

Bonneville Fuels Corporation  
A Subsidiary of Bonneville Pacific Corporation

March 8, 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: Lea County, New Mexico

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 April 6, 1995. The subject of this request is the proposed new oil well:

Lottie York #3  
2030' FSL & 2300' FWL  
Section 14, 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 79.96 Acres of the E 1/2 of the SW 1/4 of Section 14 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 telephone conversation it is my understanding that this Unorthodox Location request, which is based solely upon geologic considerations, can only be adjudicated through the Examiner Hearing process. If we can seek (and reasonably expect to obtain) Administrative Approval of this Unorthodox Location request, then please advise Bonneville Fuels of this option at your earliest convenience (303) 863-1555.

Mike Stogner  
New Mexico Dept. of Energy & Minerals  
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Bonneville Fuels has retained legal counsel in preparation for the Examiner Hearing. Bonneville Fuels will make complete application for this Unorthodox Location approval through the offices of Campbell, Carr, Berge & Sheridan, P.A., for its Examiner Hearing presentation.

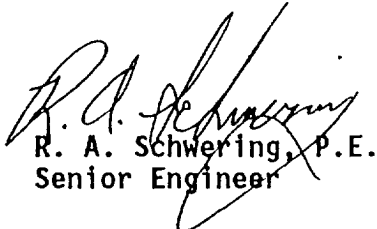
Ms. Tanya M. Trujillo, P.A., with CCB&S, is our attorney for the disposition of this matter. Please copy her with pertinent correspondence in the disposition of this matter at:

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.

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RECEIVED

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OFFICE