

NSL 8/27/97  
**BMG**

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**BENSON-MONTIN-GREER DRILLING CORP.**

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August 6, 1997

Mr. William LeMay  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, NM 87505

Re: REQUEST FOR ADMINISTRATIVE  
APPROVAL OF UNORTHODOX LOCATION  
CANADA OJITOS UNIT #45 (N-28)  
500' FSL, 2800' FWL, SEC. 28, T-25N, R-1W  
RIO ARRIBA COUNTY, NEW MEXICO

Dear Bill:

Benson-Montin-Greer Drilling Corp. hereby requests administrative approval of the captioned proposed unorthodox location within the Canada Ojitos Unit in the West Puerto Chiquito Mancos pool, Rio Arriba County, New Mexico.

The unorthodox location is requested because of geology: our geophysicist's interpretation of the seismic data is the basis for this location. We consider the geophysical data proprietary and request that we not be required to divulge it.

Enclosed is a plat identifying the direct and diagonal offsetting spacing units and wells. The spacing for wells in this area is 640 acres per well. We note that all of the wells on the plat are drilled at unorthodox locations, for one reason or another.

All lands and wells are unitized under the Canada Ojitos Unit. The lands and wells are operated by Benson-Montin-Greer Drilling Corp.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

By:

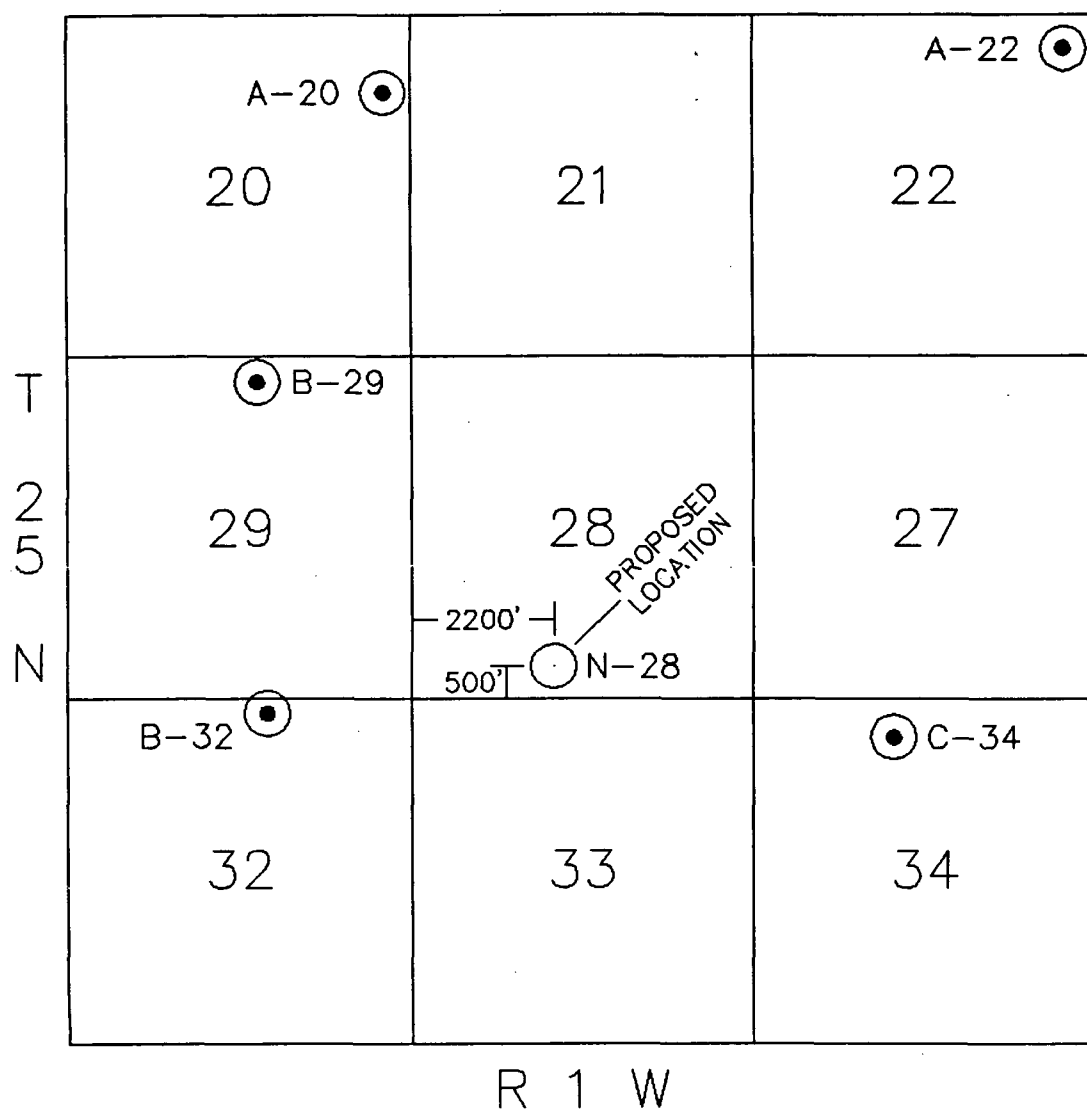
  
Albert R. Greer, President

ARG/tlp

Enclosure

APPLICATION FOR  
UNORTHODOX WELL LOCATION  
WEST PUERTO CHIQUITO MANCOS POOL

BENSON-MONTIN-GREER  
DRILLING CORP.  
CANADA OJITOS UNIT #45 (N-28)  
500' FSL, 2200' FWL  
SEC. 28, T 25 N, R 1 W  
RIO ARriba COUNTY, N.M.



