

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**OIL CONSERVATION DIVISION**  
**2040 Pacheco St.**  
**Santa Fe, NM 87505**

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.  
30-039-27811

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

**SUNDRY NOTICES AND REPORTS ON WELLS**

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well:

OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator

Benson-Montin-Greer Drilling Corporation

3. Address of Operator

4900 College Blvd. Farmington, NM 87401

4. Well Location

Unit Letter O : 885' Feet From The SOUTH Line and 1945' Feet From The EAST Line  
Section 20 Township 25N Range 2W NMPM Rio Arriba County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
7152 GR

**Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data**

11. **NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: Downhole Commingle Production ☒

**SUBSEQUENT REPORT OF:**

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent date, including estimated date of starting any proposed work) SEE RULE 1103.

Benson Montin Greer Drilling proposes to downhole commingle the Basin Fruitland Coal and Gavial Pictured Cliffs production as pre-approved under Rule #R-11363.

Fruitland Coal perforations are 3402'-3469' (gross); Pictured Cliffs perforations are 3513'-3536' gross.

Benson Montn Greer Drilling has sand/gel fracture stimulated both zones together with 176,682 #s & 96,894 gallons Aqua-Safe X-16.

Production will be allocated based on volumetrics: the Fruitland Coal net pay completed is 18', the Pictured Cliffs net pay is 8'.

69% of water and gas will be allocated to the Fruitland Coal and 31% of water and gas to the Pictured Cliffs.

All oil is allocated to the Pictured Cliffs.

Ownership is the same for both zones.

Benson Montin Greer Drilling believes the commingling of these zones will not reduce the value of the total remaining production.

*DNF C 2198 A2*

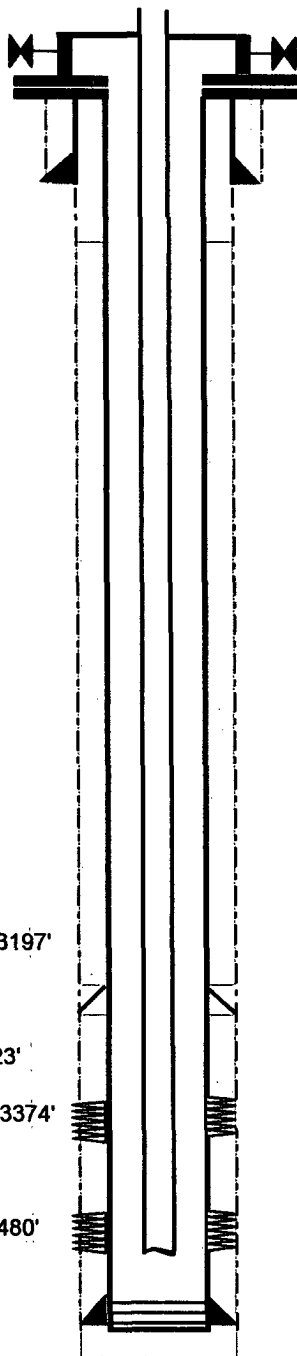
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE James Hornbeck TITLE Geologist DATE 04/07/06  
TYPE OR PRINT NAME Jim Hornbeck TELEPHONE NO. 505-325-8874

(This space for State Use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE APR 10 2006

CONDITIONS OF APPROVAL, IF ANY: Notify State Land Office



Spud: 6/23/05

**B-M-G DRILLING CORP., INC.**  
**Casaus #1, API #30-039-27811**  
**885' FSL-1945' FEL, Sec 20-T25N-R2W**

8 3/4" hole to 352', 7" 17#, J-55 @ 352' W/ 160 sx cmt w/2% KCl.  
 Circ. to surf, hole bridged off - unable to pump plug

GL = 7152'

KB = 7164'(est)

All depths referenced to KB unless otherwise noted

Cum. Oil:

Cum. Gas:

Cum. Water:

TOC 1003', Blue Jet CBL, 10/25/05

12/15/2005: landed 2-3/8" EUE tubing @ 3502'

7/29/05: 6 1/4" hole to 3575', 4 1/2" J-55, 10.5#(new) csg @ 3570' w/250 sks cmt in 2 stages  
 DV Tool @ 3256', 1st stage cemented w/50 sks 50/50 poz, 2% gel, 5# Gilsonite/sk,  
 1/4# flocele/sk, circ 15 bbls good cement. 2nd stage cemented w/200 sks Econolite,  
 10# Gilsonite, 1/4# Flocele, Halliburton reports no cement circulated  
 but got traces of chem wash.

Ojo Alamo = 3197'

Kirtland = 3323'

Frtind Coal = 3374'

Pict Cliffs = 3480'

10/25/2005: Ran Blue Jet CBL & Comp Neutron logs, press test 4-1/2" csg @  
 2000 PSI, tested ok, perforate Fruitland Coals 3402-69' & Pictured Cliffs 3513-36',  
 acidize w/Key Energy, some ball action.

11/5/2005: Pumped 176,682# 20/40 Brady + 96,894 gal Aqua-Safe X-16. ISIP = 600#,  
 Ave Treat Press = 1757#, Ave Inj Rate = 35.2 BPM.

IP = 30 MCFD, 3 BOD & 80 BWD (Pumping)

PBTD 3565'  
 TD 3575'