



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 9, 1997

Benson-Montin-Greer Drilling Corp.
4900 College Boulevard
Farmington, New Mexico 87402
Attention: Albert R. Greer

RECEIVED
SEP 12 1997

OIL CON. DIV.
DIV. 3

Administrative Order NSL-3864

Dear Mr. Greer:

Reference is made to: (i) your original application dated August 6, 1997; (ii) the Division's initial response to said application by letter from Mr. Michael E. Stogner dated August 27, 1997; (iii) two additional responses by the Division through fax transmitted messages from Mr. Stogner dated August 29, 1997; (iv) to your supplemental geological support data of August 29, 1997; and, (v) to the Division's records in past proceedings before the New Mexico Oil Conservation Commission and the New Mexico Oil Conservation Division concerning the West Puerto Chiquito-Mancos Oil Pool, the West Puerto Chiquito-Mancos Pressure Maintenance Project, and the Canada Ojitos Unit Area in Rio Arriba County, New Mexico: all of which either refers to and/or relates to Benson-Montin-Greer Drilling Corp. request to drill its proposed Canada Ojitos Unit Well No. 45 (API No. 30-039-25713) at an unorthodox oil well location within the West Puerto Chiquito-Mancos Oil Pool 500 feet from the South line and 2200 feet from the West line (Unit N) of Section 28, Township 25 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

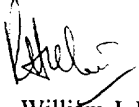
All of said Section 28 being a standard 640-acre oil spacing and proration unit for the West Puerto Chiquito-Mancos Oil Pool is to be dedicated to said well.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the Mancos formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of Rule 5 of the "*Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool*," as promulgated and altered by Division Order Nos. R-2565-B, R-2565-C, R-6469, R-6469-A, R-6469-B, R-6469-C, R-6469-D, R-6469-E, R-6469-F, R-6469-F-1, R-6469-G, R-6469-G-1, and R-6469-H, and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

By  Deputy Director

William J. LeMay
Director

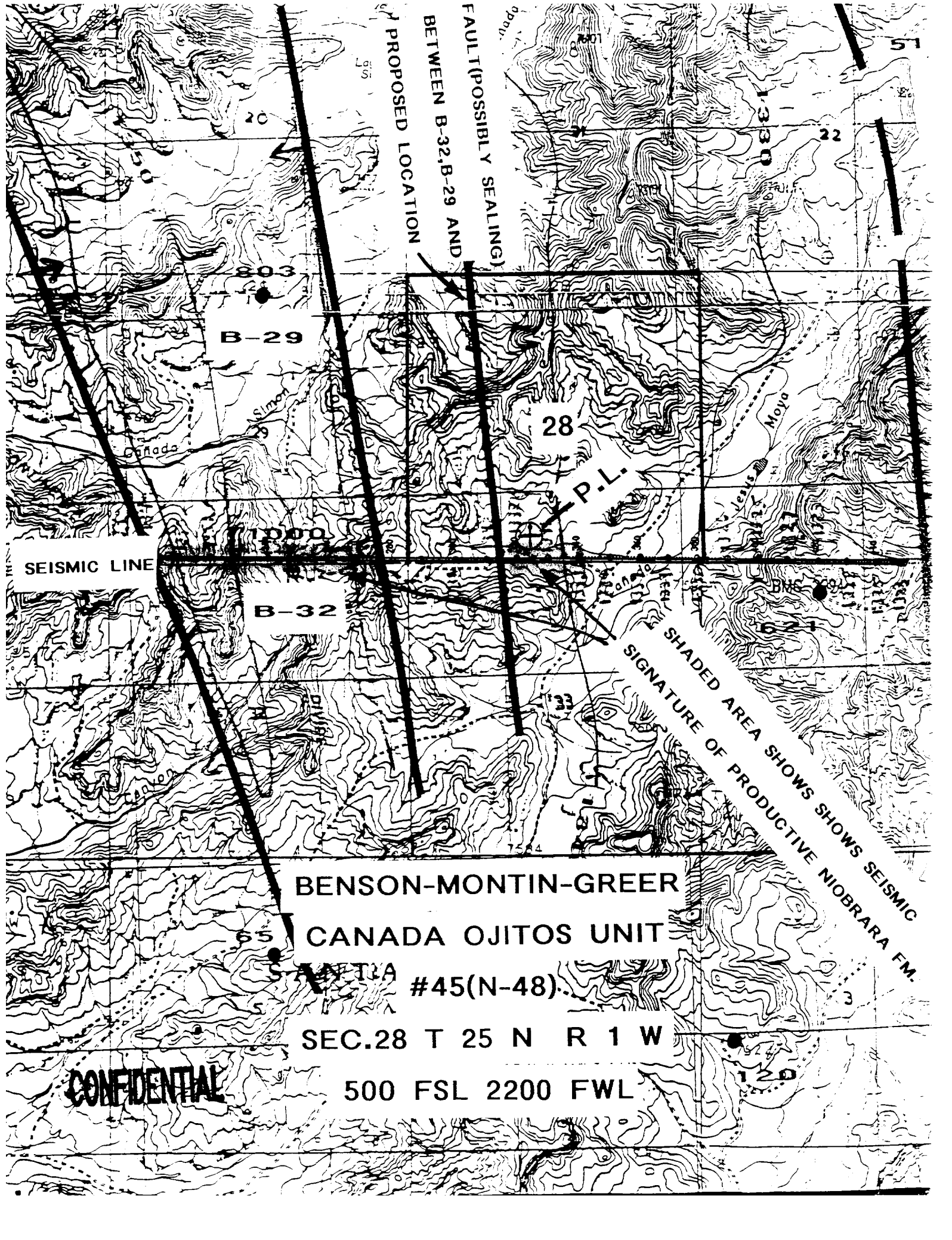
cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Albuquerque

