Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

5. Lease Serial No.
NM33008

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or N
Canada Ojitos Unit

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

8. Well Name and No.
#24 (J-8)

2. Name of Operator
Benson-Montin-Greer Drilling Corp.

9. API Well No.
30-039-23551

3a. Address
4900 College Blvd., Farmington, NM 87402

3b. Phone No. *(include area code)*
505-325-8874

10. Field and Pool, or Exploratory Area
West Puerto Chiquito Mancos

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec. 8-T25N-R2W
1650' FSL & 1650' FEL

11. County or Parish, State
Rio Arriba, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days Following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Benson-Montin-Greer Drilling proposes to plug and abandon the COU #24 (J-8) in accordance with BLM regulations. We will notify the BLM 24-hours prior to commencement of work. Production equipment will be removed and the well plugged per attached procedure.

MAR 2006
OIL CONS. DIV.
DIST. 3

2006 MAR 2 PM 2 23
RECEIVED
070 FARMINGTON NM

14. I hereby certify that the foregoing is true and correct

Name *(Printed/Typed)*	Title
Jim Hornbeck	Geologist
Signature *James Hornbeck*	Date February 28, 2006

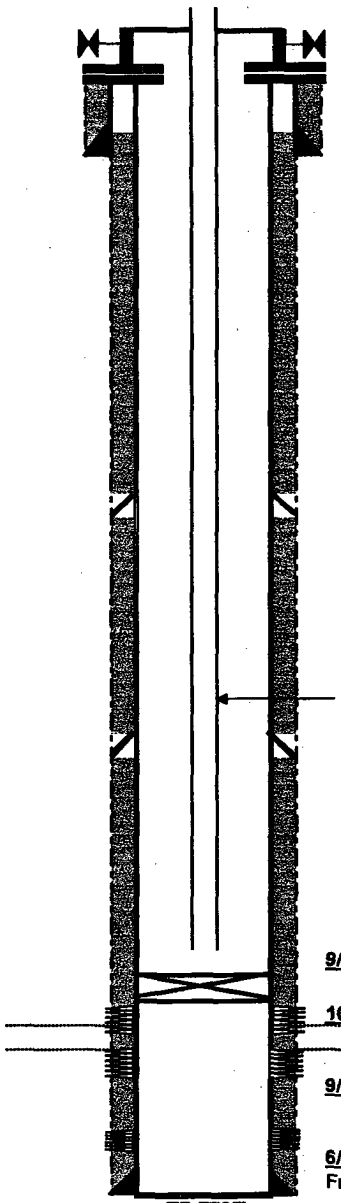
THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Original Signed: Stephen Mason		MAR 0 3 2006
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD



B-M-G DRILLING CORP., INC.
COU #24 (J-8) API #30-039-23561
1650' FSL-1650' FEL, SEC 8-T25N-R1W

12 1/4" hole to 530', 9 5/8" 36 # K-55 csg @ 517' W/ 250 sx cmt circ to surface

7 7/8" hole to 7725', 5 1/2" 17# N-80 LT &C Range 3 New API @ 7735'
w/1651 cu ft - 3 stages

CBL run 5800-7727'; cement to 5800', TOC not reported

All depths referenced to KB unless otherwise noted
GL = 7437' KB = 7449'

Cum. Oil: 857 bbls
Cum. Gas: 378 mcf
Cum. Wtr: zero

Spud: 1/13/85, drilled w/mud to TD 7725'

Stage Collar at 3822'
Stage 3: 825 cu ft slurry (550 sacks 65/35 pozmix w/12% gel, 1/4# floseal per sack. Slurry wt = 11.8#/gal. Followed w/88 bbl water, lost returns while displacing after 220 bbl slurry pumped out of 5-1/2" 3rd stage collar. Hole standing full of fluid after plug down.)

Note: 218 jts 2 3/8" tbg in wellbore

Stage Collar at 6160'
Stage 2: 563 cu ft slurry (375 sacks 65/35 pozmix w/12% gel, 6-1/4# coalite per sack & 1/4# floseal per sack. Slurry wt = 11.8#/gal. Followed w/ 54 bbl water + 88 bbl mud, good returns to surface.)

