

7/30/09

|                       |          |                        |                         |                 |                                   |
|-----------------------|----------|------------------------|-------------------------|-----------------|-----------------------------------|
| DATE IN <u>8/7/09</u> | SUSPENSE | ENGINEER <u>Brooks</u> | LOGGED IN <u>8-7-09</u> | TYPE <u>NSL</u> | PTGW<br>APP NO. <u>0921950126</u> |
|-----------------------|----------|------------------------|-------------------------|-----------------|-----------------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



COV #19  
 BMG  
 06RID 02096

### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_

~~Special Pool Rules  
 Case 3743  
 Order R-3401~~

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

|                             |                    |                |                       |
|-----------------------------|--------------------|----------------|-----------------------|
| _____<br>Print or Type Name | _____<br>Signature | _____<br>Title | <u>8/7/09</u><br>Date |
| _____<br>e-mail Address     |                    |                |                       |

# BMG

BENSON-MONTIN-GREER DRILLING CORP.

4900 College Boulevard Farmington, NM 87402 Office: 505.325.8874 Fax: 505.327.9207

RECEIVED

2009 JUL 30 PM 1 39

July 28, 2009

Attention: David Brooks  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Application for NSL (COU #19 (A-14) API# 30-039-20426)

Mr. Brooks:

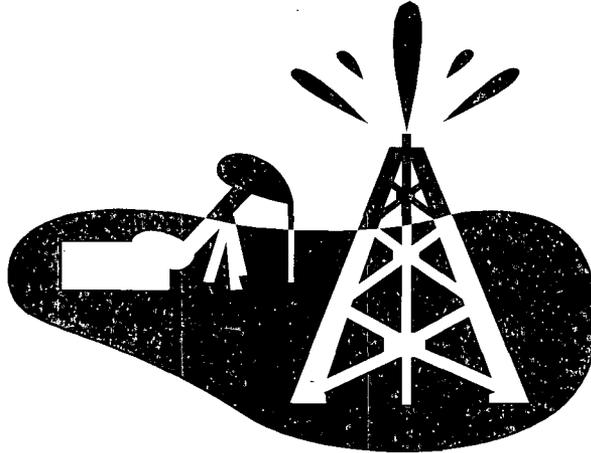
The COU #19 (A-14) was drilled in September of 1971 as a gas injection well. In February of 2007, Benson-Montin-Greer Drilling Corp. (BMG) submitted a notice of intent to remove the packers and convert the well from gas injection to gas production. The well is located 495' FNL and 495' FEL in Unit A of Section 14, T24N, R01W. BMG would like to request approval for a non-standard location for this well in order to produce out of the Mancos formation. The well is located within the Canada Ojitos Unit. All adjacent quarter-quarter sections to Unit A, Section 14, T24, R01W are within the same unit. COU Working and Revenue Interest Owners have the same interest throughout the unit.

Sincerely,



Zach Stradling, Engineer  
Benson-Montin-Greer Drilling Corp.

West Puerto Chiquito Mancos Oil Pool  
R-3455 Byron 254-256  
640-acre spacing  
1 well per unit  
1650 ft setbacks from unit body  
330 from 1/4 sec.  
504/20



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3460  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: Zach Stradling 505-327-9207

FROM: David Brooks

DATE: 8-18-09

PAGES: 3

SUBJECT: Canada Ojitos Unit No. 19

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.



# 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

Mr. Zach Stradling  
Benson-Montin-Greer Drilling Corp  
4900 College Blvd  
Farmington, NM  
FAX No. 505-327-9207

**Re: Canada Ojitos Unit Well No. 19  
NSL Application filed July 30, 2009**

Dear Mr. Stradling,

I have reviewed the referenced application. In your application you state that "All adjacent quarter-quarter sections to Unit A, Section 14 . . . are within the same [Canada Ojitos] unit."

The difficulty here is that this location is apparently in the West Puerto Mancos Oil Pool, for which special pool rules call for 640-acre spacing. To comply with the notice requirements, it would be necessary to give notice to all affected persons within the adjoining sections toward which the location encroaches, which, assuming the surveys in this area are regular, would be the entirety of Sections 11, 12 and 13.

If all of Sections 11, 12 and 13 are in the Canada Ojitos Unit, and in common ownership with Section 14, then no notice is required. However your statement of ownership is limited to the adjoining quarter-quarter sections, and accordingly does not sufficiently inform concerning the status of the adjacent sections.

Please advise us whether or not there are other owners within the adjoining sections, and if there are, provide appropriate proof of notice.



If you have questions or other concerns, please feel free to contact the undersigned.

Sincerely,



David K. Brooks  
Assistant General Counsel  
505-476-3450  
[david.brooks@state.nm.us](mailto:david.brooks@state.nm.us)

**BENSON-MONTIN-GREER**  
**4900 COLLEGE BLVD.**  
**FARMINGTON, NM 87402**  
**PH: (505) 325-8874 FAX (505) 327-9207**

**Date: August 18, 2009**

**To: David Brooks**

**Fax: (505) 476-3462**

**From: Zach Stradling**

**Number of Pages (including cover page): 2**

**Message:**

**Mr. Brooks,**  
**Attached is an updated application letter for non-**  
**standard location for Canada Ojitos Unit #19 (A-14)**  
**confirming that the adjoining sections (11,12, and 13)**  
**are within the unit and have common ownership with**  
**section 14. The original will be mailed today. Thank**  
**you,**

**Zach**

# BMG

BENSON-MONTIN-GREER DRILLING CORP.

4900 College Boulevard Farmington, NM 87402 Office: 505.325.8874 Fax: 505.327.9207

August 18, 2009

Attention: David Brooks  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Application for NSL (COU #19 (A-14) API# 30-039-20426)

Mr. Brooks:

The COU #19 (A-14) was drilled in September of 1971 as a gas injection well. In February of 2007, Benson-Montin-Greer Drilling Corp. (BMG) submitted a notice of intent to remove the packers and convert the well from gas injection to gas production. The well is located 495' FNL and 495' FEL in Unit A of Section 14, T24N, R01W. BMG would like to request approval for a non-standard location for this well in order to produce out of the Mancos formation. The well is located within the Canada Ojitos Unit. All adjacent quarter-quarter sections to Unit A, Section 14, T24, R01W are within the same unit. COU Working and Revenue Interest Owners have the same interest throughout the unit. All adjoining sections toward which this location encroaches (Sections 11, 12, and 13 of T24N, R01W) are in the Canada Ojitos Unit and in common ownership with Section 14.

Sincerely,



Zach Stradling, Engineer  
Benson-Montin-Greer Drilling Corp.  
(505) 324-5074  
zstradling@bmgdrilling.com