

BMG

BENSON-MONTIN-GREER DRILLING CORP.

March 15, 2004

RECEIVED

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OIL CONSERVATION
DIVISION

U.S. Department of the Interior
Bureau of Land Management
Rio Puerco Resource Area
435 Montano NE
Albuquerque, NM 87107-4935
Attention: Joe Incardine, Chief
Lands and Minerals

✓ New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504
Attention: Roy E. Johnson
Senior Petroleum Geologist

Re: EAST PUERTO CHIQUITO MANCOS
UNIT: 2004 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations and Operator's proposed Plan of Development for 2004.

1. Summary of Operations:

No changes have been made in the geologic interpretations, wells or participating area boundaries, so no new maps are submitted. Gas injection is continuing and water injection was instituted in 1992 and is continuing.

2. Listing of status of all wells:

Listing of status of all wells is enclosed here as Schedule I.

3. Performance curves:

Production curves, along with injectivity, are also enclosed.

4. Plans for development:

Tertiary operations: Some wells are being conditioned for tertiary flooding. Flooding is anticipated in late 2004 or in 2005.

Operator proposes that one new well be drilled and some workovers be done in 2004, however these matters are always under continues review and should circumstances warrant, we will file an amended Plan of Development requesting such changes as seem appropriate.

5. Effectiveness of enhanced recovery project (pressure maintenance by gas injection and water flood:

Set out on Schedule II are current and cumulative oil, gas and water production and gas and water injection rates.

6. Disposition of shut in wells

During 2003, work was done on the following wells as shown:

- #3 (C-29) temporarily abandoned October 8, 2003
- #4 (K-29) plugged and abandoned June 23, 2003
- #9 (H-30) returned to production October, 2003
- #10 (H-20) returned to production July 18, 2003
- #11 (P-20) temporarily abandoned October 8, 2003
- #15 (M-21) plugged and abandoned November 3, 2003
- #16 (C-28) temporarily abandoned, to be used for gas injection
- #18 (P-13) returned to production November 14, 2003
- #21 (B-5) plugged and abandoned November 10, 2003
- #22 (C-5) returned to production October, 2003
- #25 (I-6) returned to production September, 2003
- #27 (H-5) returned to production April 22, 2003
- #39 (E-21) returned to production April 21, 2003
- #41 (F-20) temporarily abandoned July 11, 2003

Bureau of Land Management
New Mexico Oil Conservation Division

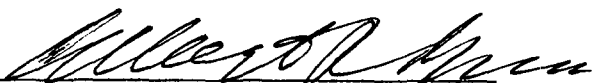
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We hereby respectfully request your approval of this 2004 Plan of Development.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:


