

DOMESTIC RETURN RECEIPT

PETRUS OIL COMPANY, L.P.

1207 MERIT DRIVE, SUITE 1000 DALLAS, TEXAS 75271
214-758-1000 FACSIMILE 214-758-1009

CERTIFIED RETURN RECEIPT REQUESTED

May 27, 1988

Phillips Petroleum Company
6330 West Loop South
Bellaire, Texas 77401

Attention: Joint Interest Manager

Re: Unorthodox Well Location
NW/4 SW/4 Section 11-17S-33E
Lea County, New Mexico

Gentlemen:

Enclosed please find a copy of the unorthodox well location application filed with the OCD in Santa Fe, New Mexico.

Petrus is seeking approval to drill 1,650 feet from the south line and 1,310 feet from the west line of Section 11-17S-33E, Lea County, New Mexico.

By receipt of this letter and a copy of the enclosed amended application, notice is hereby given to Phillips Petroleum Company as to the hearing scheduled for June 22, 1988.

Sincerely,

R. M. Rollow

Richard M. Rollow
District landman

RMR/cr

cc: Jim Bruce

EXHIBIT 2 7/11/88

Case No. 9397

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF PETRUS OIL
COMPANY, L.P. FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.

Case No. _____

AMENDED APPLICATION

Petrus Oil Company, L.P. hereby applies for approval of an unorthodox oil well location, and in support thereof states:

1. Applicant has the right to drill a well in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, Township 17 South, Range 33 East, N.M.P.M., Lea County, New Mexico.

2. Applicant seeks approval for an unorthodox oil well location for a well to be drilled at a point 1650 feet from the south line and 1310 feet from the west line of Section 11, to test the Queen formation.

3. The NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11 is to be dedicated to the well.

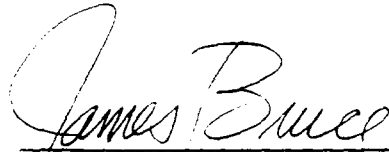
4. Approval of the requested unorthodox well location will be in the interests of conservation, the prevention of waste, and the protection of correlative rights.

5. Applicant requests that this matter be heard on June 22, 1988.

WHEREFORE, Applicant respectfully requests that after hearing an order be entered approving the above-identified unorthodox oil well location.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By



James Bruce

Post Office Box 2068

Santa Fe, New Mexico 87504-2068

(505) 982-4554

Attorneys for Applicant