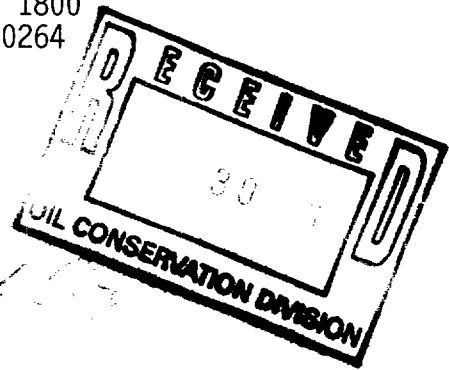


Robert A. Schwering, P.E.
Senior Engineer
(303) 278-8020

Bonneville Fuels Corporation
1660 Lincoln; Suite 1800
Denver, Colorado 80264

May 25, 1995

Mr. Mike Stogner
Oil Conservation Division
New Mexico Dept. of Energy and Minerals
P.O. Box 2088
Santa Fe, NM 87504-2088



Re: Application of Bonneville Fuels Corporation for an Unorthodox Well Location and To Compulsory Pool Various Unleased Mineral Interests: Lea County, New Mexico

Case 11317

Dear Mr. Stogner:

This letter and its attachments comprise the request by Bonneville Fuels Corporation for the inclusion of the above-referenced matter on the docket for the Examiner Hearing scheduled to be held on June 29, 1995. The subject of this request is the proposed new oil well:

Norris #4
710' FSL & 330' FWL
Section 13, T.17S., R.37E.
Lea County, New Mexico.

This proposed well location is an Unorthodox Location in the South Humble City Strawn Pool in Lea County, New Mexico. The proposed bottom-hole location is identical to the proposed surface location. This proposed Unorthodox Location is based solely upon geologic considerations. Bonneville Fuels Corporation will dedicate the 79.995 Acres of the W 1/2 of the SW 1/4 of Section 13 to this well if it is completed as a producing well in the Strawn Fm.

Attached for your information and use in this matter is an original of the New Mexico Form C-101 (Application For Permit To Drill: with attachments) and an original of the New Mexico Form C-102 (Well Location And Acreage Dedication Plat: with attachments). These forms are being filed in triplicate with the District 1 Office of the Oil Conservation Division, at their Hobbs, New Mexico office.

As per our previous conversations it is my understanding that the Unorthodox Location request (which is based solely upon geologic considerations) and the Compulsory Pooling request, can only be adjudicated through the Examiner Hearing process. The Norris #1 well, at 1650' FSL & 330' FEL in Section 13 - and in the same proration unit, was drilled in 1983 and produced until abandoned in November of 1991. The location was also Unorthodox and the same mineral interests were force-pooled by you (as Examiner) in 1983. If we can seek (and reasonably expect to obtain) Administrative Approval of either the Unorthodox Location and/or the Compulsory Pooling request, then please advise Bonneville Fuels of this option at your earliest convenience (303) 863-1555.

Mr. Mike Stogner
New Mexico Dept. of Energy & Minerals
BFC Application for Unorthodox Well
Lottie York #3
March 8, 1995
Page 2

Bonneville Fuels has retained legal counsel in preparation for the Examiner Hearing. Bonneville Fuels will make complete application for this Unorthodox Location request and Compulsory Pooling request approval through the offices of Campbell, Carr, Berge & Sheridan, P.A., for its Examiner Hearing presentation.

Ms. Tanya M. Trujillo, P.A., with CCB&S, is our attorney for the disposition of this matter. Please copy her with pertinent correspondence in the disposition of this matter at:

Campbell, Carr, Berge & Sheridan, P.A.
Attn: Ms. Tanya M. Trujillo, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Thank you for your assistance in this matter.

Sincerely yours,

BONNEVILLE FUELS CORPORATION



R. A. Schwering, P.E.
Senior Engineer

Enclosures

cc: J. O. Cable, Vice President-Operations, BFC
R. J. Kozarek, Consulting Geologist, BFC
D. R. Spelman, Landman, BFC
T. M. Trujillo, Campbell, Carr, Berge & Sheridan, P.A.