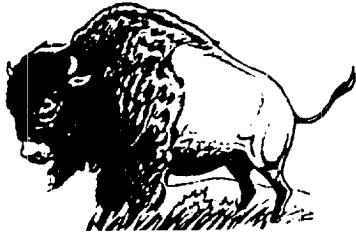


**BISON
PETROLEUM
CORPORATION**



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

Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240
Attn: Evelyn Downs

Re: Recompletion-Downhole Commingle
Stephens Estate No. 1

October 4, 1989

Dear Ms. Downs:

Enclosed are three (3) copies of Form C-102 for each of the three (3) zones, three (3) copies of Form C-103, five (5) copies of Form C-104, and two (2) copies of Form C-116 on the subject well. We request that a new oil allowable be assigned as of the completion date, September 8, 1989.

This well formerly was a downhole commingled Drinkard, Wantz-Abo oil completion. Permission was received under Amended Administrative Order DHC-138 dated April 17, 1989, to include the Blinebry oil and gas zone in the downhole commingled production of this well. The work to include this third zone has now been successfully completed.

Forms C-102 show that the Drinkard and Abo have 40-Acre production units assigned but the Blinebry has an 80-Acre non-standard gas spacing and proration unit assignment which is simultaneously dedicated to well Nos. 1 and 2 by Amended Order NSP-940, dated April 17, 1989.

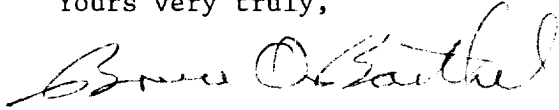
Form C-103 shows the work performed; Form C-104 shows the well test results and that Texaco is now the only gas purchaser; and Form C-116 shows the test results and the method of allocation of production between zones.

BISON PETROLEUM CORPORATION

If there is something more you need, or if we need to make some changes, please let us know.

We certainly appreciate your efforts in our behalf.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Bruce O. Barthel".

Bruce O. Barthel
President

BOB/ljs

Enclosures