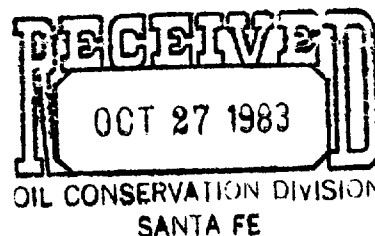


BENSON-MONTIN-GREER DRILLING CORP.

221 PETROLEUM CENTER BUILDING, FARMINGTON, NM. 87401 505-325-8874

October 25, 1983



Mustard Seed Oil & Chemical, Inc.
7227 N. Mesa, Suite 1702
El Paso, TX 79912

Re: PUERTO CHIQUITO MANCOS EAST
POOL: REDRILLING OF EXCEPTION
LOCATION: T-26N, R-1E,
SEC. 21: E/2 SE/4

Case 8271

Gentlemen:

This is in response to your letter of October 21 (copy enclosed for reference) regarding redrilling of the #1 Gran located on the captioned spacing unit.

It is our understanding that the formation in which this well is completed is located in the Puerto Chiquito Mancos East oil pool. This pool is spaced on 160-acre proration units; but an exception was granted in Order R-2565 to provide 80-acre proration units in the SE/4 of Section 21: E/2 of the SE/4 and W/2 of the SE/4.

As operator of offsetting lease acreage, this letter will evidence that we have no objection to your redrilling on this proration unit, as long as there is only one well completed for production on the spacing unit.

Yours truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:

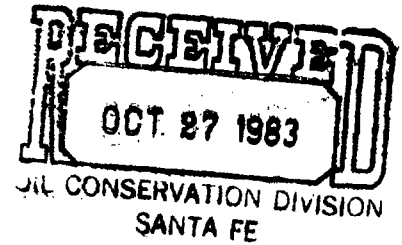

Albert R. Greer, President

ARG/tlp

cc: NMOCD, 1000 Rio Brazos Road, Aztec, NM 87410
cc: NMOCD, Box 2088, Santa Fe, NM 87501

Enclosure

Mustard Seed Oil & Chemical, Inc.



October 21, 1983

Benson-Montin-Greer
221 Petroleum Center Building
Farmington, New Mexico 87401

Dear Sir:

We have purchased the United States Oil and Gas Lease N. M. 12497 and the United States Oil and Gas Lease N. M. 012493 from Han-San Inc. and wish to move over and redrill the Gran located in Township 26 N, Range 1 East, N. M. P. M., Section 21: NE/4 SE/4.

As our records and information show you to be the offset owner, we are requesting 40 acre spacing as per instruction from O. C. C. This unit has 40 acres spacing at present but according to our instruction we must resubmit application.

Thank you,

A handwritten signature in cursive script, appearing to read "Robert A. Mack".

Robert A. Mack
President

A handwritten signature in cursive script, appearing to read "Mike Hand".

Mike Hand
Secretary-Treasurer

RAM/rlm



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

August 8, 1984

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mustard Seed Oil &
Chemical Corp.
5372 Doniphan
El Paso, Texas 79932

Re: CASE NO. 8271
ORDER NO. R-7014

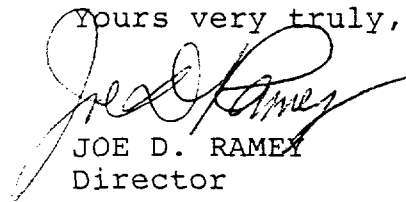
Applicant:

Mustard Seed Oil & Chemical Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other Milton Reeves