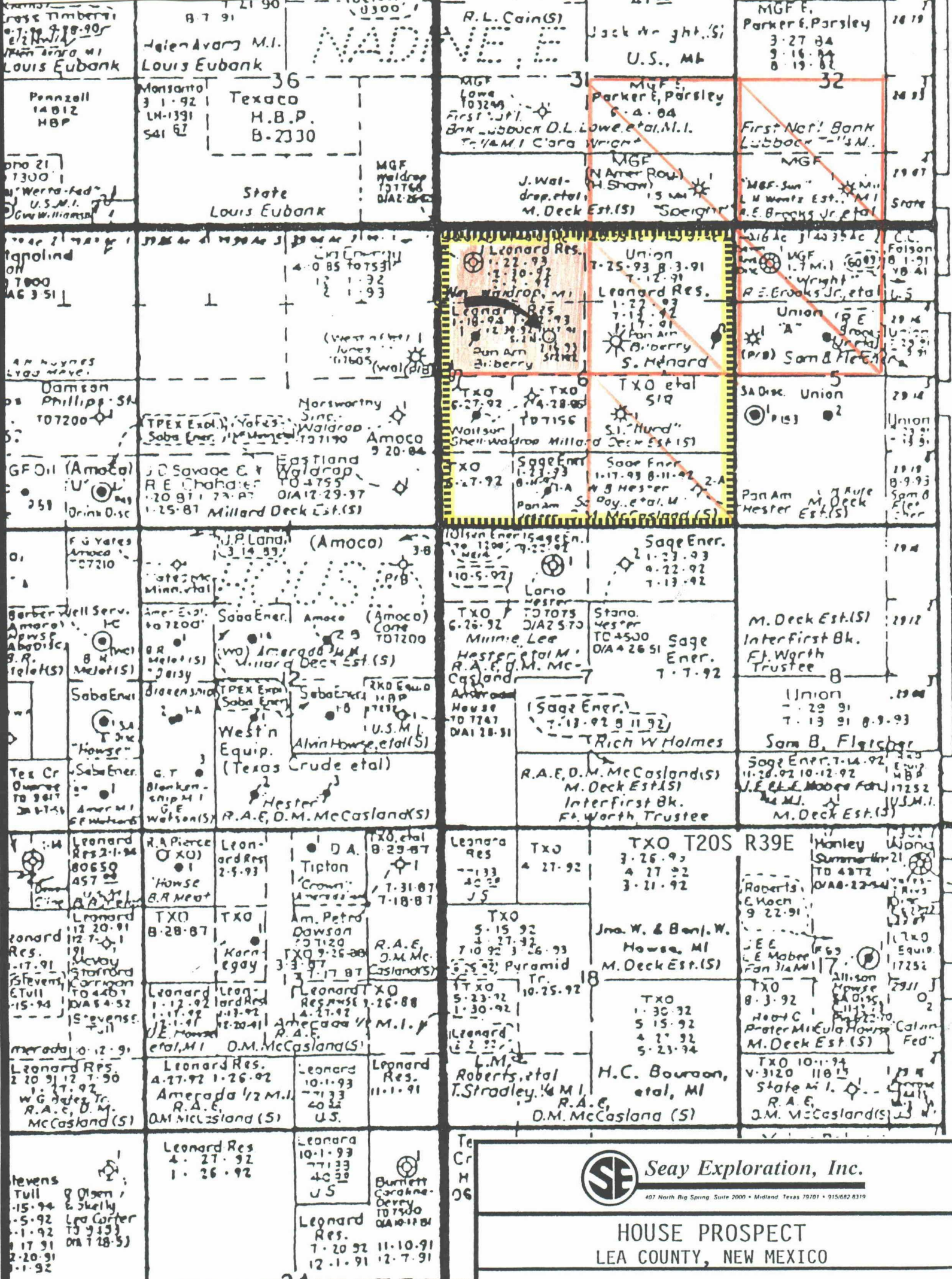


Exhibits 1 through 8
Complete Set



Stevens
Tull
15-94
5-92
1-92
17-91
2-20-91
1-92

Hazel Water, et al
M.I.
TXO
10-1-95

Seay Exploration Inc. Bilberry 2

SE Seay Exploration, Inc.
407 North Big Spring, Suite 2000 • Midland, Texas 79701 • 915/682-8319

