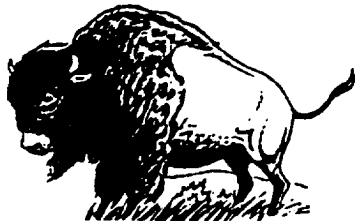


STATE OIL CONS. COMMISSION
P.O. BOX 1980
ALBUQUERQUE, NM 87241

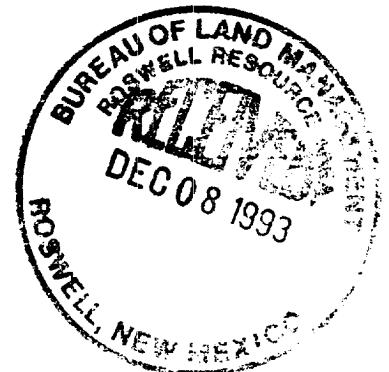
BISON PETROLEUM CORPORATION



5809 South Western, Suite 200
Amarillo, Texas 79110-3607
Phone: (806) 358-0181

Bureau of Land Management
P.O. Box 1857
Roswell, New Mexico 88202
Mr. Armondo Lopez

RE: Surface Commingling of Gas
Bison Federal A No. 1 (NM 0560413)
Sec. 34, T8S, R37S
Roosevelt County, Texas



December 7, 1993

Gentlemen:

The subject well ceased producing gas as of July 1, 1993, due to insufficient well head pressure. Bison requests approval to run a line to a compressor station on its State lease, some 800' west, and commingle the gas for sales.

The subject well was drilled by DOB Oil Co. in Jan. 1963. Various Operators have since owned the well. Bison Petroleum Corporation purchased the well effective October 1, 1988. In our time of operations the well has produced no measurable fluid, oil or condensate. During 1993 the sales line pressure increased slightly, to 15 psi and the well ceased production. The Purchaser was contacted but said they could not justify additional compression to lower the line pressure. It is not economically feasible for us to install compression. Under the present conditions the well has no economic reserves. Bison operates the State lease; just west of the Federal A (see attached map). This lease produces with a gas compressor but operates with marginal economics. Bison recently purchased the Marathon State BP-A lease which is at the economic limit. Gas from the three leases could be handled efficiently with Bison's current compressor installation.

Bison proposes to commingle the gas from the three wells and then compress and sell it through the existing facilities. We can not economically justify setting additional measurement facilities nor will the purchaser. We would test the wells for production rate and BTU content once every six months and distribute the gas income based on each wells percentage of produced BTU's.

BISON PETROLEUM CORPORATION

Under the above proposal the Federal "A" No. 1 would have a production rate of an estimated 20 Mcf/D and once again have economical reserves. It is anticipated the well would produce for an additional 3 years.

If this method of production is acceptable we ask for an early response to support our proposal to the NMOCC. If you have any questions please let us know.

Yours very truly,

BISON PETROLEUM CORPORATION

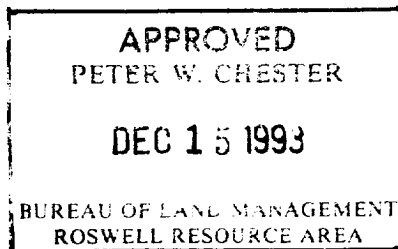
Bruce O. Barthel

Bruce O. Barthel
President

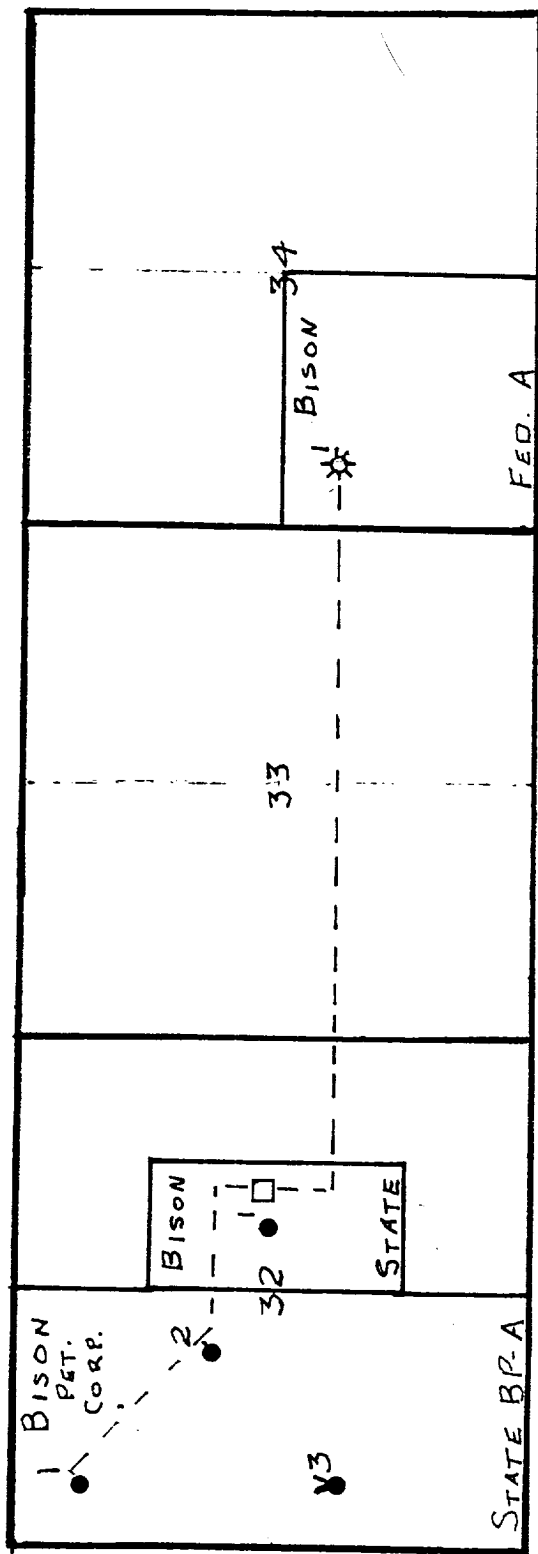
BOB/lis

Enclosures

SUBJECT TO LIKE
APPROVAL BY STATE



12/15/93
Per conversation w/Bruce Barthel
State BP-A wells 1 & 2 test at
about 40 MCFPD together.
Bison State well No. 1 produces
about 32 MCFPD
Sales meter will be at
1-Bison State well, SWNE 32-8-37E
Peter W. Chester



● Oil Well

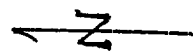
✱ Gas Well

✱ P&A Well

□ Compressor Station

--- Gas Gathering Line

Scale: 1" = 2000'



BISON PETROLEUM CORPORATION
 Surface Gas Commingling
 Facility
 Sections 32, 33, & 34
 T-8S, R-37S
 Roosevelt County, New Mexico