

February 9, 2010

U.S. Department of the Interior
Bureau of Land Management
1235 La Plata Highway, Suite A
Farmington, Nm 87401

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504
Attention: Will Jones
Senior Petroleum Geologist

Director
Jicarilla Apache Oil & Gas Administration
P.O. Box 146
Dulce, NM 87528

Mr. Derek Padilla
Santa Fe National Forest
Cuba Ranger District
P.O. Box 130
Cuba, NM 87013

Re: EAST PUERTO CHIQUITO MANCOS
UNIT 2010 PLAN OF DEVELOPMENT

Gentlemen:

Set out below is Summary of Operations for 2009 and Operator's Plan of Development for 2010.

1. Summary of 2009 Operations:
No changes have been made in the geologic interpretations, wells or participating area boundaries so no new maps are submitted.
The #14 (N-19) and #25 (I-6) wells were plugged.
The oil gathering line running from Sec. 29, T27N, R1E to Sec. 20, T25N, R1E was converted to gas.
2009 operations for individual wells are detailed on attached schedule.
2. Listing of status of all wells is enclosed here as Schedule I.

3. Production and injection statistics are enclosed as Schedule II along with production and injection curves.
4. Plans for development.
The economics of further development has changed dramatically from 2008. We continue to analyze additional drilling and now have a more comfortable future pricing scenario than a year ago. We have had nominations into the Santa Fe Forest for three un-leased parcels within the Unit for some time and have requested an update as to when these leases might be released for sale. When originally nominated, we had planned to drill one well each on these leases and while continuing to analyze the economics of these wells, we plan to drill if we can acquire the leases.
2010 production operations will continue generally unchanged from current operations.
5. Effectiveness of enhanced recovery project (water flood):
Schedule II states the cumulative oil, gas and water production, and monthly water injection volumes as of December 31, 2009. Please note that gas injection was discontinued after February 2007.
6. Disposition of shut in wells:
The #13 (F-30) will be produced intermittently from May to October in the future. The #30 (I-8) was shut-in for a short time because of access issues but was returned to production in January 2010.

We hereby request your approval of this 2010 Plan of Development.

Sincerely,

BENSON-MONTIN-GREER DRILLING CORP.

By: 
Mike Dimond, President

Encl.

EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO
December 31, 2009

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	Status
#1 (L-29)	SW/SW Sec. 29, T-27N, R-1E	N36.31.317, W106.51.447	Plugged & Abandoned
#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	N36.31.557, W106.50.890	Producing
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E	N36.52845, W106.85293	Producing
#4 (K-29)	SE/SW Sec. 29, T-27N, R-1E	N36.31.359, W106.51.189	Plugged & Abandoned
#5 (A-29)	NE/NE Sec. 29, T-27N, R-1E	N36.31.715, W106.50.670	Plugged & Abandoned
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Producing
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	Producing
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	Producing
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	Producing
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	Producing
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	Producing
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	Shut In (Seasonal Producer)
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	Plugged & Abandoned
#15 (M-21)	SW/SW Sec. 21, T-27N, R-1E	N36.31.876, W106.50.397	Plugged & Abandoned
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	Producing
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	Producing
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	Producing
#19 (H-25)	SE/NE Sec. 25, T-27N, R-1W	N36.31.325, W106.52.858	Plugged & Abandoned
#20 (D-4)	NW/NW Sec. 4, T-26N, R-1E	N36.31.199, W106.50.881	Plugged & Abandoned
#21 (B-5)	NW/NE Sec. 5, T-26N, R-1E	N36.31.150, W106.51.344	Plugged & Abandoned
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	Producing
#23 (H-6)	SE/NE Sec. 6, T-26N, R-1E	N36.31.010, W106.52.136	Plugged & Abandoned
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	Water Injection Well
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	Plugged & Abandoned
#26 (F-5)	SE/NW Sec. 5, T-26N, R-1E	N36.31.001, W106.51.688	Plugged & Abandoned
#27 (H-5)	SE/NE Sec. 5, T-26N, R-1E	N36.30.988, W106.51.155	Plugged & Abandoned
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	Producing
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	Producing
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	Shut in
#31 (P-9)	SE/SE Sec. 9, T-26N, R-1E	N36.29.625, W106.50.108	Plugged & Abandoned
#32 (H-16)	SE/NE Sec. 16, T-26N, R-1E	N36.29.124, W106.50.004	Plugged & Abandoned
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	Producing
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E	N36.51264, W106.8605	Producing
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	Producing
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	Producing
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	Producing
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	N36.32.394, W106.50.416	Producing
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	Water Injection Well
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Producing
#42 (O-21)	SW/SE Sec. 21, T-27N, R-1E	N36.31.931, W106.49.854	Plugged & Abandoned
#43 (L-28)	SW/SW Sec. 28, T-27N, R-1E		Plugged & Abandoned
#44 (P-18)	SE/SE Sec. 18, T-27N, R-1E		Plugged & Abandoned

