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February 28, 2008

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 2008 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2007 and Operator's Plan of Development for 2008.

1. Summary of 2007 Operations:
No changes have been made in the geologic interpretations, wells or participating area boundaries so no new maps are submitted.
Gas injection was discontinued beginning in March 2007. The gas injection wells #16 C-28 was converted to a producer and the #2 G-29 will be converted in early 2008.
Water injection continued as in previous years.
Two wells were returned to production from shut in status.
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 #2 (G-29) well is a gas injection well that will be converted to production early in 2008.

The #33 (P-5) wellbore is scheduled to be completed.

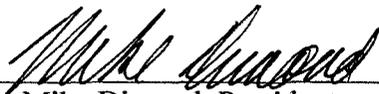
5. Effectiveness of enhanced recovery project (pressure maintenance by gas injection and water flood):
Schedule II states current cumulative oil, gas and water production and gas and water injection rates. Please note that gas injection was discontinued after February 2007.
6. Disposition of shut in wells:
After the #2 G-29 well is put on production in early 2008, the only inactive well in the Unit is the #33 P-5. It is scheduled to be completed in 2008.

We hereby request your approval of this 2008 Plan of Development.

Sincerely,

BENSON-MONTIN-GREER DRILLING CORP.

By: _____


Mike Dimond, President

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	Producing
#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	Producing
#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	Not Completed
#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

