

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. 30-039-29249
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. NM 23038
7. Lease Name or Unit Agreement Name Price Federal
8. Well No. 1
9. Pool name or Wildcat Basin Fruitland/Gavilan PC

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	2. Name of Operator Benson-Montin-Greer Drilling Corporation
3. Address of Operator 4900 College Blvd. Farmington, NM 87401	4. Well Location Unit Letter <u>E</u> : <u>1770</u> Feet From The <u>North</u> Line and <u>1105</u> Feet From The <u>West</u> Line Section <u>34</u> Township <u>25N</u> Range <u>2W</u> NMPM Rio Arriba County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 7248' GL	

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

11. NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <u>Downhole Commingle Production</u> <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103.

- Benson-Montin-Greer Drilling proposes to downhole commingle the Basin Fruitland Coal and Gavilan Pictured Cliffs production as pre-approved under Rule #R-11363.
- Fruitland Coal perforations are 3312'-3361' (gross); Pictured Cliffs perforations are 3402'-3418'.
- Benson-Montin-Greer plans to test the Fruitland Coals separately to allow the zone to clean up after fracture stimulation and test its productive potential. The RBP set @ 3380' will be retrieved, the 2 zones commingled and the well put on production.
- Production will be allocated based on volumetrics: the Fruitland Coal net pay completed is 29', the Pictured Cliffs net pay is 16'. 64% of water and gas will be allocated to the Fruitland Coal and 36% of water and gas to the Pictured Cliffs. All oil is allocated to the Pictured Cliffs.
- Ownership is the same for both zones.
- Benson-Montin-Greer believes that commingling of these 2 zones will not reduce the value of the total remaining production

DHC 2020A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE James Hornbeck TITLE Geologist DATE 10/04/05  
TYPE OR PRINT NAME Jim Hornbeck TELEPHONE NO. 505-325-8874

(This space for State Use)

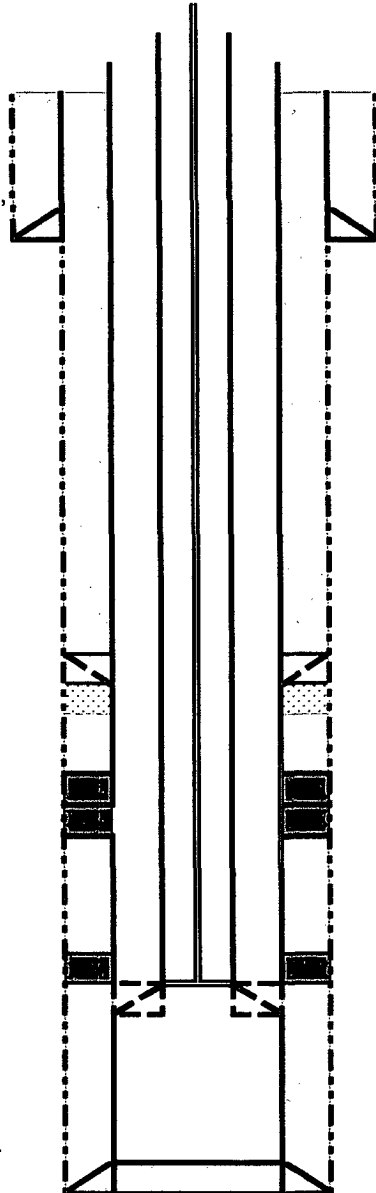
APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 3 DATE OCT 05 2005  
CONDITIONS OF APPROVAL, IF ANY:

**Benson-Montin-Greer Drilling Corp.**  
**Price Federal #1 (E-34)**  
API # 30-039-29249  
UNIT E SW NW, Sec 34, T25N, R02W Rio Arriba, NM  
Spud Date: 10-01-2004

Elev. GL= 7248'  
Elev. KB= 7258'

**SURF CSG:**

8 5/8" 23# @624' KB,  
Cement w/ 440 sx,  
TOC surf



2 3/8" Tubing @ +/- 3420'  
1 1/4" x 16' polished rod  
3/4" rods  
2'X1 1/2"X12' RWAC pump

DV tool @ 3238'

Fruitland Coal perfs: 3312-3316', 3319-3324', 3327-3329',  
3333-3336', 3339-3345', 3350-3354', 3356-3361'. 4 jspf.  
Fraced w/ 125,000# + 16# XL w/Stim Flow.

PC perfs: Perf 2-24-05. 3402-3418', 21 holes. Swab no  
fluid or gas entry. BD 750 gal 7 1/2% HCl, balls. Swab, est  
8 mcf, slit show oil, 1 bwph. Frac 3/11/05 w/ 80,000# 20/40  
sand w/ 1105 bbl xl gel @ 30 bpm. Swab and recover 810  
bbls of 1105. IP= 7BOD, 45 MCFD & 90 BWD.

**PROD CASING:**

5 1/2" 15.5# J-55  
LT&C @3484' KB;  
cmt; STG 1; 55 sx  
50/50/2. STG 2; 650  
sx 65/35/6 Circ 65  
bbls to pit. TOC surf.  
CBL dated 2-24-05  
shows no cement  
below DV Tool 3238-  
68'. (Good bond  
above and below.)

PBTD=3477'  
TD=3484' KB

JMH 10/4/06