EAST PUERTO CHIQUITO MANCOS UNIT WELLS
RIO ARRIBA COUNTY, NEW MEXICO
2009

Well Name	Location - Sec. - Twp - Range	Latitude/Longitude	SUMMARY OF WORK
#2 (G-29)	SW/NE Sec. 29, T-27N R-1E	N36.31.557, W106.50.890	
#3 (C-29)	NE/NW Sec. 29, T-27N, R-1E	N36.52845, W106.85293	
#7 (N-20)	SE/SW Sec. 20, T-27N, R-1E	N36.31.933, W106.51.114	Re-plumb flow lines in June
#8 (P-19)	SE/SE Sec. 19, T-27N, R-1E	N36.31.937, W106.51.744	
#9 (H-30)	SE/NE Sec. 30, T-27N, R-1E	N36.31.502, W106.51.745	
#10 (H-20)	SE/NE Sec. 20, T-27N, R-1E	N36.32.367, W106.50.671	Installed Pumping Unit in May
#11 (P-20)	SE/SE Sec. 20, T-27N, R-1E	N36.31.968, W106.50.706	
#12 (H-19)	SE/NE Sec. 19, T-27N, R-1E	N36.32.372, W106.51.744	
#13 (F-30)	SE/NW Sec. 30, T-27N, R-1E	N36.31.521, W106.52.322	Replace Downhole Pump in July
#14 (N-19)	SE/SW Sec. 19, T-27N, R-1E	N36.31.934, W106.52.283	P & A in June
#16 (C-28)	NE/NW Sec. 28, T-27N, R-1E	N36.31.736, W106.50.152	
#17 (O-17)	SW/SE Sec. 17, T-27N, R-1E	N36.32.816, W106.50.916	Replace PU engine in April
#18 (P-13)	SE/SE Sec. 13, T-27N, R-1W	N36.32.848, W105.52.768	Acidize & Replace Downhole Pump in September; remove vegetation & clean location
#22 (C-5)	NE/NW Sec. 5, T-26N, R-1E	N36.31.152, W106.51.655	
#24 (F-6)	SE/NW Sec. 6, T-26N, R-1E	N36.30.855, W106.52.692	
#25 (I-6)	NE/SW Sec. 6, T-26N, R-1E	N36.30.740, W105.52.182	P & A in June
#28 (D-9)	NW/NW Sec. 9, T-26N, R-1E	N36.30.285, W105.50.799	
#29 (F-9)	SE/NW Sec. 9, T-26N, R-1E	N36.30.066, W106.50.543	
#30 (I-8)	NE/SE Sec. 8, T-26N, R-1E	N36.29.842, W106.51.092	Replace downhole assembly in October
#33 (P-5)	SE/SE Sec. 5, T-26N, R-1E	N36.30.498, W106.51.091	Replace Downhole Pump in December
#34 (K-5)	NE/SW Sec. 5, T-26N, R-1E	N36.51264, W106.8605	Re-build PU engine in January; Replace downhole pump in April & Sept.
#35 (M-9)	SW/SW Sec. 9, T-26N, R-1E	N36.29.632, W106.50.819	Replace rods & downhole pump in January
#37 (C-8)	NE/NW Sec. 8, T-26N, R-1E	N36.30.289, W106.51.629	Replace Pu engine in December
#38 (H-8)	SE/NE Sec. 8, T-26N, R-1E	N36.30.107, W106.51.095	Replace downhole pump in January & September
#39 (E-21)	SW/NW Sec. 21, T-27N, R-1E	N36.32.394, W106.50.416	
#40 (E-19)	SW/NW Sec. 19, T-27N, R-1E	N36.32.375, W106.52.545	Temperature Log for EPA in January, Repair inj. Pump in August
#41 (F-20)	SE/NW Sec. 20, T-27N, R-1E	N36.32.369, W106.51.209	Replace 1/2 mile of lease line in June
Tank Battery	SE/SW Sec. 29, T27N, R1E	N 36.5218, W106.85.577	

