

March 20, 2007

U.S. Department of the Interior
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, Nm 87401

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504
Attention: Will Jones
Senior Petroleum Geologist

Director
Jicarilla Apache Oil & Gas Administration
P.O. Box 146
Dulce, NM 87528

Re: EAST PUERTO CHIQUITO MANCOS
UNIT, 2007 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2006 and Operator's Plan of Development for 2006.

1. Summary of 2006 Operations:
No changes have been made in the geologic interpretations, wells or participating area boundaries so no new maps are submitted.
Gas and water injection continued, although gas injection was much reduced.
Eight wells were returned to production from either shut in or temporarily abandoned status.
Two wells were plugged and abandoned.
2. Listing of status of all wells is enclosed here as Schedule I.
3. Production and injection statistics are enclosed as Schedule II along with production and injection curves.
4. Plans for development.
The #18 (C-28) well is an injection well that needs rework and a gathering line to be returned to production.
The #10 (H-20) well needs a pumping unit and gathering line repair.

The #14 (N-19) well will be electrified.
The pumping unit engine from the N-19 will be moved to the P-20.
The #33 (P-5) wellbore will be completed.

5. Effectiveness of enhanced recovery project (pressure maintenance by gas injection and water flood):
Schedule II states current cumulative oil, gas and water production and gas and water injection rates.

6. Disposition of shut in wells:
The #10 (H-20) requires a gathering line and pumping unit.
The #16 (C-28) requires conversion from injection to producing and a gathering line.
The #33 (P-5) is an un-completed wellbore and is being analyzed for completion and also requires a gathering line.

We hereby request your approval of this 2007 Plan of Development.

Sincerely,

BENSON-MONTIN-GREER DRILLING CORP.

By: _____


Mike Dimond, President

March 20, 2007

COPY

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**EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO**

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	Status
#1 (L-29)	SW/SW Sec. 29, T-27N, R-1E	N36.31.317, W106.51.447	Plugged & Abandoned
#2 (G-29)	SW/NE Sec. 29, T-27N, R-1E	N36.31.557, W106.50.890	Gas Injection Well
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E		Producing
#4 (K-29)	SE/SW Sec. 29, T-27N, R-1E	N36.31.359, W106.51.189	Plugged & Abandoned
#5 (A-29)	NE/NE Sec. 29, T-27N, R-1E	N36.31.715, W106.50.670	Plugged & Abandoned
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Producing
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	Producing
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	Producing
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	Shut In
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	Producing
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	Producing
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	Producing
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Producing
#15 (M-21)	SW/SW Sec. 21, T-27N, R-1E	N36.31.876, W106.50.397	Plugged & Abandoned
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	Shut In
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	Producing
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	Producing
#19 (H-25)	SE/NE Sec. 25, T-27N, R-1W	N36.31.325, W106.52.858	Plugged & Abandoned
#20 (D-4)	NW/NW Sec. 4, T-26N, R-1E	N36.31.199, W106.50.881	Plugged & Abandoned
#21 (B-5)	NW/NE Sec. 5, T-26N, R-1E	N36.31.150, W106.51.344	Plugged & Abandoned
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	Producing
#23 (H-6)	SE/NE Sec. 6, T-26N, R-1E	N36.31.010, W106.52.136	Plugged & Abandoned
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	Water Injection Well
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	Producing
#26 (F-5)	SE/NW Sec. 5, T-26N, R-1E	N36.31.001, W106.51.688	Plugged & Abandoned
#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	N36.30.988, W106.51.155	Plugged & Abandoned
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	Producing
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	Producing
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	Producing
#31 (P-9)	SE/SE Sec. 9, T-26N, R-1E	N36.29.625, W106.50.108	Plugged & Abandoned
#32 (H-16)	SE/NE Sec. 16, T-26N, R-1E	N36.29.124, W106.50.004	Plugged & Abandoned
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	Temporarily Abandoned
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E		Producing
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	Producing
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	Producing
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	Producing
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	N36.32.394, W106.50.416	Producing
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	Water Injection Well
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Producing
#42 (O-21)	SW/SE Sec. 21, T-27N, R-1E	N36.31.931, W106.49.854	Plugged & Abandoned
#43 (L-28)	SW/SW Sec. 28, T-27N, R-1E		Plugged & Abandoned
#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E		Plugged & Abandoned