CMD :  
OG6C1-01

ONGARD  
C101-APPLICATION FOR PERMIT TO DRILL

08/29/97 09:20:44  
OGOMES -EMEX

OGRID Idn : 2096 API Well No: 30 39 25713 APD Status(A/C/P): A  
Opr Name, Addr: BENSON-MONTIN-GREER DRILLING COR Aprvl/Cncl Date : 07-16-1997  
4900 COLLEGE BLVD  
FARMINGTON,NM 87402

Prop Idn: 1954 CANADA OJITOS UNIT

Well No: 45

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
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Surface Locn :	N	28	25N	01W		FTG 500 F S	FTG 2200 F W
OCD U/L :	N		API County :	39			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 7532

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 7665 Prpsd Frmtn : W PUER CHIQ MANCOS

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

August 27, 1997

Benson-Montin-Greer Drilling Corporation  
Attn: Albert R. Greer, President  
4900 College Boulevard  
Farmington, New Mexico 87402

Re: *Administrative application for an unorthodox oil well location within the Canada Ojitos Unit in Section 28, Township 25 North, Range 1 West, NMPM, West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.*

Dear Mr. Greer:

Your application dated August 6, 1997 to drill the proposed Canada Ojitos Unit Well No. 45 (API No. 30-039-25713 ) at an unorthodox oil well location, pursuant to Rule 2 of the "Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool", as promulgated by Division Order No. R-2565-B, as amended, 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, West Puerto Chiquito-Mancos Oil Pool, Canada Ojitos Unit, Rio Arriba County, New Mexico, is hereby denied.

Reason: Applicant failed to provide the necessary information pursuant to Division General Rule 104.F(2).

Your application is being returned at this time.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner  
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Albuquerque  
Kathy Valdes, OCD - Santa Fe  
William J. LeMay, Director - OCD, Santa Fe

**BMG****BENSON-MONTIN-GREER DRILLING CORP.**

August 29, 1997

**FAX TO MICHAEL E. STOGNER**  
**505-827-1150**Mr. Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, NM 87505Re: CANADA OJTOS UNIT #45 (N-28)  
UNORTHODOX LOCATION

Dear Mr. Stogner:

We can have our geophysicist meet with you any time next week to discuss the geological data on our proposed unorthodox location. If you will let us know the day and time that suits you, we will have come to Santa Fe.

him

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

By:

  
Albert R. Greer, President

ARG/tlp

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

**B-29**

**B-32**

## SEISMIC LINE

**BENSON-MONTIN-GREER**

CANADA OJITOS UNIT

**NATLA #45(N-48)**

SEC.28 T 25 N R 1 W

500 FSL 2200 FWL

**CONFIDENTIAL**

SHADE AREA SHOWS PRODUCTIVE SEISMIC SIGNATURE OF PRODUCTIVE NIOBRARA FM

EER UNIT

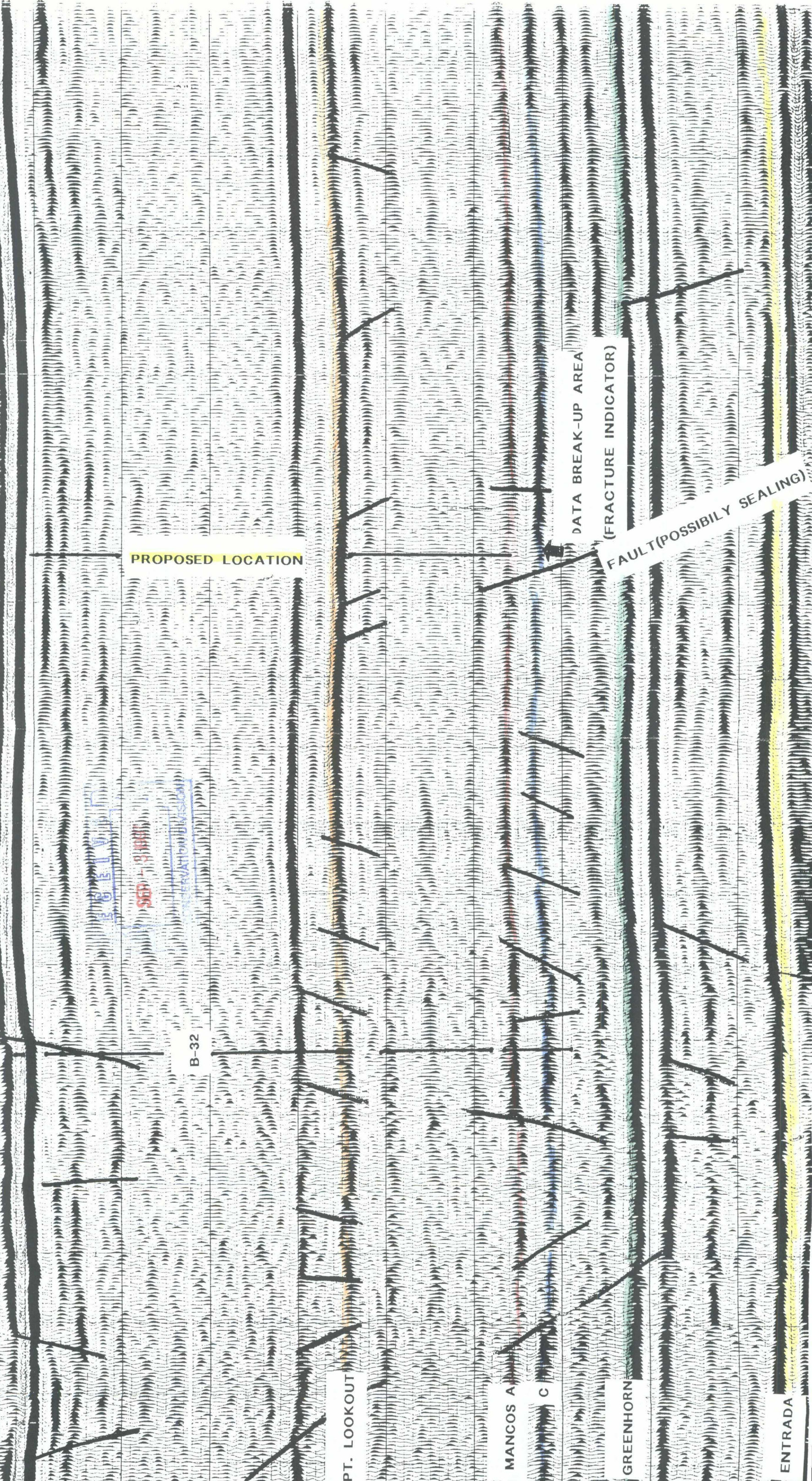


WEST

SEISMIC LINE

EAST

COSEISMAL



PROPOSED LOCATION

B-32

SEED - 3444

OIL FIELD

OIL FIELD

OIL FIELD

PT. LOOKOUT

MANCOS A

C

GREENHORN

ENTRADA

DATA BREAK-UP AREA  
(FRACTURE INDICATOR)

FAULT (POSSIBLY SEALING)





NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

**New Mexico Oil Conservation Division**

*Please Deliver This Fax:*

TO: Albert R. Greer  
FROM: Michael E. Stogner  
DATE: August 29, 1997

SUBJECT: Administrative application of Benson-Montin-Greer Drilling Corporation to drill its 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.

MESSAGE: Mr. Greer:

I am assuming you were aware that the Division Rules now allow for geological exceptions to be handled administratively, as per Rule 104.F(2) of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996. This would include the West Puerto Chiquito-Mancos Oil Pool, even though the special pool rules are silent on this point. Prior to January 1996 this matter would have required a hearing. At this time there are two options:

- (i) relocate your well to a standard location; or,
- (ii) provide the Division geological data to support the proposed unorthodox location, if this well is within the Canada Ojitos Unit Area where there are no off-set operators or interest owners other than Benson-Montin-Greer Drilling Corporation the required 20-day period for administrative approval can be waived [see Rules 104.F(3) and (4)] concerning notification.

PAGES: Including Cover Sheet - 5

*If you should have any trouble receiving  
this "Fax" Please call: 505-827-7133*

cc: William J. LeMay, Director - OCD, Santa Fe  
New Mexico Oil Conservation Division - Aztec

TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
ENGINEERING BUREAU  
(505) 827-7131 (OFFICE)  
(505) 827-1389 (FAX)

PLEASE DELIVER THIS FAX TO:

TO: Al Greer  
FROM: Michael E. Stogner  
SUBJECT: Canada Oites Unit #45  
DATE: 8-29-97  
PAGES: 2 (INCLUDING COVER SHEET)

IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.

Dear Mr. Greer,

As you know prior to the revision of Rule 104 in Jan. 1996, such an exception for geological purposes would require a hearing.

This geological info. is required by 104.F(2) to substantiate a request. Refusal to provide this data is cause for denial. I trust this location will be moved to a standard location.

CC: OGD Bztec



NOTICE OF PUBLICATION

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Division hereby gives notice pursuant to law and Rules and Regulations of said Division promulgated thereunder of the following public hearing to be held at 8:15 A.M. on **August 4, 1994**, in Morgan Hall, State Land Office Building, Santa Fe, New Mexico, before an examiner duly appointed for said hearing as provided by law. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-827-5802 or through the New Mexico Relay Network, 1-800-659-1779 by July 25, 1994. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**

**All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**CASE 9253: (Reopened)**

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.