HOUSE PROSPECT
LEA COUNTY, NEW MEXICO

LAND PLAT

BEFORE EXAMINER CATANACH
SCALE IN FEET

0 2000 Revised 8/91

J.G. Seay

UNLEASED MINERAL INTERESTS PROPOSED
TO BE COMPULSORY POOLED:

Seay Exploration, Inc. Bilberry #2
NW/4 Sec. 6, T-20-S, R-39-E
Lea County, New Mexico

POOLED UNIT FOR GAS COMPRISING 160 ACRES, BEING LOTS 3 & 4 (N/2
NW/4) AND S/2 NW/4 SECTION 6. INTEREST OWNERSHIP BEING POOLED:

could not locate

Herndon	.375 net acres	=	.234375%
Wright	.250 net acres	=	.15625%
Johansen	.500 net acres	=	.3125%
Hefner Estate	.900 net acres	=	.5625%
GHK Company	.600 net acres	=	.375%
<hr/>			
Total	2.625 net acres	=	1.640625%

DEPT. OF LAND AND WATER
OR CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 10361

CLAY JOHNSON

Home: 685-3969

Oil & Gas Properties
310 West Texas, Suite 808
Midland, Texas 79701

December 13, 1990

Leonard Resource Investment Corporation
P.O. Box 3422
Midland, Texas 79702

BEFORE EXAMINER CAYANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. <u>10361</u>

Attn: Mr. Dan Leonard

Re: House Prospect, Section
6, Lots 1,2 and S/2N/2,
T-20-S, R-39-E, Lea
County, New Mexico,
240.12 acres.

Dear Dan,

To follow up on our conversation yesterday please find below a summation concerning the leasing progress on the unleased mineral interest owners concerning the above captioned land.

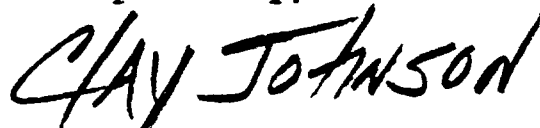
1. Harold W. Herndon, Jr. This man and his sister, Billie Marie Estes, are the sole surveying heirs of the Estate of Lillian and Harold W. Herndon, Sr. I located Mrs. Estes in Levelland, Texas and succeeded in obtaining an Oil and Gas Lease covering her undivided 1/2 interest in the Herndon Minerals. According to Mrs. Estes, her brother, formerly of Ft. Worth, Texas is now deceased, leaving his widow Sue Herndon, and two children, Jim and Leslie Herndon. Mrs. Estes does not know the whereabouts of these three people, but believes the wife (Sue) lives in Old Mexico. The kids last know whereabouts was Ft. Worth, being 5 years ago. There is nothing of record concerning Harold W. Herndon, Jr. as well as his heirs in Lea County, New Mexico, and I found no address or phone number for the children in Fort Worth.
2. Libby P. Wright. Ms. Wright bought her mineral interest in 1931. The last OGL she signed was in 1940 and at the time was living in Alameda County, California. This is the last known address of Ms. Wright, and nothing of record has ever appeared since. Enclosed is a Certificate of no death record from the Vital Statistics Office State of California dated 10-16-90 indicating that a search of the Vital Statistics for the years 1940 to 1979 yielded no information on Ms. Wright.

the years 1940 to 1979 yielded no information on Ms. Wright.

3. Jean Marie Johnansen. Formerly Mason. One of 3 apparent heirs to a .625% mineral interest under the NE/4 of Section 6. She is the only one of the 3 to ever appear of record, Executing an OGL dated 11-29-49 giving her address as Weston County, Wyoming. I found no address of telephone number for this lady or her husband Dan, I also had Leona Cool of the District Clerks Office conduct a probate search on either Dan or Jean Marie Johansen, and found no information concerning either.

If you have any questions please advise, or if I can be of any assistance let me know.

Respectfully,

A handwritten signature in black ink that reads "Clay Johnson". The signature is written in a cursive, slightly slanted style.