Stage 1: 263 cu ft cement slurry (175 sacks 50/50 pozmix, 2% gel, 6-1/4# coalite per sack & 1/4# floseal/sack. Slurry wt = 13#/gal. Followed w/100 sacks Class B cement w/1/4# floseal per sack.)

9/6/01: Cmt Ret set @ 6840'; well T&A (good until 9/12/06)

10/31/85: Perf 6870-6900, 7095-7165, Frac w/ 3728 BO 200,000# sand, AIR-70 BPM
Niobrara "A" & "B" 7020'-7150' AIP-4200 psi, ISIP-1280 psi 15 min SI-1110 psi

9/24/85: Perf 7210-40, 7255-90, 38 holes, acidize w/ 1500 gal 15% HCl, Frac w/ 5293 BW 183,000 # sand, AIR-80 BPM AIP-2350 psi, ISIP-1100 psi 10 min SI 690 psi

6/5/85: Perf 7570'-7670', acidize w/ 2500 gal 2% HCl, swbd 10 BFPD-50% oil
Frac w/ 2966 BW 110,000# sand AIR-41 BPM AIP-3400psi ISIP-1600psi 15 min SI 1190psi

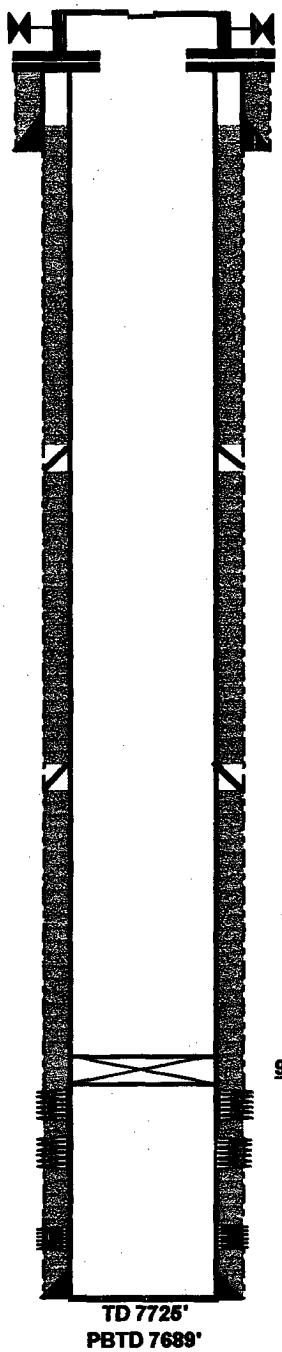
TD 7725'
PBTD 7689'

Kirtland - 3465'
Pictured Cliffs - 3518'
Mesaverde - 5374'
Point Lookout - 5805'
Niobrara 'A" - 7020'
Niobrara 'C" - 7214'
Sanostee - 7570'
Carlisle - 7650'

IP = 45 BOD, 18 MCFD, 210 Bbl frac water/day

rev: jmh 2/27/06
sdo 1/28/04

PROPOSED P&A



TD 7725'
PBTD 7689'

B-M-G DRILLING CORP., INC.
COU #24 (J-8) API #30-039-23551
1650' FSL-1650' FEL, SEC 8-T25N-R1W

12 1/4" hole to 530', 9 5/8" 36 # K-55 csg @ 517' W/ 250 sx cmt circ to surface

7 7/8" hole to 7725', 5 1/2" 17# N-80 LT &C Range 3 New API @ 7736'
w/1651 cu ft - 3 stages

CBL run 5800-7727'; cement to 5800', TOC not reported

GL = 7437' **KB = 7449'**

Stage Collar at 3822'

(Ojo Alamo -3250')
(Kirtland - 3465')
(Pictured Cliffs - 3518')

Stage 3: 825 cu ft slurry (550 sacks 65/35 pozmix w/12% gel, 1/4# floseal per sack. Slurry wt = 11.8#/gal. Followed w/88 bbl water, lost returns while displacing after 220 bbl slurry pumped out of 5-1/2" 3rd stage collar. Hole standing full of fluid after plug down.)