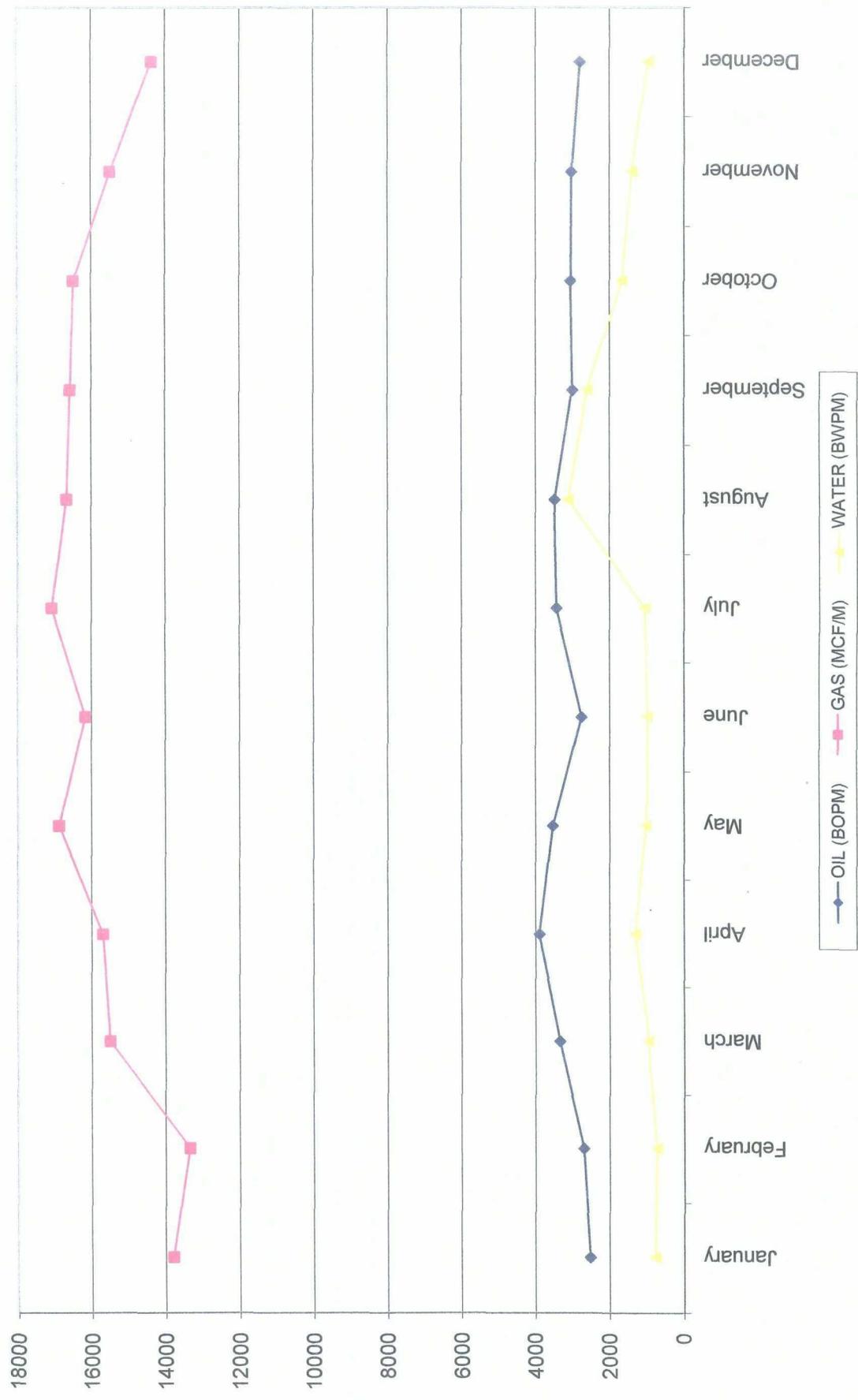
SCHEDULE II
EAST PUERTO CHIQUITO MANCOS UNIT
2008 PRODUCTION STATISTICS

	OIL (BOPM)	GAS (MCF/M)	WATER (BWPM)	GAS INJECTION* (MCF/M)	WATER INJECTION (BWPM)
January	2524	13789	783	0	783
February	2701	13341	728	0	728
March	3346	15494	963	0	963
April	3900	15695	1311	0	1311
May	3538	16883	1017	0	1017
June	2764	16170	996	0	996
July	3439	17083	1052	0	1052
August	3489	16679	3129	0	3129
September	3010	16585	2609	0	2609
October	3053	16494	1691	0	1691
November	3029	15486	1410	0	1410
December	2797	14373	986	0	986
Totals	37590	188072	16675	0	16675
Cumulaltive Since 5/81	1001708	3241009	247822	2202228	210671

