

BMG

BENSON - MONTIN - GREER DRILLING CORP.

March 8, 1999

Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

RECEIVED
MAR - 9 1999
OIL CON. DIV.
DIST. 3

Re: Well Discrepancies from ONGARD Well List
Wells on Jicarilla Contract Leases

Dear Mary Ellen:

This letter contains follow-up information from our February 24, 1999 conversation about well discrepancies on the following wells

Property No. 001959 Florance
001974 Jicarilla 200
001975 Jicarilla 403

Enclosed are completed Release of Oil and Gas Lease forms which I told you I would forward to you as soon as we had them completed. This is the only written information we have about these wells that reverted to the Jicarilla Apache Tribe May 20, 1994. The information on the second sheet of each lease refers to the above listed wells as wells the Jicarilla Tribe may elect to produce.

I hope this paperwork will help you in finishing up our list of well discrepancies.

Sincerely,

Elaine McClain

Elaine McClain
Production Assistant

Enclosures

RELEASE OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS: That Benson-Montin-Greer Drilling Corp. for a good and valid consideration does hereby release, relinquish, quitclaim and surrender to the lessor Jicarilla Apache Tribe, heirs, assigns and legal representatives, all right, title and interest in and to a certain oil and gas mining lease, made and entered into by and between Jicarilla Apache Tribe, lessor, and Honolulu Oil Corp., as lessee, dated the 8 day of May, 19 57, insofar as same covers the following described land, to-wit:

Jicarilla Contract 200

Section 21, 22, 27 & 28, Township 27N, Range 1W, and containing 2098.44 acres, situated in the County of Rio Arriba and State of New Mexico, said lease being recorded in the office of the Recorder of Deeds in and for said county, in Book 31, Page 125-130.

* Executed this 8 day of March, 19 99.

* This release is in compliance with Article 4 of the Jicarilla Apache Minerals Agreement No. 701-94-0011

Albert R. Greer

Acknowledgement for individual

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss

I, Elaine McClain, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Albert R. Greer personally known to me to be the same person whose name subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act for the uses and purposes therein set forth.

Given under my hand and seal, this 8 day of March, 19 99.

My commission expires July 22, 2000

Elaine McClain
Notary Public

STATEMENT TO ACCOMPANY RELEASE

The Undersigned Benson-Montin-Greer Drilling Corp. Lessee (Assignee), in a certain oil and gas mining lease executed by Jicarilla Apache Tribe lessor, in connection with the release, relinquishment, and surrender of all right, title, and interest in and to the foregoing lease on the following described land, to wit: Jicarilla Contract 200

21, 22, 27 & 28
of Sec. T. 27N R. 1W, containing 2098.44 acres,
more or less, hereby furnishes the following information with respect to conservation and protection of the property described herein:

- | | |
|---|-------------|
| 1. Number of wells drilled by lessee. | <u>1</u> |
| 2. Number of unabandoned wells existing at time lease rights were acquired, if obtained by assignment. | <u>0</u> |
| 3. Have all wells on lands surrendered been properly plugged and abandoned, including wells drilled by lessee and wells drilled prior to acquiring lease rights, if obtained by assignment? | <u>NO *</u> |
| 4. Has the surface of the land been restored to its original condition insofar as practicable? | <u>YES</u> |
| 5. Are there any productive oil or gas wells on adjoining property not offset by wells drilled on the land surrendered? | <u>NO</u> |
| 6. Has the lease been recorded? | <u>YES</u> |
| 7. Have the lessors asserted any unliquidated or unsettled claim against the lessee or assignee's operations on the lands described above? | <u>NO</u> |

Date March 8 19 99


Lessee or record holder

* There is one well that the tribe may elect to produce