

FORTSON PROSPECT

E/2 Section 22
T-14-S, R-27-E
Chaves County, New Mexico

PLAT DENOTING OFFSET TRACTS
EFFECTED BY UNORTHODOX WELL LOCATION
TERRA FEDERAL COM 22 WELL #1

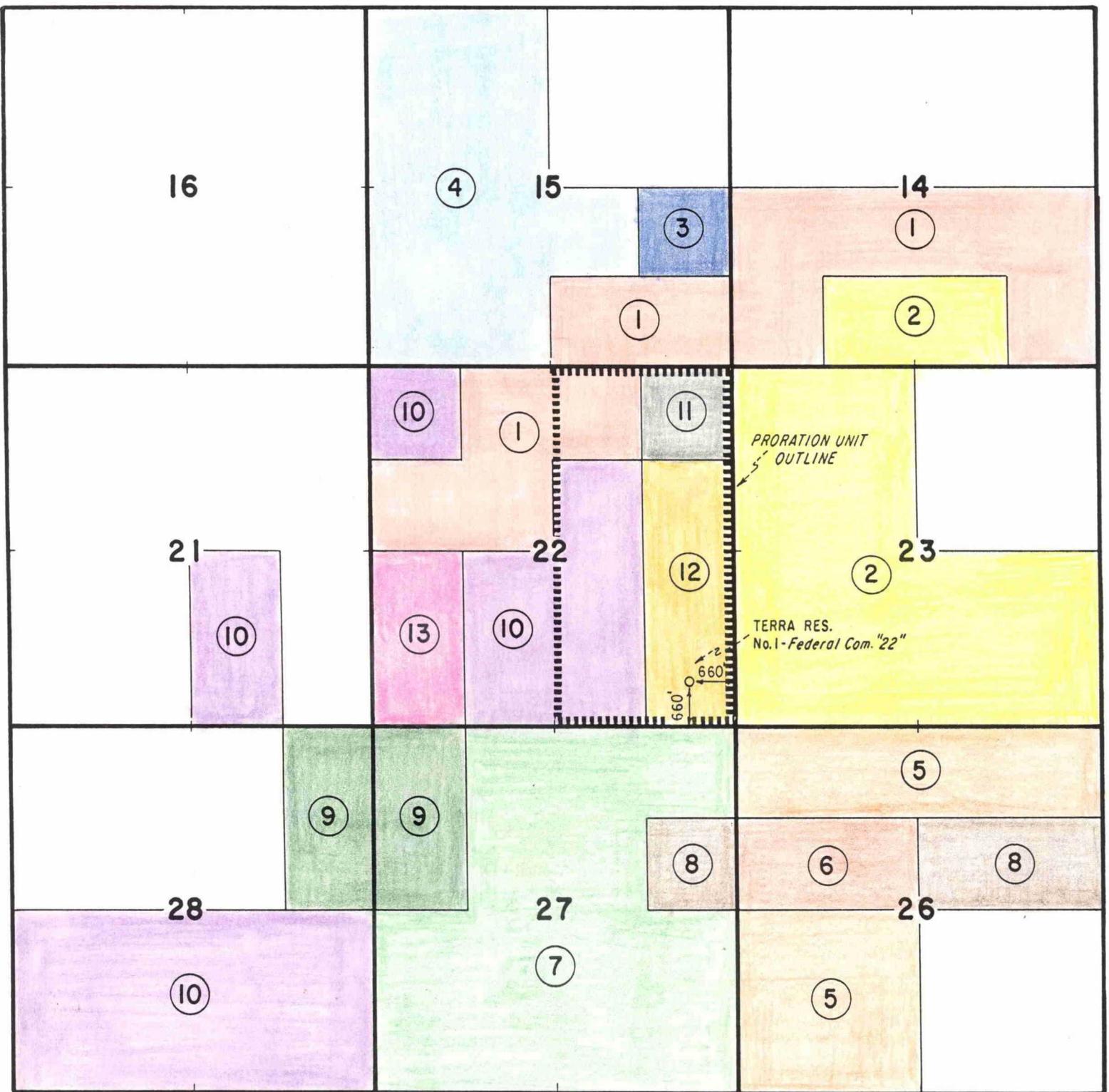


Exhibit 2 For
Force Pooling and Unorthodox
Location Hearing - March 16, 1988
Case No. 9332

Attached to and made a part of that certain Exhibit ___ to Case Number 9332.