RECEIVED
SEP - 3 1997
OIL CON. DIV.
DIST. 3

CANADA OJITOS UNIT #45 (N-28)
500' FSL, 2800 FWL, SEC. 28, T-25-N, R-1-W
RIO ARriba CO., NEW MEXICO

MAJOR POINTS FOR EXCEPTION LOCATION:

- 1) LOCATE WELL IN AREA OF SEISMIC DATA BREAKUP WHICH INDICATES FRACTURING BASED ON EXPERIENCE WITH 150+ MILES OF PROPRIETARY SEISMIC DATA THROUGH MANY PRODUCTIVE AND UNPRODUCTIVE MANCOS WELLS
- 2) LOCATE WELL AS CLOSE TO SEISMIC LINE AS POSSIBLE TO MINIMIZE CHANCE OF MISSING FRACTURE INDICATOR AS GEOLOGY CHANGES AS WE MOVE AWAY FROM SEISMIC LINE.



PROPOSED LOCATION
FAULT (POSSIBLY SEALING)
BETWEEN B-32, B-29 AND

SEISMIC LINE

B-29

B-32

28

P.L.

SHADED AREA SHOWS SEISMIC
SIGNATURE OF PRODUCTIVE NIOBRARA FM.

BENSON-MONTIN-GREER

CANADA OJITOS UNIT

WATER #45(N-48)