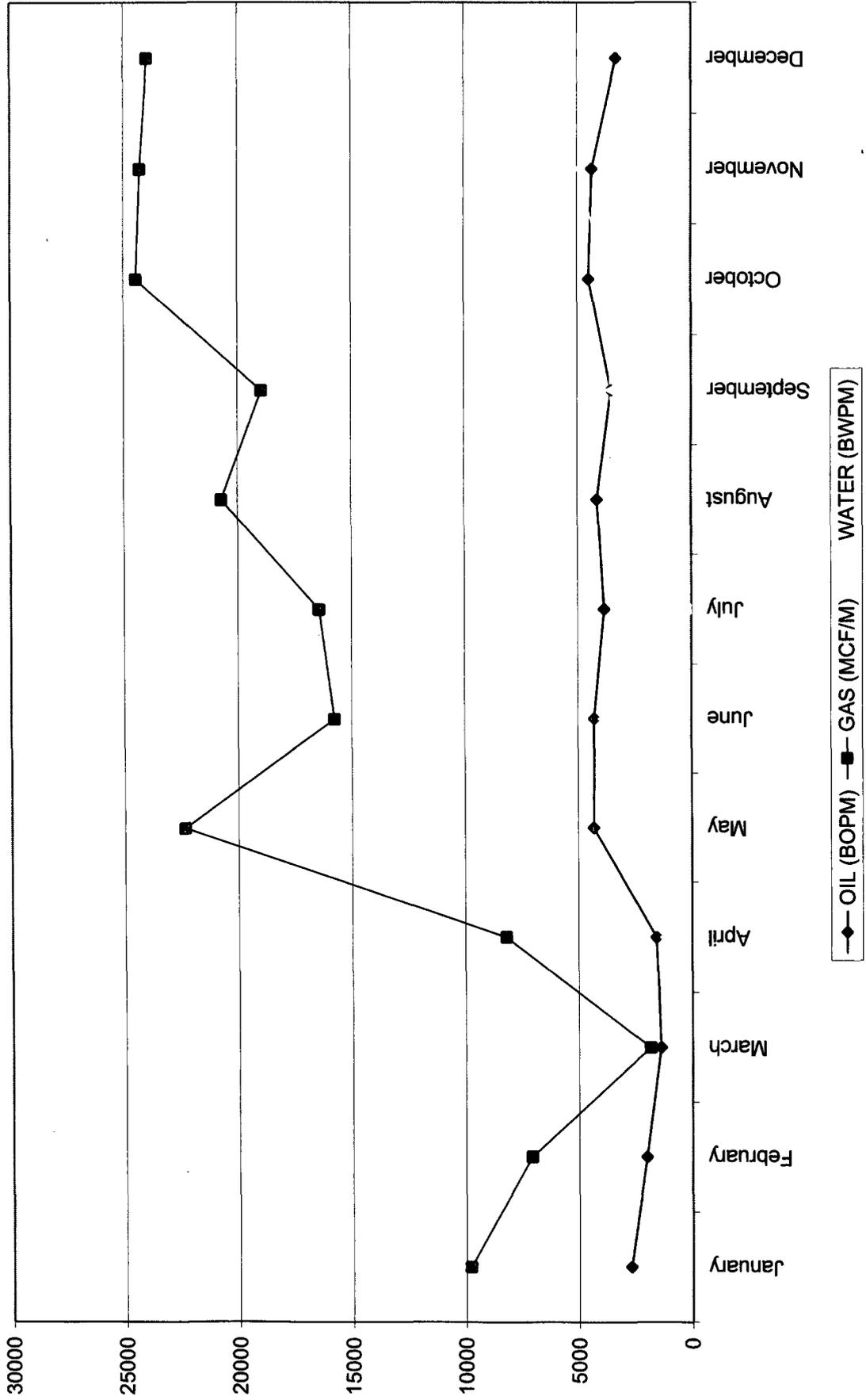
EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	SUMMARY OF WORK
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#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	N36.31.557, W106.50.890	
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E		Returned to Production January 2006.
#4 (K-29)	SE/SW Sec. 29, T-27N, R-1E	N36.31.359, W106.51.189	
#5 (A-29)	NE/NE Sec. 29, T-27N, R-1E	N36.31.715, W106.50.670	Plugged and abandoned July 2006
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Returned to production August 2006.
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	2006.
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	Returned to production May 2006
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	Returned to Production January 2006. Installed Pumping Unit March 2006
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Returned to production September 2006.
#15 (M-21)	SW/SW Sec. 21, T-27N, R-1E	N36.31.876, W106.50.397	
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	
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#21 (B-5)	NW/NE Sec. 5, T-26N, R-1E	N36.31.150, W106.51.344	
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	Returned to production August 2006.
#23 (H-6)	SE/NE Sec. 6, T-26N, R-1E	N36.31.010, W106.52.136	
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	
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#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	N36.30.988, W106.51.155	Fix Bradenhead Leak June 2006. Plugged and Abandoned November 2006.
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	Returned to production July 2006
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#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E		

SCHEDULE II
 EAST PUERTO CHIQUITO MANCOS UNIT
 2006 PRODUCTION STATISTICS

	OIL (BOPM)	GAS (MCF/M)	WATER (BWPM)	GAS INJECTION* (MCF/M)	WATER INJECTION (BWPM)
January	2707	9781	1439	6484	1373
February	2012	7068	1260	4035	1180
March	1388	1839	339	314	339
April	1575	8185	1189	71	1189
May	4328	22361	2282	367	2282
June	4290	15758	3900	0	1966
July	3838	16426	259	445	2559
August	4146	20727	3424	0	3424
September	3532	18969	3556	1165	3556
October	4492	24465	3800	334	3800
November	4359	24287	4906	0	4906
December	3306	23980	4080	0	3085
Totals	39973	193846	30434	13215	29659
Cumulaltive Since 5/81	932661	2880329	207748	2214722	170467

EAST PUERTO CHIQUITO MANCOS UNIT 2006 PRODUCTION



EAST PUERTO CHIQUITO MANCOS UNIT 2006 GAS & WATER INJECTION

