



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

March 8, 1989

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Bison Petroleum Corporation
5809 South Western, Suite 200
Amarillo, TX 79110-3607

Attn: Mr. Bruce O. Barthel

Re: Stephens Estate #1-L
Section 24, T21S, R37E

Gentlemen:

Your C-103 requesting approval to reopen the Blinebry zone and downhole commingle with the Abo and Drinkard zones in the above-referenced well has been received.

It appears since you already have approval for an 80-acre non-standard gas proration unit authorized by NSP-940 for your #2 well, all that will be necessary is that you obtain approval to simultaneously dedicate this acreage to well #1 and #2 along with authorization to downhole commingle Blinebry, Drinkard, and Abo production in well #1.

As soon as approval to simultaneously dedicate this 80 acre proration unit to #1 and #2 and to downhole commingle the three zones in well #1 has been obtained from our Santa Fe office we will approve your intention to do the work.

The above proposal would require that you file a revised acreage dedication plat for the Blinebry for both #1 and #2 showing both wells on the 80-acre proration unit.

If you have further questions concerning this, please contact Evelyn Downs at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I