SEC.28 T 25 N R 1 W

CONFIDENTIAL

500 FSL 2200 FWL

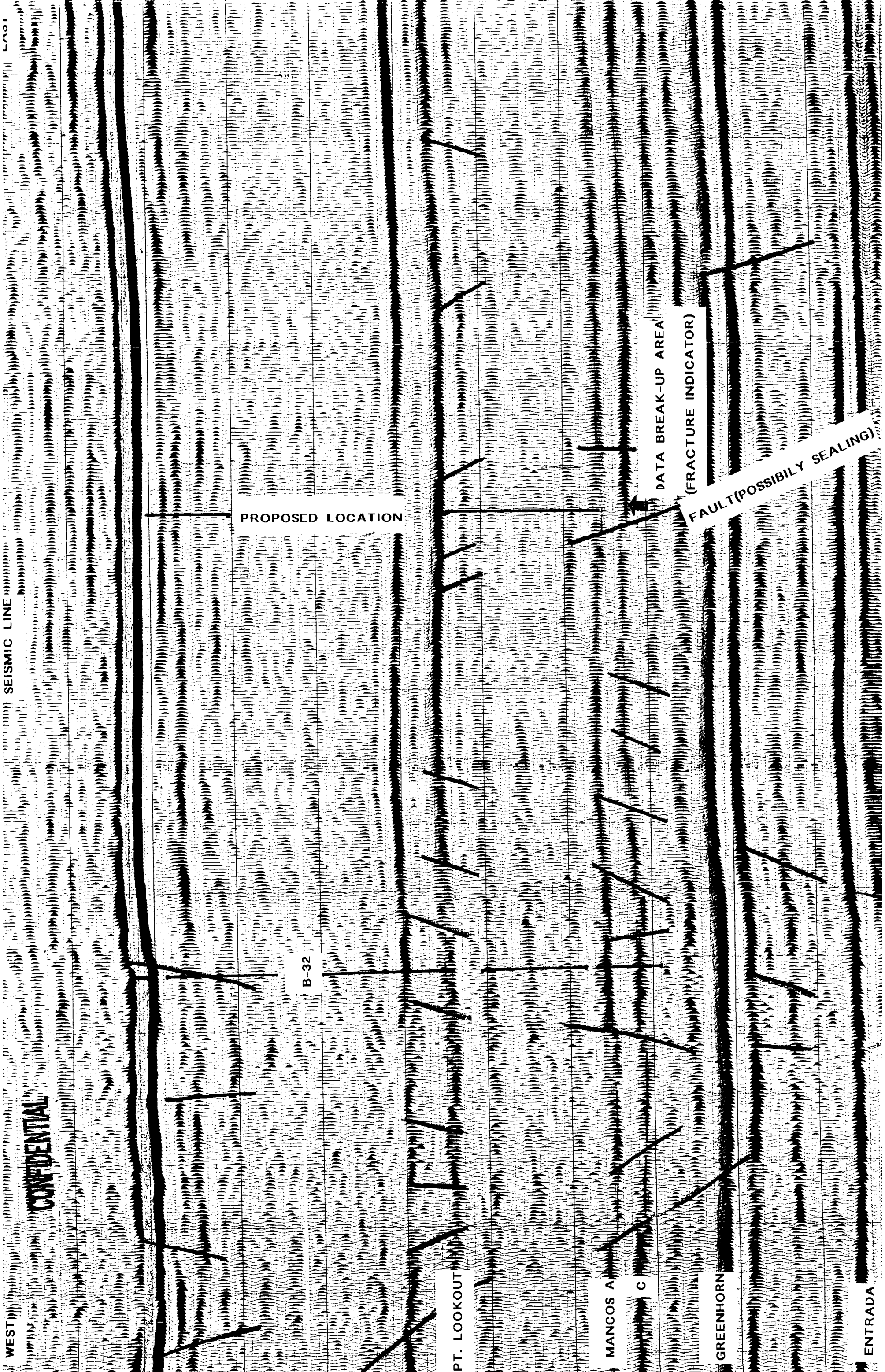
CONFIDENTIAL

WEST

CONFIDENTIAL

SEISMIC LINE

LAST



PROPOSED LOCATION

B-32

PT. LOOKOUT

MANCOS A

C

GREENHORN

ENTRADA

DATA BREAK-UP AREA

(FRACTURE INDICATOR)

FAULT (POSSIBLY SEALING)

44-38861-10

WEST

SI

CONFIDENTIAL

B-32

PT. LOOKOUT

MANCOS A

C

GREENHORN

ENTRADA

PROPOSED LOCATION

DATA BREAK-UP AREA
(FRACTURE INDICATOR)

FAULT (POSSIBLY SEALING)