TRACT 1

LESSOR: State of New Mexico L-6779
PRESENT LESSEE: Benjamine J. Fortson, Jr. 50.0%
Marshall & Winston 20.0%
Alps Oil Company 10.0%
J.H. Marks Trucking Co., Inc. 5.0%
Eastland Exploration, Inc. 7.5%
Eastland Resources, Inc. 7.5%

DATE OF LEASE: December 1, 1971
LEASE DESCRIPTION: T-14-S, R-27-E
Section 14: N/2 S/2, SW/4 SW/4
SE/4 SE/4
Section 15: S/2 SE/4
Section 22: NW/4 NE/4, S/2 NW/4
Chaves County, New Mexico

TRACT 2

Surface to 8483'

LESSOR: United States of America NM 17214
PRESENT LESSEE: Phillips Petroleum 50.000%
Yates Petroleum Corporation 25.000%
Yates Drilling Corporation 8.333%
Myco Industries, Inc. 8.333%
ABO Petroleum Corporation 8.333%

DATE OF LEASE: August 1, 1973
LEASE DESCRIPTION: T-14-S, R-27-E
Section 13: SW/4 NE/4, SE/4,
S/2 SW/4, NE/4 SW/4
Section 14: SE/4 SW/4, SW/4 SE/4
Section 23: W/2, SE/4
Section 32: NE/4
Chaves County, New Mexico

Below 8483'

LESSOR: United States of America NM 17214
PRESENT LESSEE: Phillips Petroleum 100%
DATE OF LEASE: August 1, 1973
LEASE DESCRIPTION: Section 13: SW/4 NE/4, SE/4,
S/2 SW/4, NE/4 SW/4
Section 14: SE/4 SW/4, SW/4 SE/4
Section 23: W/2 SE/4
Section 32: NE/4
Chaves County, New Mexico

TRACT 3

LESSOR: United States of America NM 56528
PRESENT LESSEE: ABO Petroleum Corporation 30%
Myco Industries 30%
Yates Drilling Company 30%
Yates Petroleum Corporation 10%

DATE OF LEASE: August 1, 1983
LEASE DESCRIPTION: T-14-S, R-27-E
Section 15: NE/4 SE/4
Chaves County, New Mexico

TRACT 4

LESSOR: United States of America NM 58804
PRESENT LESSEE: Santa Fe Operating Partners 100%
DATE OF LEASE: September 1, 1984
LEASE DESCRIPTION: T-13-S, R-27-E
Section 23: N/2 SE/4, SE/4 SE/4
Section 25: NE/4 NE/4, S/2 NE/4
Section 27: SW/4
Section 35: SE/4

T-14-S, R-27-E
Section 9: N/2
Section 10: W/2 E/2, W/2
Section 15: W/2, NW/4 SE/4
Chaves County, New Mexico

TRACT 5

Surface to 8480'

LESSOR: United States of America NM 19181
PRESENT LESSEE: Nicor Exploration Company 50.000%
Yates Petroleum Corporation 25.000%
Yates Drilling Company 8.333%
Myco Industries, Inc. 8.333%
ABO Petroleum Corporation 8.333%
DATE OF LEASE: October 1, 1973
LEASE DESCRIPTION: T-14-S, R-27-E
Section 24: All
Section 25: NE/4, N/2 NW/4
SE/4 NW/4
Section 26: N/2 N/2, SW/4
Section 34: NE/4
Chaves County, New Mexico

Below 8480'

LESSOR: United States of America NM 19181
PRESENT LESSEE: Depco, Inc. 50%
Nicor Exploration Company 50%
DATE OF LEASE: October 1, 1973
LEASE DESCRIPTION: T-14-S, R-27-E
Section 24: All
Section 25: NE/4, N/2 NW/4
SE/4 NW/4
Section 26: N/2 N/2, SW/4
Section 34: NE/4
Chaves County, New Mexico

