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O. C. D.
ARTESIA, OFFICE

April 27, 1988

Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

ATTENTION: Mr. Michael Stogner

RE: Witz VN State Well No. 2
660' FNL & 660' FEL Sec. 26, T.9S, R.26E
Chaves County, New Mexico

Gentlemen:

Administrative approval for conventional dual completion of the referenced well is hereby respectfully requested. Plans for completion of the well are to produce gas from Ordovician perforations 6012 to 6102 feet up 2 7/8" tubing and to produce dry Wolfcamp gas from perforations 5265 to 5274 feet up the 2 7/8" tubing x 5 1/2" casing annulus. The two producing intervals will be isolated from each other with a Guiberson Uni VI packer. A wellbore diagrammatic sketch of the proposed installation is attached (Attachment A).

Completion of the Ordovician interval 6012 to 6102 feet is currently in progress. Plans are to finish completion of this interval, isolate it, and then to selectively perforate and treat the Wolfcamp. After completion of the Wolfcamp interval production equipment will be installed as shown on Attachment A.

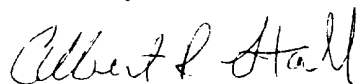
The Wolfcamp interval is in a depletion drive reservoir and is expected to produce dry gas similar to Wolfcamp production from our nearby wells, Ibis XU State No. 1 & No. 2. The Ibis XU State Com. No. 1 is located 660' FNL & 990' FEL Sec. 23, T.9S., R.26E. The Ibis XU State Well No. 2 is located 660' FNL & 1980' FWL Sec. 25, T.9S., R.26E. The Ibis No. 1 was completed in the Wolfcamp interval 5220 to 5245 feet on July 12, 1987, for 980 MCF, 0 BO, 0 BW per day. Wolfcamp gas sales began on July 15, 1987, and a copy of monthly production from the well is attached (Attachment B). The Ibis No. 2 was completed in the Wolfcamp interval 5151 to 5246 feet on April 21, 1988, for 2900 MCF, 0 BO, 0 BW per day. Pipeline hookup is expected within the next two weeks.

Witz VN State Well No. 2
Page 2

A copy of the electric log for the Witz No. 2 showing both the Ordovician and Wolfcamp zones is attached (Attachment C). Bottom hole pressure measurements for the Wolfcamp zones in the Ibis No. 1 and No. 2 are attached (Attachments D and E, respectively). Also attached is an Ordovician bottom hole pressure measurement for the Witz No. 2 (Attachment F).

If any additional information is needed, please advise. Thank you.

Sincerely,

A handwritten signature in cursive script, reading "Albert Ray Stall".

Albert Ray Stall
Completions Superintendant

XC: N.M.O.C.D., Artesia (w/attachments)

