

BMG

BENSON-MONTIN-GREER DRILLING CORP.

Wednesday, February 21, 2001

Mr. Bruce Martin
Deputy Oil And Gas Inspector
NMOCD – Aztec
1000 Rio Brazos Rd
Aztec, NM 87410

30-045-20356
La Plata Merces UT # 4

RE: LPMU N-31 (Gas Injection Well) API No. Located in Unit N, Section 31, T32N,
R13W, San Juan County, New Mexico.

Dear Mr. Martin,

As earlier advised we made a preliminary test and the well would not hold pressure, we shut it in on November 13, 2000. The produced gas is now being marketed from the LPMU rather than injected. Our intention is to leave the well as is (without injection) until sometime this summer or before our authority to inject is revoked.. This property has marginal economics and we do not feel the well in its current state poses a threat to human health, safety, or the environment.

As I understand the NMOCD's UIC rule we are allowed up to one year for this well to remain idle in terms of injection before our authority to inject is revoked. Should you have any questions regarding this matter please contact Pat Sanchez or myself at the letterhead address or telephone number.

Sincerely,



Albert R. Greer
President – BMG Drilling Corp



C Pat Sanchez, Mike Dimond, LPMU N-31 Well file.

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30-045-20356