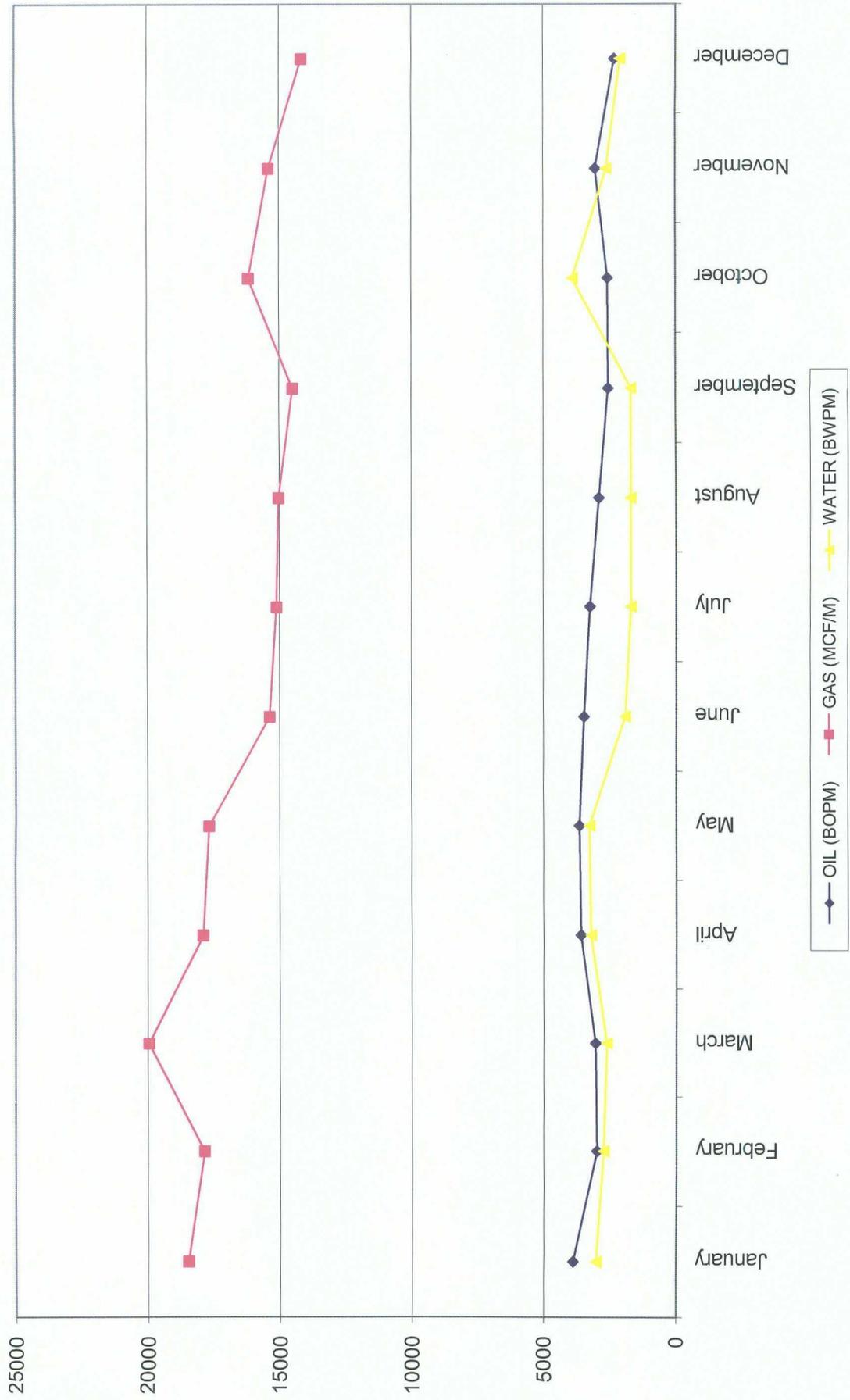
EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	SUMMARY OF WORK
#1 (L-29)	SW/SW Sec. 29, T-27N, R-1E	N36.31.317, W106.51.447	
#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		
#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	
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	10/07 installed new Pumping Unit
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	Installed PU engine
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	Clean out wellbore & change downhole pump
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	rods, and downhole pump
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Electrified pumping unit
#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	09/07 convert to producing well
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	
#19 (H-25)	SE/NE Sec. 25, T-27N, R-1W	N36.31.325, W106.52.858	
#20 (D-4)	NW/NW Sec. 4, T-26N, R-1E	N36.31.199, W106.50.881	
#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	
#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	
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	Clean out well bore, pump acid job, and replace downhole pump
#26 (F-5)	SE/NW Sec. 5, T-26N, R-1E	N36.31.001, W106.51.688	
#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	N36.30.988, W106.51.155	
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	Removed packer, replaced bad joints, changed tubing from 2 7/8 to 2 3/8, replaced downhole pump.
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	& rods, replace d/h pump.
#31 (P-9)	SE/SE Sec. 9, T-26N, R-1E	N36.29.625, W106.50.108	
#32 (H-16)	SE/NE Sec. 16, T-26N, R-1E	N36.29.124, W106.50.004	
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E		Paraffin stripping job & replace downhole pump
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	
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#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Paraffin stripping job, replace tbg & rods, replace d/h pump.
#42 (O-21)	SW/SE Sec. 21, T-27N, R-1E	N36.31.931, W106.49.854	
#43 (L-28)	SW/SW Sec. 28, T-27N, R-1E		
#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E		