Albert R. Greer, President

ARG/tlp

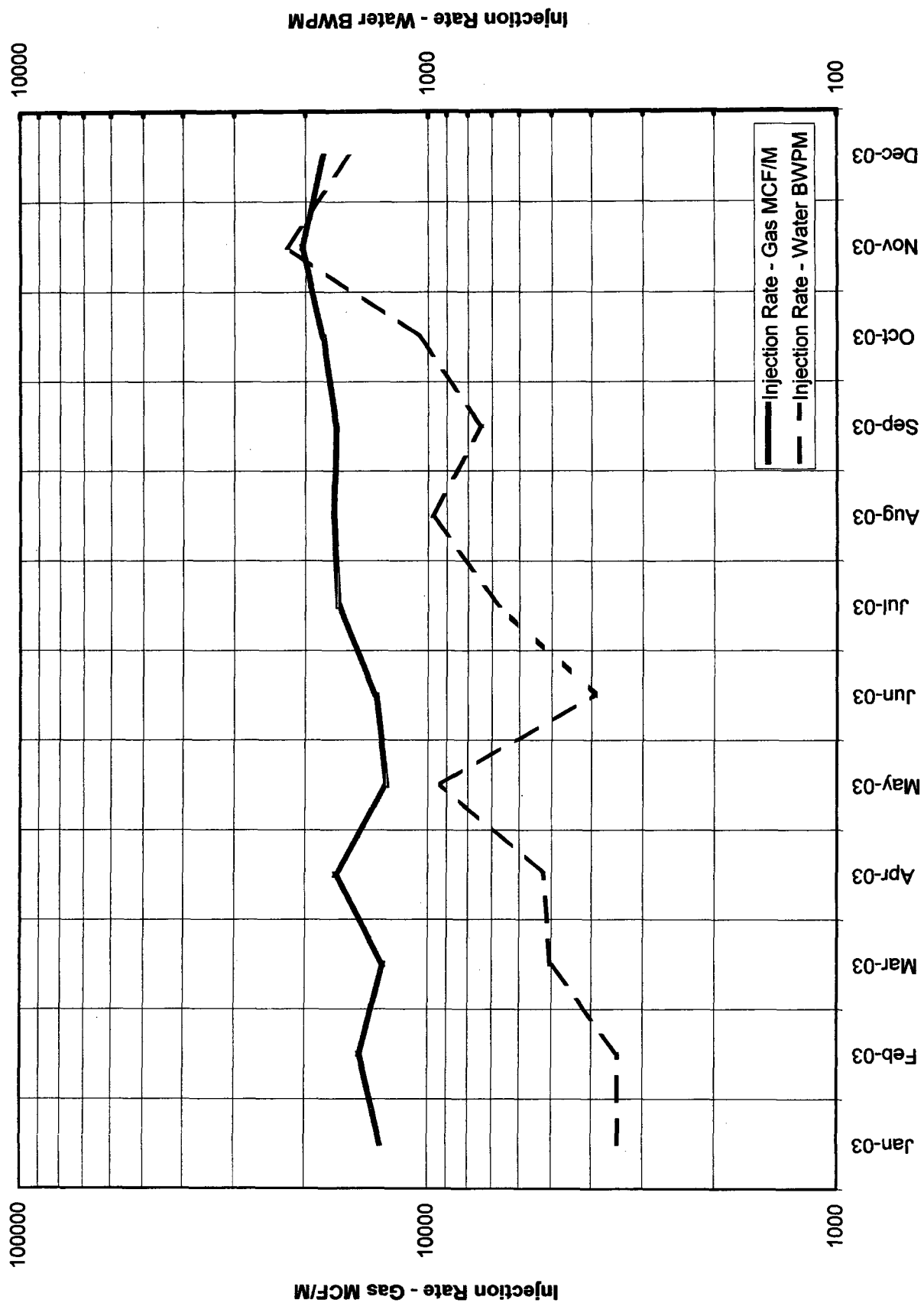
Enclosures

SCHEDULE I

EAST PUERTO CHIQUITO MANCOS UNIT STATUS OF WELLS

Well Name	Location - Sec. - Twp - Range	Status
#1 (L-29)	SW/SW Sec. 29, T-27N, R-1E	Plugged and Abandoned
#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	Gas Injection Well
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E	Temporarily Abandoned
#4 (K-29)	SE/SW Sec. 29, T-27N, R-1E	Plugged and Abandoned
#5 (A-29)	NE/NE Sec. 29, T-27N, R-1E	SI - to be put on production by gas lift
#6 (I-29)	SE/SE Sec. 29, T-27N, R-1E	Plugged and Abandoned
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	Shut in
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	Producing
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	Producing, to be put on prod. by gas lift
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	Producing
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	Temporarily Abandoned
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	Producing
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	Producing
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	Producing
#15 (M-21)	SW/SW Sec. 21, T-27N, R-1E	Plugged and Abandoned
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	Temporarily Abandoned
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	SI - to be put on production by gas lift
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	Producing
#19 (H-25)	SE/NE Sec. 25, T-27N, R-1W	SI - preparing to convert to water inj.
#20 (D-4)	NW/NW Sec. 4, T-26N, R-1E	Plugged and Abandoned
#21 (B-5)	NW/NE Sec. 5, T-26N, R-1E	Plugged and Abandoned
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	Producing
#23 (H-6)	SE/NE Sec. 6, T-26N, R-1E	Plugged and Abandoned
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	Water injection well
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	Producing
#26 (F-5)	SE/NW Sec. 5, T-26N, R-1E	Plugged and Abandoned
#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	Producing
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	Producing
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	Producing
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	Producing
#31 (P-9)	SE/SE Sec. 9, T-26N, R-1E	Plugged and Abandoned
#32 (H-16)	SE/NE Sec. 16, T-26N, R-1E	Plugged and Abandoned
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	Temporarily Abandoned
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E	SI - to be reworked
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	Temporarily Abandoned
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	Producing
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	Producing
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	Producing
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	Producing
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	Temporarily Abandoned
#42 (O-21)	SW/SE Sec. 21, T-27N, R-1E	Temporarily Abandoned
#43 (L-28)	SW/SW Sec. 28, T-27N, R-1E	Plugged and Abandoned
#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E	Plugged and Abandoned

East Puerto Chiquito Mancos Unit 2003 Gas and Water Injection



SCHEDULE II

EAST PUERTO CHIQUITO MANCOS UNIT
2003 PRODUCTION STATISTICS

	Oil (BOPM)	Gas (MCF/M)	Water (BWPM)	Gas Injection (MCF/M)	Water Injection (BWPM)
January	765	15108	345	14748	345
February	742	13161	346	12855	346
March	1031	17167	504	16895	504
April	1617	18131	523	12618	523
May	2715	17106	931	13395	931
June	2286	17081	394	16603	394
July	2151	17563	672	17023	672
August	2350	17355	979	16773	979
September	1980	18658	741	18120	741
October	2515	21242	1055	20462	1055
November	1804	19536	2572	18023	2237
December	3601	20548	1964	18203	1563
Totals	23557	212656	11026	195718	10290
Cum. Since 5/81	842107	2519441	155316	2096082	123847