TRACT 6

LESSOR: State of New Mexico LG-6254
PRESENT LESSEE: Phillips Petroleum Corp. 25.000000%
Yates Petroleum Corporation 21.924145%
Depco, Inc. 14.361702%
Harper Oil Company 7.608676%
Myco Industries, Inc. 7.312672%
Yates Drilling Company 7.311674%
ABO Petroleum Corporation 7.299376%
Ben Fortson 3.260870%
Holly Energy, Inc. 1.861702%
Marshall & Winston 1.304348%
Eastland Oil Company 0.978260%
The Alps Oil Company 0.652174%
Curtis W. Mewbourne 0.531915%
J.H. Marks Trucking Co., Inc. 0.326087%
Read & Stevens, Inc. 0.265957%

DATE OF LEASE: January 1, 1979
LEASE DESCRIPTION: T-14-S, R-27-E
Section 26: S/2 NW/4
Chaves County, New Mexico

TRACT 7

LESSOR: United States of America
PRESENT LESSEE: OPEN
DATE OF LEASE:
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: NE/4 NE/4, W/2 NE/4
E/2 NW/4, S/2
Chaves County, New Mexico

TRACT 8

LESSOR: State of New Mexico LG-783-1
PRESENT LESSOR: Celeste C. Grynberg 100%
DATE OF LEASE: November 1, 1972
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: SE/4 NE/4
Section 25: E/2 SE/4
Section 26: S/2 NE/4
Section 36: NW/4 NE/4, SE/4 NE/4
SW/4 NW/4
Chaves County, New Mexico

TRACT 9

LESSOR: Robert E. Shipley
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: March 6, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: W/2 NW/4
Section 28: E/2 NE/4
Chaves County, New Mexico

LESSOR: John W. Shipley
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: March 6, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: W/2 NW/4
Section 28: E/2 NE/4
Chaves County, New Mexico

LESSOR: Lillian M. Mengene
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: February 28, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: W/2 NW/4
Section 28: E/2 NE/4
Chaves County, New Mexico

LESSOR: Edna Glen Savastone et vir
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: February 28, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 27: W/2 NW/4
Section 28: E/2 NE/4
Chaves County, New Mexico

TRACT 10

LESSOR: United States of America NM-57516
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: April 1, 1984
LEASE DESCRIPTION: T-14-S, R-27-E
Section 19: Lots 1, 2, W/2 NE/4
E/2 NW/4
Section 21: W/2 SE/4
Section 22: SW/4 NE/4, NW/4 NW/4,
E/2 SW/4, W/2 SE/4
Section 28: S/2
Section 29: N/2, SW/4
Section 30: E/2 SE/4
Section 33: NW/4, W/2 SE/4
Chaves County, New Mexico

TRACT 11

LESSOR: United States of America NM-58030
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: June 1, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: NE/4 NE/4
Chaves County, New Mexico

TRACT 12

LESSOR: United States of America NM-60763
PRESENT LESSOR: ABO Petroleum Corporation 30%
Myco Industries 30%
Yates Drilling Company 30%
Yates Petroleum Corporation 10%
DATE OF LEASE: April 1, 1985
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: SE/4 NE/4, E/2 SE/4
Chaves County, New Mexico

TRACT 13

LESSOR: Lawrence C. Harris, et al
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: January 6, 1988
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: W/2 SW/4
Chaves County, New Mexico

LESSOR: Margaret K. Hunker
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: January 6, 1988
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: W/2 SW/4
Chaves County, New Mexico

LESSOR: May Ellett Heirs
PRESENT LESSOR: OPEN
DATE OF LEASE:
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: W/2 SW/4
Chaves County, New Mexico

LESSOR: XY, Ltd.
PRESENT LESSOR: Terra Resources, Inc. 100%
DATE OF LEASE: February 22, 1988
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: W/2 SW/4
Chaves County, New Mexico

LESSOR: First Royalty Company
PRESENT LESSOR: OPEN
DATE OF LEASE:
LEASE DESCRIPTION: T-14-S, R-27-E
Section 22: W/2 SW/4
Chaves County, New Mexico