

March 20, 2007

U.S. Department of the Interior  
Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, Nm 87401  
Attention: Jim Lovato  
Team Leader, Petroleum Management

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

New Mexico Commissioner of Public Lands  
State Land Office  
P.O. Box 1148  
Santa Fe, Nm 87504-1148  
Attn: Jami Bailey, Director  
Oil, Gas, and Minerals Division

RECEIVED

MAR 22 2007

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: LA PLATA MANCOS UNIT  
2007 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2006 and Operator's Plan of Development for 2007 for the La Plata Mancos Unit in San Juan County, NM.

1. Summary of Operations

No changes have been made in the geologic interpretations or participating area boundaries, so no new maps are submitted.

2. Status of all wells is listed on Schedule I attached.

3. Production decline curves are enclosed.

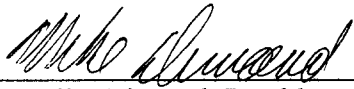
4. Operator proposes no new wells be drilled in 2007 but if our continuing review warrants a change we will file the required forms.

5. The enclosed schedule II shows current and cumulative oil and gas production.

We request your approval of this 2007 Plan of Development.

Sincerely,

BENSON-MONTIN-GREER DRILLING CORP.

By:   
Mike Dimond, President

SCHEDULE I

LA PLATA WELLS  
SAN JUAN COUNTY, NEW MEXICO

| Well Name                      | Location - Sec. - Twp - Range | Latitude/Longitude      | Status    |
|--------------------------------|-------------------------------|-------------------------|-----------|
| La Plata Mancos Unit #1 (P-31) | SE/SE Sec. 31, T-32N, R-13W   | N36.56.301, W108.14.320 | Producing |
| La Plata Mancos Unit #3 (G-32) | SW/NE Sec. 32, T-32N, R-13W   | N36.56.791, W108.13.419 | Producing |
| La Plata Mancos Unit #4 (N-31) | SE/SW Sec. 31, T-32N, R-13W   | N36.53.333, W108.14.754 | Shut In   |
| La Plata Mancos Unit #7 (M-29) | SW/SW Sec. 29, T-32N, R-13W   | N36.57.116, W108.14.015 | Producing |

SCHEDULE II  
LA PLATA MANCIS UNIT  
2006 PRODUCTION STATISTICS

**2007 LAPLATA MANCOS UNIT PRODUCTION**

|            | OIL (BOPM) | GAS (MCF/M) | WATER<br>(BWPM) | GAS<br>INJECTION*<br>(MCF/M) |
|------------|------------|-------------|-----------------|------------------------------|
| January    | 182        | 3170        |                 |                              |
| February   | 139        | 2363        |                 |                              |
| March      |            | 1347        |                 |                              |
| April      | 147        | 2115        |                 |                              |
| May        | 344        | 2840        |                 |                              |
| June       |            | 1898        |                 |                              |
| July       |            | 953         |                 |                              |
| August     | 254        | 3421        |                 |                              |
| September  | 261        | 1458        |                 |                              |
| October    | 14         | 3117        |                 |                              |
| November   | 132        | 2547        |                 |                              |
| December   | 86         | 696         |                 |                              |
|            |            |             |                 |                              |
|            |            |             |                 |                              |
| Total      | 1559       | 25925       | 0               | 0                            |
| Cumulative | 374980     | 645259      | 457             | 308386                       |

\* Gas Injection Discontinued

# La Plata Mancos Unit 2006 Production