11/18/65: Basin Perforators CCL-CBL run from 5800-7210'

Stage Collar at 6160'

(Mesaverde - 5374')
(Point Lookout - 5805')

Stage 2: 563 cu ft slurry (375 sacks 65/35 pozmix w/12% gel, 6-1/4# coalite per sack & 1/4# floseal per sack. Slurry wt = 11.8#/gal. Followed w/ 54 bbl water + 88 bbl mud, good returns to surface.)

Stage 1: 263 cu ft cement slurry (175 sacks 50/50 pozmix, 2% gel, 6-1/4# coalite per sack & 1/4# floseal/sack. Slurry wt = 13#/gal. Followed w/100 sacks Class B cement w/1/4# floseal per sack.)

9/6/01: Cmt Ret set @ 6840'; well T&A (good until 9/12/06)
T/Perforations = 6870'

Ojo Alamo -3250'
Kirtland - 3465'
Pictured Cliffs - 3518'
Mesaverde - 5374'
Point Lookout - 5805'
Niobrara 'A' - 7020'
Niobrara 'C' - 7214'
Sanostee - 7570'
Carlisle - 7650'

jmh 2/28/06

PROPOSED P&A PROCEDURE

Benson-Montin-Greer Drlg. Corp., Inc.
Canada Ojitos Unit #24 (J8)
API # 3003923551
1650' FSL, 1650' FEL Sec. 8-T25N-R1W
Rio Arriba County

1. MIRU Llaves Well Service Rig #1. Pull 218 jts 2-3/8" tubing. Pressure test 5-1/2" casing from cement retainer set at 6840' to surface. RU Blue Jet Wire Line, run GR-CBL from B/Point Lookout Ss. to 100' above T/Mesaverde Fm (6000'-5250') and 100' below B/Pictured Cliffs Ss to surface (3700' – surface).
2. Spot ~~50~~ cement plug inside 5-1/2" casing on top of cement retainer at 6840'. -6700'
3. Review Blue Jet GR-CBL log for presence of cement bond at T/Mesaverde (5374') and T/Pictured Cliffs Ss (3518'). **NOTE: A Basin Perforators GR-CBL was run in 1985 from 5800-7727' and shows cement to 5800'. If satisfactory cement bond is present across the horizons, proceed to Step #8. If satisfactory cement bond is NOT present across a particular horizon, proceed to Step #'s 4, 5, 6 or 7, or all depending on what is necessary.
4. Mesaverde Fm: Perforate squeeze holes at approximately 5424' (50'below T/Mesaverde) and squeeze a cement volume to fill to approximately 5224' behind the 5-1/2" casing.
5. Pictured Cliffs Ss: Perforate squeeze holes at approximately 3568' (50'below T/Pictured Cliffs Ss) and squeeze a cement volume to fill to approximately 3368' behind the 5-1/2" casing.
6. Ojo Alamo Ss: Perforate squeeze holes at approximately 3300' (50'below T/Ojo Alamo Ss) and squeeze a cement volume to fill to approximately 3100' behind the 5-1/2" casing. → Plug Nacimiento 1801'-1700'
7. Surface Casing: Perforate squeeze holes at 567' (50' below casing shoe) and circulate cement to surface on the outside of the 5-1/2" casing. Leave cement standing from 567'- surface inside the 5-1/2" casing.

**NOTE – Good Cement Bond behind Casing Scenarios:

8. Mesaverde Fm: Spot a cement plug from 5324-5174'.
9. Pictured Cliffs Ss: Spot a cement plug from 3568-3418'.
10. Ojo Alamo Ss: Spot a cement plug from 3300-3150'.
11. Surface Casing: Spot a cement plug from 567'-surface.
12. Cut-off 5-1/2" below ground level, set P&A marker, restore surface to original conditions.

Wellbore schematic attached

JMH: 2/28/06