ATTACHMENT A

WELLBORE DIAGRAMATIC SKETCH

WITZ "VN" STATE #2
660' FNL & 660' FEL
SEC. 26-9S-26E
CHAVES CO., NEW MEXICO

G.L. 3802.7'
SURFACE —

1000' —

2000' —

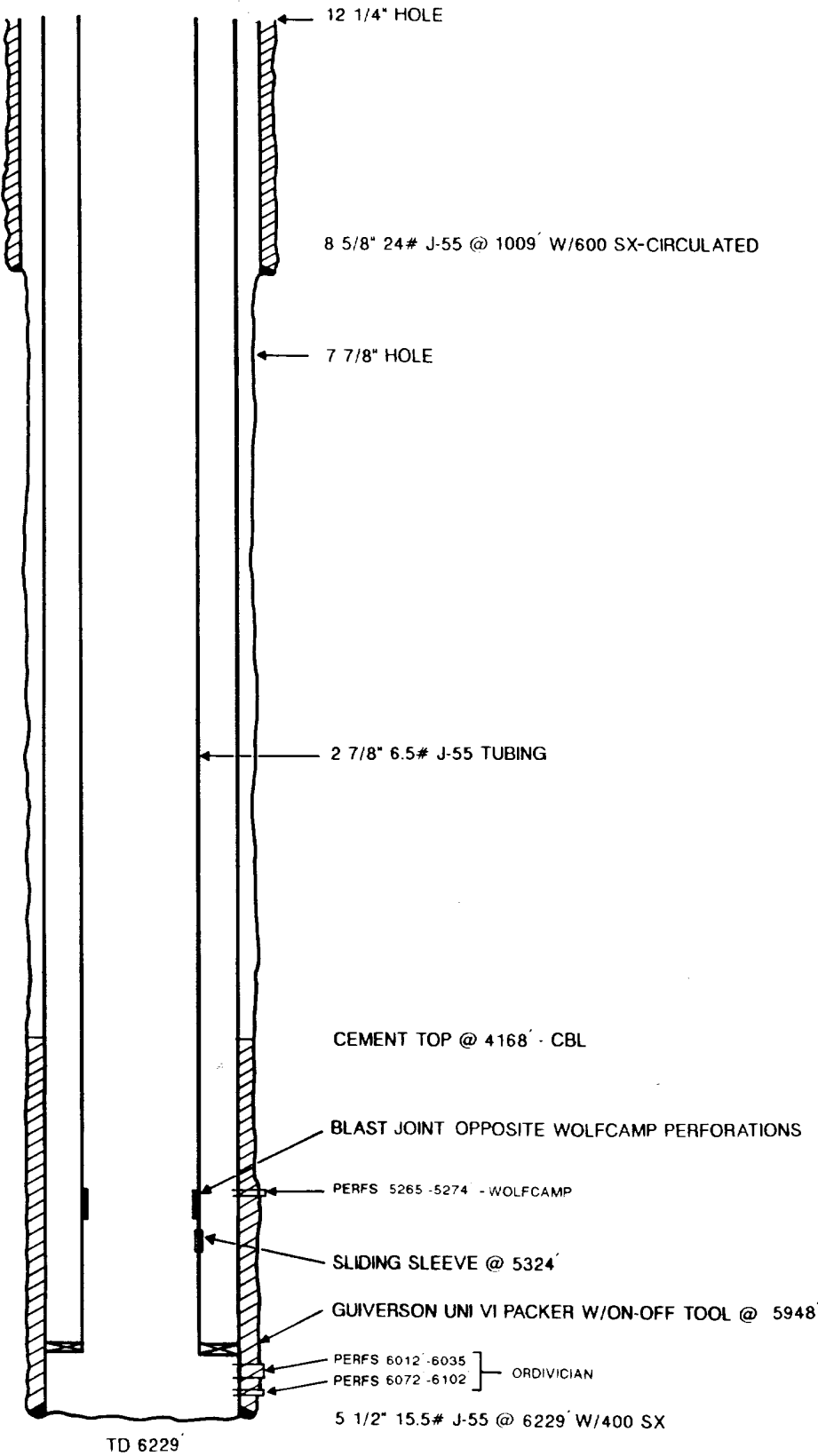
3000' —

4000' —

5000' —

6000' —

7000' —



ATTACHMENT B

MPSR17 MONTHLY PRODUCTION REPORT - ONE WELL
