

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

5. Lease Serial No.

NM 23038

6. If Indian, Allottee or Tribe Name

2005 OCT 5 PM 10 42

7. If Unit or CA Agreement, Name and/or N

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Benson-Montin-Greer Drilling Corp.

3a. Address

4900 College Blvd., Farmington, NM 87402

3b. Phone No. (include area code)

505-325-8874

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1770' FNL & 1105' FWL

Sec. 34, T25N, R.2W

RECEIVED  
070 FARMINGTON NM

8. Well Name and No.

Price Federal #1 (E-34)

9. API Well No.

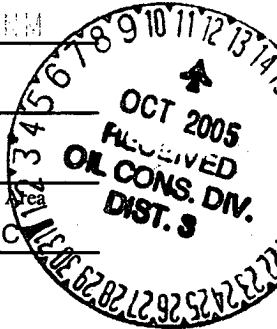
30-039-29249

10. Field and Pool, or Exploratory Area

Basin Fruitland/Gavilan PC

11. County or Parish, State

Rio Arriba, New Mexico



12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Commingle
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

DHC 2020A12

- Benson-Montin-Greer Drilling proposes to downhole commingle the Basin Fruitland Coal and Gavilan Pictured Cliffs production as pre-approved under NMOC Rule #R-11363.
- Fruitland Coal perforations are 3312'-3361' (gross); Pictured Cliffs perforations are 3402'-3418'.
- Benson-Montin-Greer plans to test the Fruitland Coals separately to allow the zone to clean up after fracture stimulation and test its productive potential. The RBP set @ 3380' will be retrieved, the 2 zones commingled and the well put on production.
- Production will be allocated based on volumetrics: the Fruitland Coal net pay completed is 29', the Pictured Cliffs net pay is 16'. 64% of water and gas will be allocated to the Fruitland Coal and 36% of water and gas to the Pictured Cliffs. All oil is allocated to the Pictured Cliffs.

CONDITIONS OF APPROVAL

- Ownership is the same for both zones.

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

- Benson-Montin-Greer believes that commingling of these 2 zones will not reduce oil and gas to the remaining production.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Jim Hornbeck

Title

Geologist

Signature

*James Hornbeck*

Date

October 4, 2005

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

*Matt Halbert*

Title

*PRTR. ENG*

Date

*10-6-05*

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

*BLM - FFO*

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOC

**Benson-Montin-Greer Drilling Corp.**  
**Price Federal #1 (E-34)**  
**API # 30-039-29249**  
**UNIT E SW NW, Sec 34, T25N, R02W Rio Arriba, NM**  
**Spud Date: 10-01-2004**

Elev. GL= 7248'  
Elev. KB= 7258'

**SURF CSG:**

8 5/8" 23# @624' KB,  
Cement w/ 440 sx,  
TOC surf

2 3/8" Tubing @ +/- 3420'  
1 1/4" x 16' polished rod  
3/4" rods  
2'X1 1/2"X12' RWAC pump

DV tool @ 3238'

Fruitland Coal perms: 3312-3316', 3319-3324', 3327-3329',  
3333-3336', 3339-3345', 3350-3354', 3356-3361'. 4 jsp.  
Fraced w/ 125,000# + 16# XL w/Stim Flow.

**PROD CASING:**

5 1/2" 15.5# J-55  
LT&C @3484' KB;  
cmt; STG 1; 55 sx  
50/50/2. STG 2; 650  
sx 65/35/6 Circ 65  
bbls to pit. TOC surf.  
CBL dated 2-24-05  
shows no cement  
below DV Tool 3238-  
68'. (Good bond  
above and below.)

PC perms: Perf 2-24-05. 3402-3418', 21 holes. Swab no  
fluid or gas entry. BD 750 gal 7 1/2% HCl, balls. Swab, est  
8 mcf, slit show oil, 1 bwph. Frac 3/11/05 w/ 80,000# 20/40  
sand w/ 1105 bbl xl gel @ 30 bpm. Swab and recover 810  
bbls of 1105. IP= 7BOD, 45 MCFD & 90 BWD.

PBTD=3477'  
TD=3484' KB

JMH 10/4/06

## **Bureau of Land Management Conditions of Approval:**

- 1) If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.**
- 2) Pits must be lined with an impervious material at least 12 mils thick. The pit must be fenced on three (3) sides during workover operations and on the 4<sup>th</sup> side after the rig moves off location. Pits must be closed within 90 days of completion of the workover operations. Prior to closing the pit the liner must be cut off at mud level.**