

Don L. Benscoter
6105 East Sage Drive
Scottsdale, Arizona 85253

September 24, 1999

Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

ms
Case 12249

Re: Mr. Joel M. Carson's Motion to Dismiss my protest of Navajo Refining Company's application to re-enter the Chukka Federal Well No. 2 originally drilled to depth as the Amoco Production Co. Diamond Federal Gas Com No. 1.

Dear Ms. Wrotenbery:

Enclosed please find a copy of my letter to Mr. Joel M. Carson, Esq. of Losee, Carson, Haas & Carroll, P.A. answering his letter of September 21, 1999 plus a copy of his letter to me which forwarded a copy of his Motion to Dismiss with enclosures.

I would appreciate your forwarding a copy of my letter to the proper people in your Division.

Thank you for your consideration.

Sincerely,



Don L. Benscoter

Encls.

Don L. Benscoter
6105 East Sage Drive
Scottsdale, Arizona 85253

September 24, 1999

Mr. Joel M. Carson, Esq.
Losee, Carson, Haas & Carroll, P.A.
311 West Quay Avenue
P.O. Box 1720
Artesia, New Mexico 88211-1720

Re: Your letter of September 21, 1999 with reference to
Application of Navajo Refining Company, OCD No. 12249

Dear Mr. Carson:

I am pleased to respond to your above referenced letter with the following information. It is apparent from the documents that you provided accompanying your letter, that without New Mexico Oil Conservation Division approval, your client reentered and completed this well bore as a disposal well.

I acquired this total lease, number NM 6852, from Jack Diamond and Amoco Production Company and certainly believe that control of any plugged well bores are part of the oil and gas lease.

I assigned only the upper elevations, subsurface depth of 2,012 feet, for several acres containing the Amoco Production Co. Diamond Federal Gas Com. No.1 to Fred Pool, Jr. and T. Calder Ezzell, Jr. who subsequently sold this assignment to the Eastland Oil Company. I retained an overriding royalty interest.

I also assigned from the base of the Abo formation to 100 feet below the base of the Morrow to Mewbourne Oil Company for the purpose of their drilling a prospective Gas Well which they subsequently plugged and abandoned. I retained an overriding royalty interest.

Your client, Navajo Refining Company and their agent Holly Petroleum, Inc., must have believed that I owned this well bore or they would not have requested and acquired rights to certain sections of it from my assignees (only the upper 2,012 feet and the section of 6,250 feet to 100 feet below the Morrow). I was never contacted by your client or any of his agents to request an acquisition of my rights to this well bore.

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Joel M. Carson letter

I have a recollection that your law firm has represented me and some of my earlier associates in this lease in the past. Please review your files.

I do not appreciate your threat to me and my children's trust contained in your letter. I am only using my best efforts to protect my rights.

Sincerely,

A handwritten signature in cursive script that reads "Don L. Benscoter".

Don L. Benscoter

✓cc: Ms. Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

LAW OFFICES

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PHONE (505) 623-5154

PLEASE DIRECT ALL CORRESPONDENCE
TO OUR ARTESIA OFFICE

September 21, 1999

Mr. Don L. Bencoter
6105 East Sage Drive
Scottsdale, Arizona 85253

Re: Application of Navajo Refining Company, OCD NO. 12249

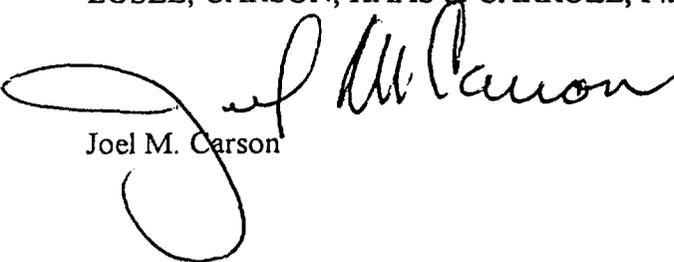
Dear Mr. Bencoter:

I am enclosing a copy of Navajo Refining Company's Motion to Dismiss your protest of its application to convert the Chukka Federal No. 2 Well to an injection well. We understand that you have operating rights in this area but have been unable to find anything in the BLM Records, OCD Records, or the County Records which indicates that you own an interest in this well bore.

If you have documentation showing that you own the well bore for this well, it would simplify matters considerably if you would share that information with us. If, on the other hand, you have no documentation and approval of Navajo's application is delayed, Navajo will hold you and your children's trust responsible for any damage caused.

Yours truly,

LOSEE, CARSON, HAAS & CARROLL, P.A.


Joel M. Carson

JMC:bjk
Enclosure

xc w/enc: Mr. John Glancy
Mr. Matthew P. Clifton
Mr. Rand Carroll (OCD)