YATES PETROLEUM CORPORATION

Monthly Production Report
Ibis XU State #1

PAGE 2
4/25/98

LEASE OR WELL**
32905-01 IBIS XU STATE #1 (CONTINUED) 99990 YATES PETROLEUM CORPORATION

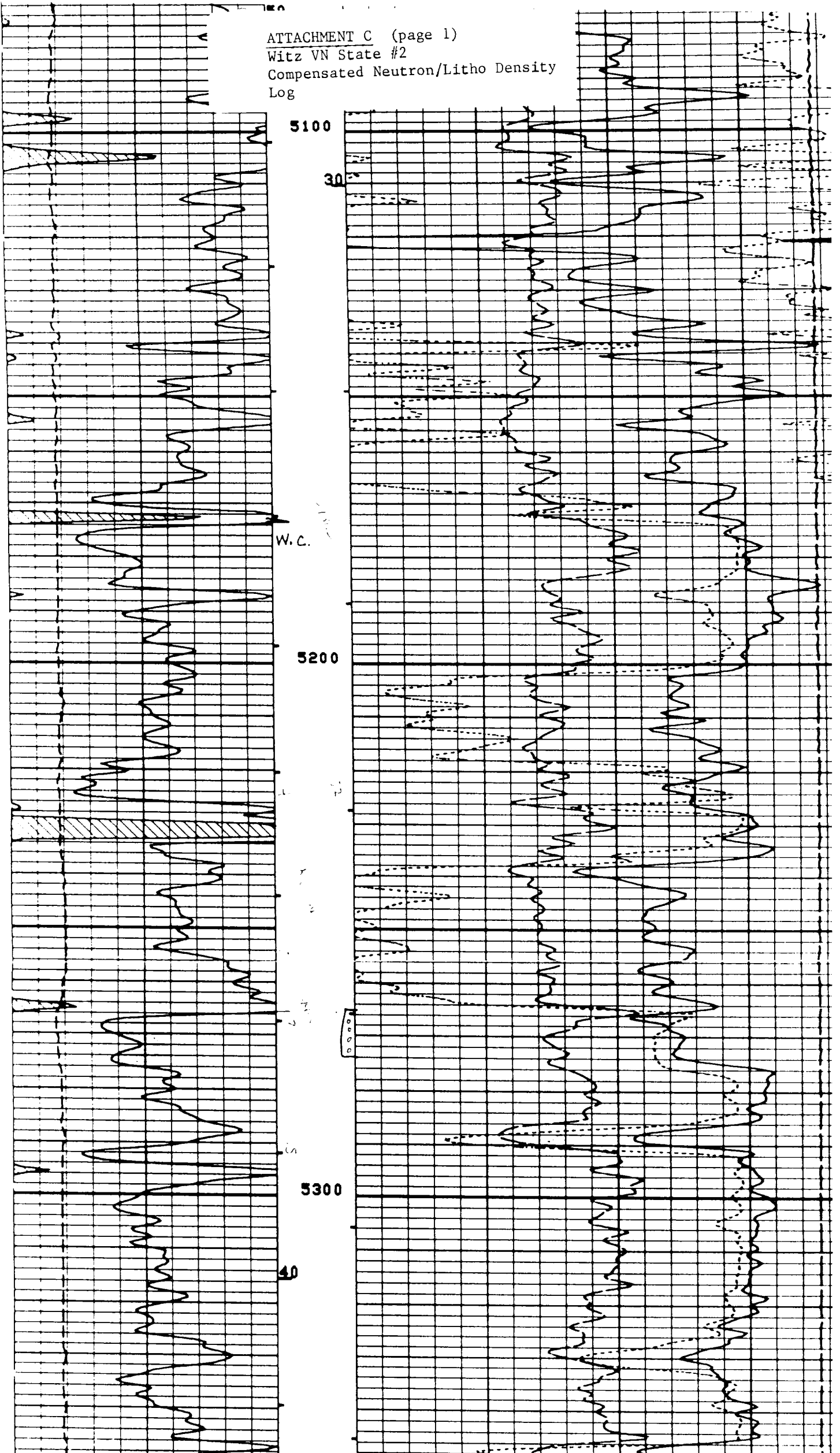
LOCATION
1 A 23 9S 26E CHAVES NEW MEXICO 770 WILDCAT WOLFCAMP 920 WOLFCAMP

