



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 18, 2009

Benson-Montin-Greer Drilling Corp
Attn Mr. Zach Stradling
4900 College Blvd
Farmington, NM 87402

Administrative Order NSL-6070

**Re: Canada Ojitos Unit Well No. 19
API No. 30-039-20426
495 feet FNL and 495 feet FEL
Unit A, Section 14-24N-1W
Rio Arriba County, New Mexico**

Dear Mr. Stradling:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTGW09-21950126**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 30, 2009,
- (b) additional information you furnished by fax on August 18, 2009, and
- (c) the Division's records pertinent to this request.

Benson-Montin-Greer Drilling Corp (BMG) [OGRID 02096] has requested to drill the above-referenced well at an unorthodox well location, as described above in the caption of this letter. All of Section 14 will be dedicated to this well in order to form a standard 640-acre spacing unit in the West Puerto Chiquito Mancos Oil Pool (50440). Spacing in this pool is governed by the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as adopted by Order R-2565-B, issued on November 28, 1966, which provide for 640-acre units with wells to be located at least 1650 feet from any unit outer boundary and at least 330 feet from any quarter section line. This location is less than 1650 feet from the northern and eastern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).



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It is our understanding that you are seeking this location in order to utilize an existing wellbore.

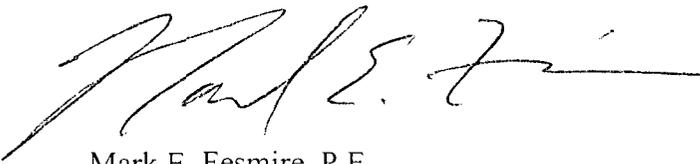
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington