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	Shut In (Seasonal Producer).
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Plugged & Abandoned
#15 (M-21)	SW/SW Sec. 21, T-27N, R-1E	N36.31.876, W106.50.397	Plugged & Abandoned
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	Producing
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	Producing
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	Producing
#19 (H-25)	SE/NE Sec. 25, T-27N, R-1W	N36.31.325, W106.52.858	Plugged & Abandoned
#20 (D-4)	NW/NW Sec. 4, T-26N, R-1E	N36.31.199, W106.50.881	Plugged & Abandoned
#21 (B-5)	NW/NE Sec. 5, T-26N, R-1E	N36.31.150, W106.51.344	Plugged & Abandoned
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	Producing
#23 (H-6)	SE/NE Sec. 6, T-26N, R-1E	N36.31.010, W106.52.136	Plugged & Abandoned
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	Water Injection Well
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	Plugged & Abandoned
#26 (F-5)	SE/NW Sec. 5, T-26N, R-1E	N36.31.001, W106.51.688	Plugged & Abandoned
#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	N36.30.988, W106.51.155	Plugged & Abandoned
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	Producing
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	Producing
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	Producing
#31 (P-9)	SE/SE Sec. 9, T-26N, R-1E	N36.29.625, W106.50.108	Plugged & Abandoned
#32 (H-16)	SE/NE Sec. 16, T-26N, R-1E	N36.29.124, W106.50.004	Plugged & Abandoned
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	Producing
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E	N36.51264, W106.8605	Producing
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	Producing
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	Producing
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	Producing
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	N36.32.394, W106.50.416	Shut in
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	Water Injection Well
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Producing
#42 (O-21)	SW/SE Sec. 21, T-27N, R-1E	N36.31.931, W106.49.854	Plugged & Abandoned
#43 (L-28)	SW/SW Sec. 28, T-27N, R-1E		Plugged & Abandoned
#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E		Plugged & Abandoned

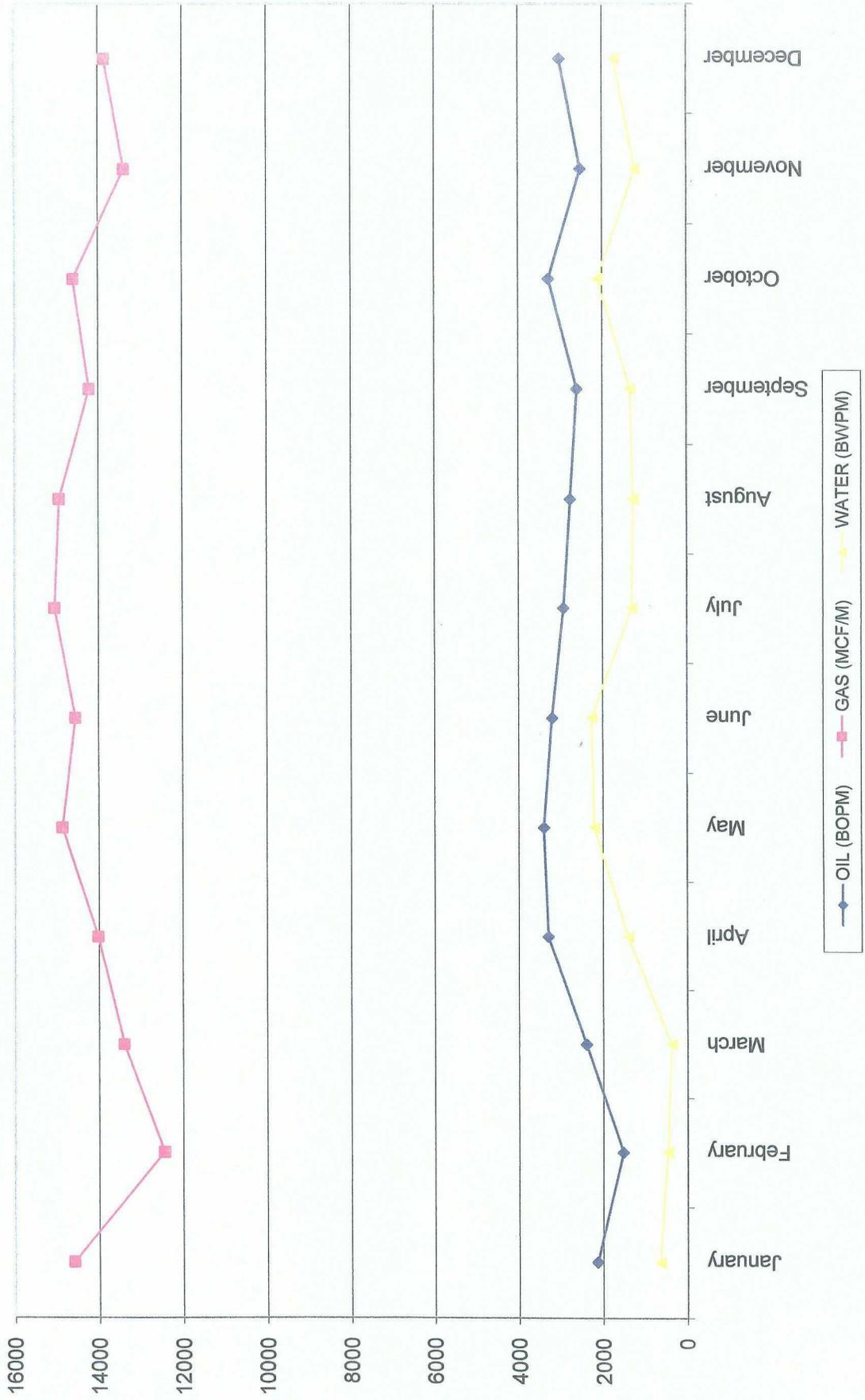
EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO
2010