YEAR JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER TOTAL

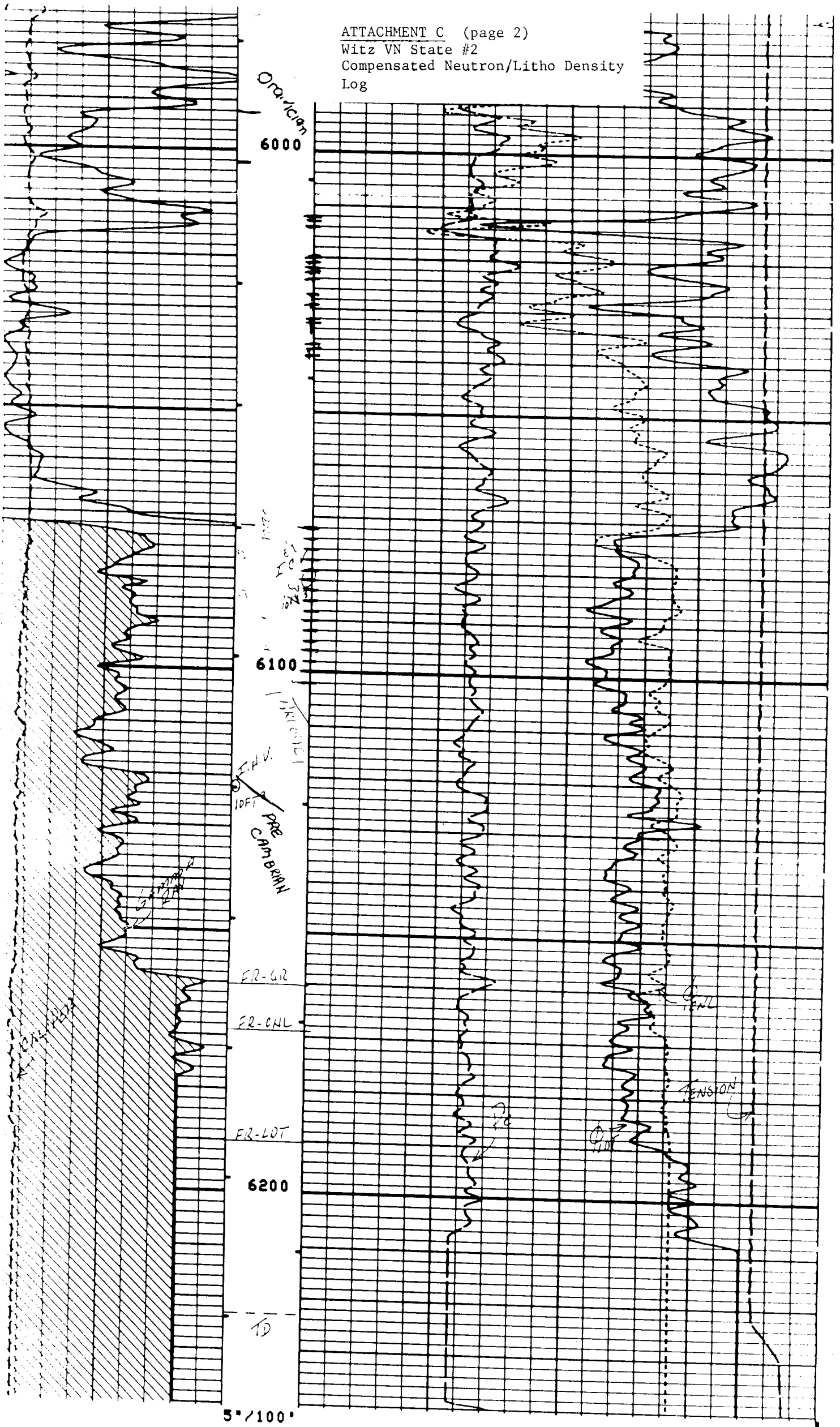
OIL 87	0	0	0	0	0	0	0	0	0	0	0	0
GAS 87	0	0	0	0	0	0	5232	8972	8347	9615	6682	8464
H2O 87	0	0	0	0	0	0	14	9	5	4	0	9
OIL 88	0	0	0	0	0	0	0	0	0	0	0	0
GAS 88	15379	12148	0	0	0	0	0	0	0	0	0	0
H2O 88	3	3	0	0	0	0	0	0	0	0	0	0

