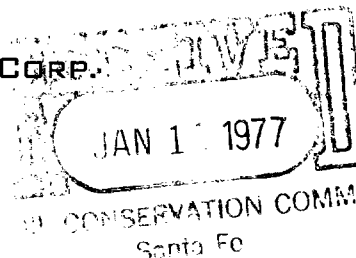


BENSON-MONTIN-GREER DRILLING CORP.

221 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO 87401
PHONE: 325-8874



January 7, 1977

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey
Secretary - Director

RE: REQUEST FOR EXPANSION OF PRESSURE
MAINTENANCE PROJECT AREA AS SET
OUT IN COMMISSION ORDER R-3401

Gentlemen:

As provided in the Canada Ojitos Unit Operating Agreement under Article 13, application for the twelfth expansion of the Participating Area has been made by Benson-Montin-Greer Drilling Corp. as unit Operator and approved by the United States Geological Survey Oil and Gas Supervisor.

Canada Ojitos Unit well #1 (0-9) located SW/SE Section 9 T26N R1W (within the twelfth expansion to the Participating Area) has recently been connected by pipeline to the gas gathering system serving to collect produced gas from wells within the Pressure Maintenance Project Area for reinjection into the producing reservoir.

Unit Operator hereby requests the approval of the New Mexico Oil Conservation Commission to expand the Pressure Maintenance Project Area to coincide with the Participating Area through the twelfth expansion.

You will find enclosed the following:

1. Exhibit "A" showing boundary to the twelfth expansion to the Participating Area, wells drilled and well status.
2. Schedule of land included in twelfth Participating Area expansions.
3. Xerox copies of letter from the USGS Oil and Gas Supervisor approving the twelfth Participating Area Expansion.

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By administration order PMX-35, the NMOCC expanded the Pressure Maintenance Project Area to include the area approved by the USGS Oil and Gas Supervisor as the Sixth Expansion to the Canada Ojitos Unit Participating Area.

By administration order PMX-38, the NMOCC approved expanding gas injection by approving wells; COU #5 (B-18), COU #17 (G-1), and COU #18 (C-5) as gas injection wells.

By administration order PMX-40, the NMOCC expanded the Pressure Maintenance Area to include the area approved by the USGS Oil and Gas Supervisor as the Seventh, Eighth, and Ninth Expansions to the Canada Ojitos Unit Participating Area. Also included in the Project Area expansion under order PMX-40 was an area within the approved Participating Area (through ninth expansion) not previously included in the Project Area.

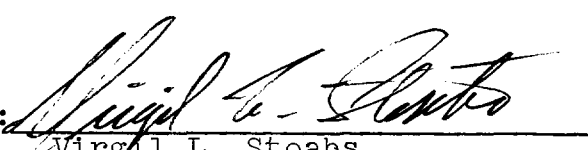
By administration order PMX-49, the NMOCC expanded the Pressure Maintenance Project Area to include the area approved by the USGS Oil and Gas Supervisor as the Tenth and Eleventh Expansions to the Canada Ojitos Unit Participating Area.

Benson-Montin-Greer Drilling Corp. hereby requests the NMOCC to expand the Canada Ojitos Unit Pressure Maintenance Project Area to include the area set out on the schedule attached..

Very truly yours,

BENSON-MONTIN-GREER DRILLING CORP.

BY:


Virgil L. Stoabs
Vice-President

VLS/lrs

Encl.

cc: New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

