

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



July 14, 2010

Benson-Montin-Greer Drilling Corp.
Attn: Loren Diede
4900 College Blvd
Farmington, NM 87402

Administrative Order NSL-6234

**Re: Canada Ojitos Well No. 46
API No. 30-039
424 feet FSL & 281 feet FEL
Unit P, Section 27-25N-1W
Rio Arriba County, New Mexico**

Dear Mr. Diede:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTGW10-18355945**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on July 2, 2010, and
- (b) the Division's records pertinent to this request.

Benson-Montin-Greer Drilling Corp. [OGRID 2096] (BMG) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. Section 27 will be dedicated to this well in order to form a standard, 640-acre oil spacing and proration unit in the West Puerto Chiquito-Mancos Pool (50440). Spacing in this pool is governed by the Special Rules for the West Puerto Chiquito-Mancos Oil Pool, adopted by Order No. R-6469-B, issued in Case No. 8715 on March 7, 1986, which provide for 640-acre units with one well per unit, to be located not less than 1650 feet from a unit outer boundary, or 330 feet from a quarter section line. This location is less than 1650 feet from the southern and eastern unit boundaries.

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

It is our understanding that you are seeking this location for topographic reasons.



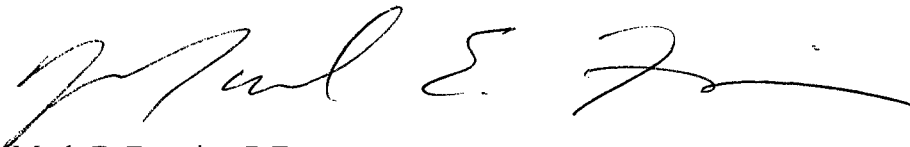
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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