*** TOTALS *** OIL - 0 BBLs GAS - 75,839 MCF WATER - 47 BBLs

ATTACHMENT C (page 1)
Witz VN State #2
Compensated Neutron/Litho Density
Log



ATTACHMENT C (page 2)
Witz VN State #2
Compensated Neutron/Litho Density
Log



5"/100'



ATTACHMENT D
Ibis XU State #1
Bottom Hole Pressure
Wolfcamp Zone

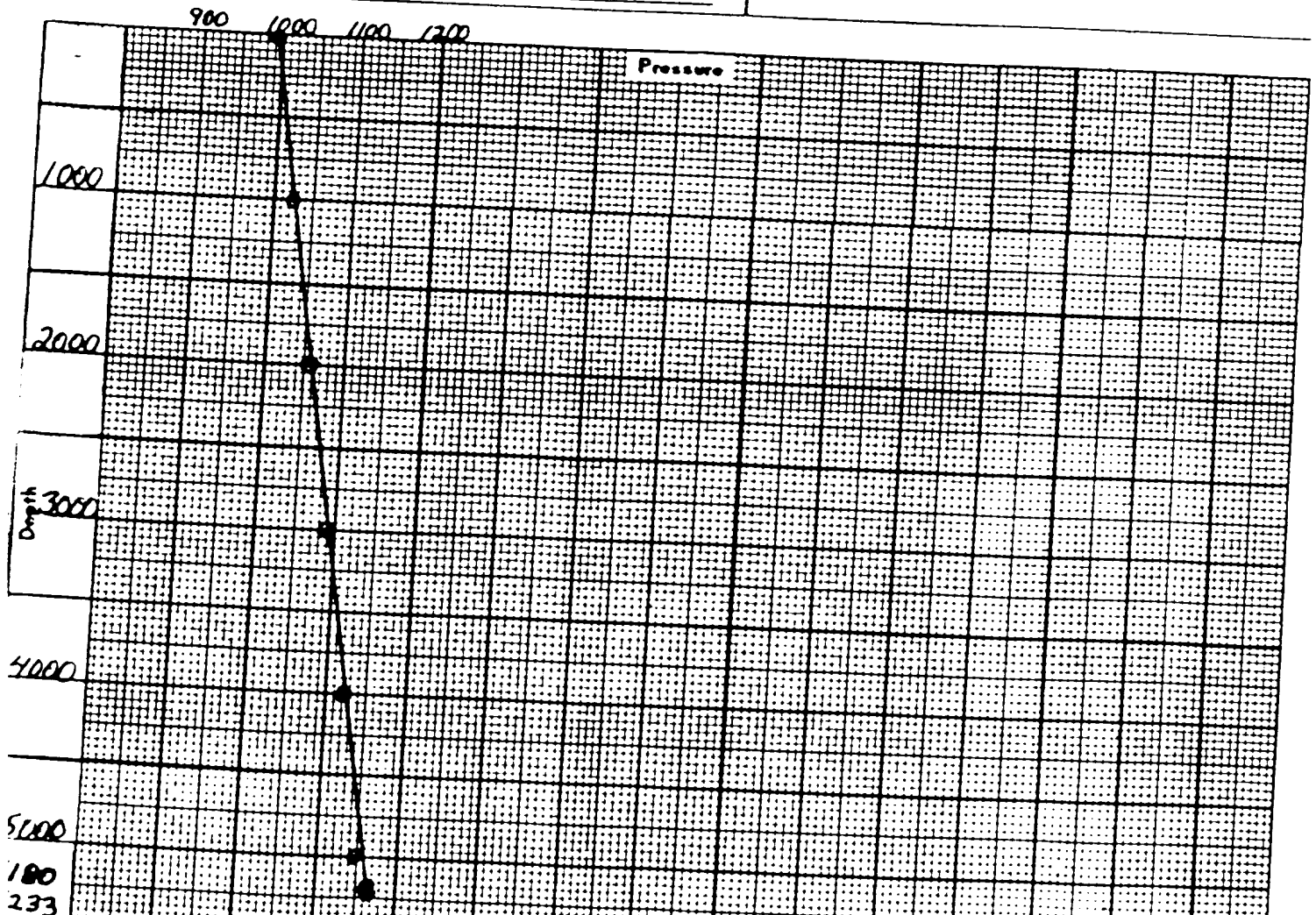


BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR YATES PETROLEUM CORPORATION
LEASE IBIS "XU"
WELL NO. #1
POOL FORMATION
DATE 7-14-87 TIME 1110 HRS.
CO. MAN BILL HANSON
STATUS SHUT IN TEST DEPTH 5180 FEET
TIME S.I. N/A LAST TEST DATE
BHP LAST TEST
TUB. PRES. 980# BHP CHANGE
CAS. PRES. FLUID TOP
DATUM PLANE WATER TOP
DATUM PSIA 1167.2 RUN BY JOE HERNANDEZ
TEMP 150° CLOCK # 82684
PRESSURE RANGE 0-5025#
ELEMENT NO. RP63#23914

DEPTH	PSIA PRESSURE	LB/100 FT GRADIENT
