

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JAN 14 2011

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. NM 070361
6. If Indian, Allottee or Tribe Name N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. Canada Ojitos Unit
2. Name of Operator Benson-Montin-Greer Drilling Corporation		8. Well Name and No. #46
3a. Address 4900 College Blvd Farmington, NM 87402	3b. Phone No. (include area code) 505-325-8874	9. API Well No. 30-039-30981
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 424' FSL and 281' FEL, Sec 27, T25N, R1W		10. Field and Pool or Exploratory Area Puerto Chiquito Mancos West
		11. Country or Parish, State Rio Arriba, NM

12. CHECK THE 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 type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: 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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Benson-Montin-Greer Drilling Corporation spudded the COU #46 on Dec 28, 2010. The hole was dug with backhoe and 16" 42.05 lb/ft J-55 casing was set at a depth of 15 ft below GL. The casing was cemented with 6.5 cu yds ready mix concrete.

D&D Services rig #1 was moved in and a 14 3/4" hole was drilled to 510'. 10 3/4" casing was to be run as the surface casing, however, hole conditions prevented the casing from being run. Attempts were made to repair the hole but with no success. The operator decided that further attempts to repair the hole may result in the collapse of the alluvium (the top 80') and may then result in the total loss of the hole. The decision was made to plug the existing hole and drill a new hole 25' N/NE of the abandoned hole. The well will be entered with 2 7/8" tubing to TD or as deep as possible, the hole will then be cemented from that point to surface. The cement from 130' to surface (230 cu ft) is to be a Type III cement with CaCl₂ @ 14.5 ppg and yield of 1.39 cu ft/sx.

No new surface disturbance will be needed for the hole move. The new hole may require more 16" conductor casing, but from that point forward the drilling plan will remain the same as the plan submitted with the APD.

Verbal approval for the plugging of the existing hole and drilling of the new hole was obtained from Wayne Townsend from the BLM 1-13-2011 and from Charlie Perrin with NMOCD on 1-14-2011. Larry Gore from the Santa Fe National Forest also gave his verbal approval of these plans 1-14-2011.

The new wellbore will be designated as the Canada Ojitos Unit # 46Y. The required documentation for that change will be submitted shortly.

RCVD JAN 18 '11
OIL CONS. DIV.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Loren Diede	Title Drilling and Completions
Signature 	Date 01/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Title Pet. Eng.	Date 1-14-11
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 FFO	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

NMOCD