EPCMU

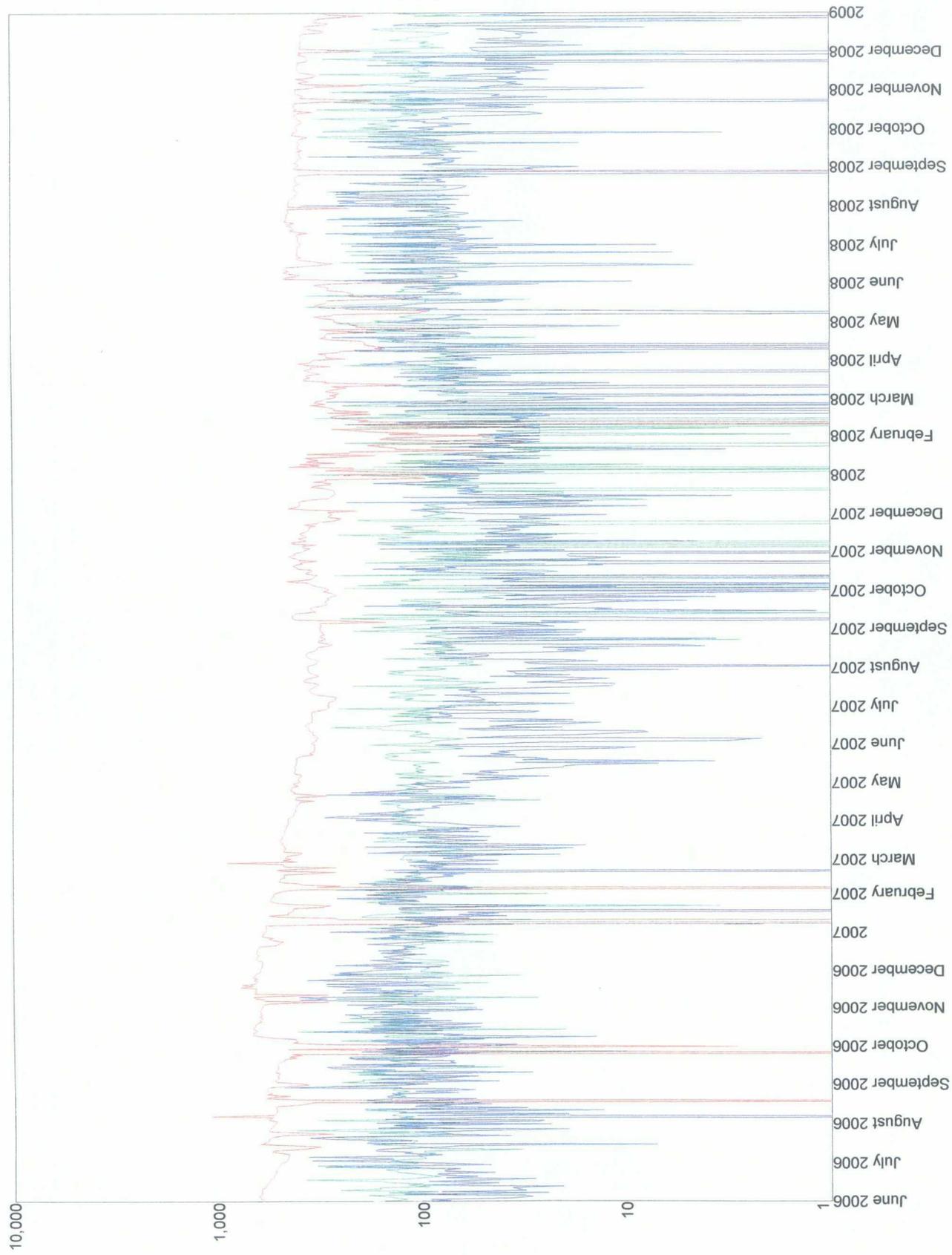


EAST PUERTO CHIQUITO MANCOS UNIT 2009 PRODUCTION



Oil (bbl)
Gas (mcf)
Water (bbl)

EPCMU



EAST PUERTO CHIQUITO MANCOS UNIT 2009 GAS & WATER INJECTION