0	993.2	
1000	1025.2	3.2
2000	1057.2	3.2
3000	1089.2	3.2
4000	1123.2	3.4
5000	1158.2	3.5
5180	1165.2	3.8
5233	1167.2	3.8

5233 FEET ID EXTRAPOLATED
PERFS: 5220 FT TO 5245 FT





BENNETT-CATHEY WIRE LINE SERVICE



ATTACHMENT E
Ibis XU State Com #2
Bottom Hole Pressure
Wolfcamp Zone

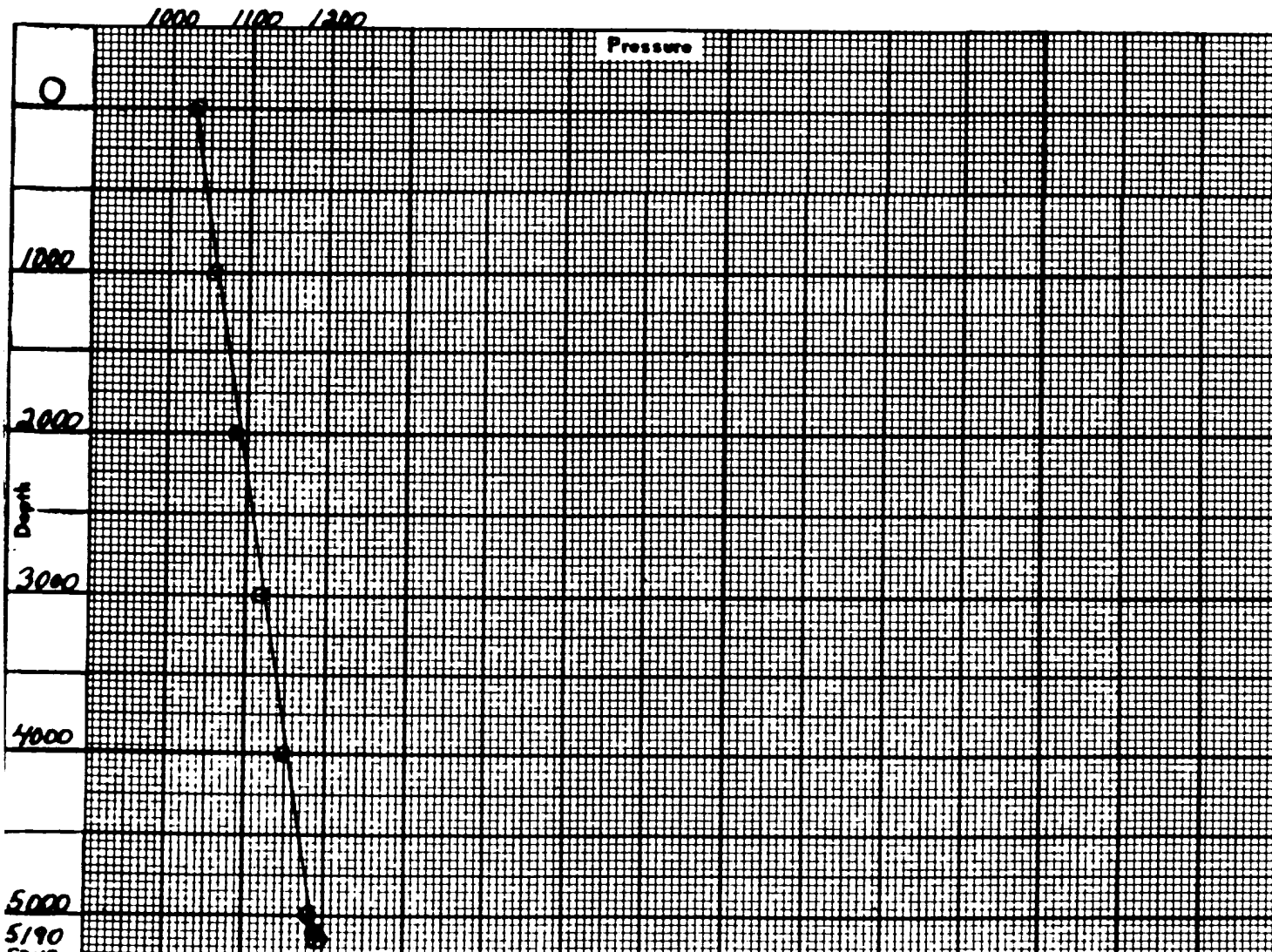
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OPERATOR YATES PETROLEUM CORPORATION
LEASE IBIS XU STATE
WELL NO. #2
POOL FORMATION WOLFCAMP
DATE 4-14-88 TIME 0806 HRS.
CO. MAN DON MAYBERRY
STATUS SHUT IN TEST DEPTH 5190 FEET
TIME S.I. 1400 HRS LAST TEST DATE
4-13-88 BHP LAST TEST
TUB. PRES. 1017# BHP CHANGE
CAS. PRES. FLUID TOP
DATUM PLANE WATER TOP
DATUM PSIA 1191.6 RUN BY DARRELL WILSON
TEMP 164° CLOCK # 3490
PRESSURE RANGE 0-6175#
ELEMENT NO. RPG3#27626