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	SUMMARY OF WORK
#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	N36.31.557, W106.50.890	
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E	N36.52845, W106.85293	
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Replace rod pump
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	Install Grease line on PU
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	Replace Pu Skids
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Re-seed Location
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	Replace rod pump; Repair radiator on PU;
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	Re-seed location
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	Replace rod pump and clean out wellbore; Repair PU engine
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	Repair PU; Replace rod pump
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	Repair rod pump; Repair PU brakes & flywheel
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E	N36.51264, W106.8605	Repair Pu brakes & bullwheel
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	Replace rod pump; Repair Pu skids; Acidize
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	Replace tail bearing assembly on PU; Replace rod pump; clean loc.
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	Replace rod pump, rods and rod guides; repair clutch
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	N36.32.394, W106.50.416	
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Replace rod pump; install grease ine; clean location
Tank Battery	SE/SW Sec.29, T27N, R1E	N 36.5218, W106.85.577	Blade roads

SCHEDULE II
 EAST PUERTO CHIQUITO MANCOS UNIT
 2008 PRODUCTION STATISTICS

	OIL (BOPM)	GAS (MCF/M)	WATER (BWPM)	GAS INJECTION* (MCF/M)	WATER INJECTION (BWPM)
January	2143	14599	653		653
February	1533	12448	474		474
March	2407	13403	378		378
April	3307	14024	1410		1410
May	3412	14879	2210		2210
June	3213	14563	2282		2282
July	2938	15056	1320		1320
August	2774	14948	1281		1281
September	2614	14225	1356		1356
October	3284	14612	2129		2129
November	2525	13396	1243		1243
December	3019	13863	1735		1735
Totals	33169	170016	16471	0	16471
Cumulaltive Since 5/81	1034877	3411025	264293	2202228	227142

EAST PUERTO CHIQUITO MANCOS UNIT 2010 PRODUCTION



EPCMU Composite 12/2010

COUNTY,



Historical Data
 $t = 01/1970$
 Oil $Q(t) = 14.4$
 $D(t) = 0.00\%$
 $b = 0.000$
 Gas $Q(t) = 0.3$
 $D(t) = 0.00\%$
 $b = 0.000$
 Wat $Q(t) = 0.0$

MCF/DAY

BBL/DAY

2010

Operator: BENSON-MONTIN-GREER DRILLING CORP

Field:

Reservoir:

Cum Oil [bbls]: 1650452

Cum Gas [mcf]: 3826002

Cum Water [bbbls]: 397941

EPCMU Composite 12/2010

COUNTY,

Oil [BBL/D]

Water [BBL/D]

Gas [MCFD]

MCF/DAY

BLS/DAY

Date

Historical Data
 $t = 01/1970$
 Oil $Q(t) = 14.4$
 $D(t) = 0.00\%$
 $b = 0.000$
 Gas $Q(t) = 0.3$
 $D(t) = 0.00\%$
 $b = 0.000$
 Wat $Q(t) = 0.0$

Operator: BENSON-MONTIN-GREER DRILLING CORP
 Field:
 Reservoir:

Cum Oil [bbbls]: 1650452
 Cum Gas [mcf]: 3826002
 Cum Water [bbbls]: 397941