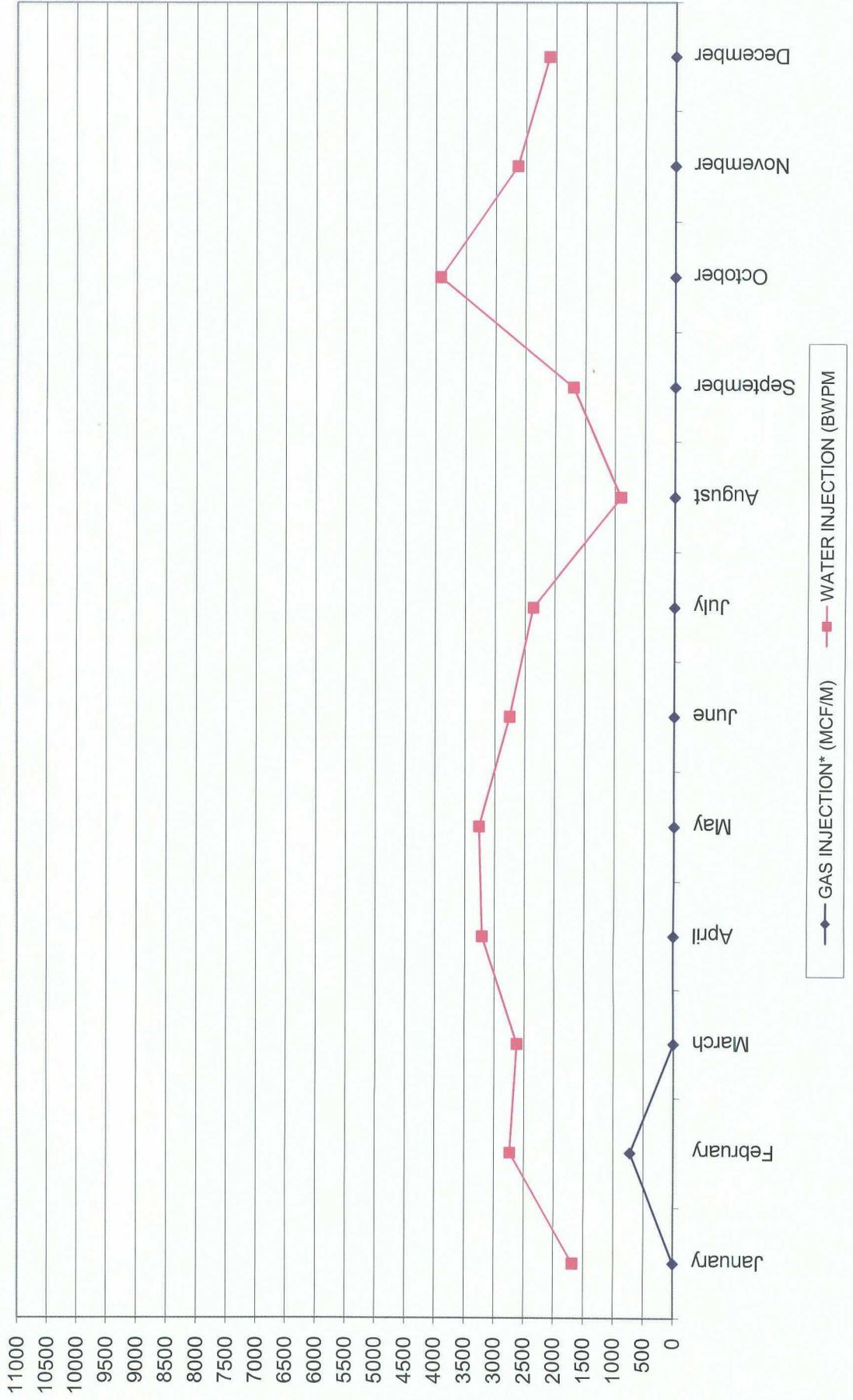
SCHEDULE II
EAST PUERTO CHIQUITO MANCOS UNIT
2007 PRODUCTION STATISTICS

	OIL (BOPM)	GAS (MCF/M)	WATER (BWPM)	GAS INJECTION* (MCF/M)	WATER INJECTION (BWPM)
January	3894	18453	3023	0	1677
February	2990	17845	2735	721	2735
March	3039	19946	2617	0	2617
April	3582	17890	3205	0	3205
May	3635	17663	3261	0	3261
June	3465	15376	1920	0	2754
July	3237	15112	1698	0	2365
August	2902	15025	1698	0	898
September	2554	14497	1698	0	1698
October	2574	16163	3923	0	3923
November	3046	15404	2636	0	2636
December	2314	14161	2109	0	2109
Totals	37232	197535	30523	721	29878
Cumulaltive Since 5/81	929920	2884018	207837	2202228	170686

EAST PUERTO CHIQUITO MANCOS UNIT 2007 PRODUCTION



EAST PUERTO CHIQUITO MANCOS UNIT 2006 GAS & WATER INJECTION



Oil (bbl)
Gas (mcf)
Water (bbl)

EPCMU

