

BMG

BENSON-MONTIN-GREER DRILLING CORP.

November 30, 1998

Mr. Charles Perrin
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

OIL CON. DIV.
DIST. 3

N-31 - 32 N-13W

Re: LA PLATA MANCOS UNIT #4 (N-31):
RECENT OIL SPILL: POST MORTEM

Dear Charley:

After Bruce Marten and I shut down the injection well compressor, I contacted our pumper to get the facts.

The problem developed when an unauthorized heavy truck backed across the location and broke a gas fuel supply line tied to the injection well's tubing head. Gas backflowed from the well and brought a mist of oil with it. (That's why only a small volume of oil covered such a big area.)

The free oil amounted to only a few gallons, which was picked up and returned to storage.

The contaminated soil was recovered and taken to B-M-G's landfarm at Llaves on Friday, the day after Thanksgiving.

It's quite evident that the unauthorized truck was intended to steal an idle compressor on the location.

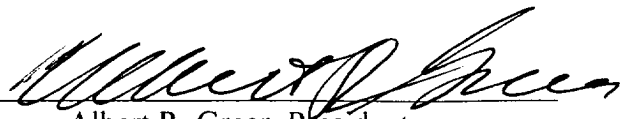
We plan to install a locked gate at the entrance to the well pad. Whenever your people wish to inspect the location, they can stop by our office and get a key.

If you need anything further, please advise.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

By:


Albert R. Greer, President

ARG/tlp