DEPTH	PSIA PRESSURE	LB/FT GRADIENT
0	1030.2	
1000	1055.2	.025
2000	1085.2	.030
3000	1117.2	.032
4000	1149.2	.032
5000	1181.2	.032
5190	1189.2	.042
5243	1191.6	.045

5243 FEET IS EXTAPOLATED
LENGTH OF TIME WELL SHUT IN
18 HRS.
PERFS: 5240 FT TO 5246 FT





BENNETT-CATHEY WIRE LINE SERVICE



ATTACHMENT F
Witz VN State #2
Bottom Hole Pressure
Ordovician Zone

BOT

PORT

OPERATOR YATES PETROLEUM CORP.
LEASE WITZ UN ST.
WELL NO. #2
POOL FORMATION
DATE 4-25-88 TIME 0830
CO. MAN BILL HANSON
STATUS SI TEST DEPTH
TIME S.I. 4-24-88 LAST TEST DATE 6000
12:30PM BHP LAST TEST
TUB. PRES. 1449 BHP CHANGE
CAS. PRES. FLUID TOP 5200
DATUM PLANE WATER TOP
DATUM PSIA 2077 RUN BY DARRELL & LEE
TEMP 138 CLOCK # 3490
PRESSURE RANGE 5025
ELEMENT NO. RPG3 #23914

DEPTH	PSIA PRESSURE	GRADIENT
0	1462.2	
1000	1497.2	.035
2000	1539.2	.042
3000	1582.2	.043
4000	1626.2	.044
5000	1570.2	.044
5750	1926.2	.341
6000	2038.2	.448
6087	2077.2	.448

6087 IS EXTRAPOLATED
LENGTH OF TIME SHUT IN 20 HRS.
PERFS. 6072-6102