Clay Johnson

WCJ/cj
enclosures

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES
VITAL STATISTICS BRANCH

RIGHT LIBBIE P EVENT: D RECEIPT NO: 978993
AMOUNT: 28.00
POSTAGE:
DATE: 90/08/28

CLAY JOHNSON
310 WEST TEXAS, SUITE 808
MIDLAND, TX 79701

THIS IS NOT A BILL

REQUESTS FOR TWO OR MORE DIFFERENT CERTIFICATES ARE RECEIPTED AND
MAILED SEPARATELY.

State of California—Health and Welfare Agency

Department of Health Services

CERTIFICATION OF NO RECORD

STATE OF CALIFORNIA, DEPARTMENT OF HEALTH SERVICES

This is to certify that an examination has been made of the Statewide Index in the Office of State Registrar of Vital Statistics covering the event shown and no reference to this event was found therein.

Name(s)

Libbie P. Wright

Event

Death

Period Searched

From:

1940

Through:

1979

Forty year search.

OFFICE OF
STATE REGISTRAR OF
VITAL STATISTICS

By

David W. Mitchell

Chief

October 16, 1990

Date

VS 1163 (9/85)

APPLICATION FOR CERTIFIED COPY OF DEATH RECORD

INFORMATION

Death records have been maintained in the Office of the State Registrar of Vital Statistics since July 1, 1905.

INSTRUCTIONS

Use a separate application blank for each different record of death for which you are requesting a certified copy. Send \$7.00 for each certified copy requested. If no record of the death is found, the \$7.00 fee will be retained for searching as required by statute and a certificate of search will be sent.

Give all the information you have available for the identification of the record of the decedent in the spaces under Decedent Information. If the information you furnish is incomplete or inaccurate, it may be impossible to locate the record.

Complete the Applicant Information section.

Indicate the number of certified copies you wish and include with this application sufficient money in the form of a personal check or postal or bank money order (International Money Order only for out-of-country requests), made payable to the State Registrar of Vital Statistics; the fee is \$7.00 for each certified copy. Mail this application with fee to Office of State Registrar, 410 N Street, Sacramento, CA 95814.

All copies are certified and have a raised state seal.

DECEDENT INFORMATION		(PLEASE TYPE OR PRINT.)	
First Name of Decedent	Middle Name	Last Name	Sex
Libbie	P.	Wright	Female
City or Town of Death	Place of Death—County	Place of Birth	Date of Birth—Month, Day, Year
Unknown (California)	Unknown	unknown	unknown
Date of Death—Month, Day, Year—or Period of Years to be Searched			
Decedent's Maiden Name		Name of Spouse (Husband or Wife of Decedent)	

APPLICANT INFORMATION		(PLEASE TYPE OR PRINT.)	
Purpose for Which Certified Copy is to be Used	Today's Date	Your Phone Number	
to purchase Oil & Gas Lease	8-6-90	(915) 684-4110	
Name of Person Completing Application	Signature of Person Requesting Record(s)—Your Signature		
Clay Johnson	<i>CLAY JOHNSON</i>		
Address—Street	City	State	ZIP Code
310 West Texas Ste. 808	Midland	Texas	79701
Name of Person Receiving Copies if Different From Above	Number of Certified Copies Requested	Amount of Money Enclosed	
	One (1)	\$7.00	
Shipping Address for Copies if Different From Above—Street	City	State	ZIP Code

DO NOT WRITE IN SPACE BELOW—FOR REGISTRAR USE ONLY

CLAY JOHNSON
915-685-3909
310 W. TEXAS, STE. 808
MIDLAND, TX 79701

Total Package— 0419

Pay to the Order of

State Registrar of Vital Statistics \$ 7.00

Sept 2 1990

88-389
1183

Dollars

For

State Registrar of Vital Statistics Clay Johnson

CLAY JOHNSON

Oil & Gas Properties
310 West Texas, Suite 808
Midland, Texas 79701

January 24, 1990

Alemeda County Clerk
1225 Fallon Street
Room 109
Oakland, California 94612

Re: Probate Search
Ms. Libbie P. Wright

Dear Clerk,

Please find enclosed a check in the amount of \$10.00 for a search fee to conduct a search for a Probate on the Estate of Libbie P. Wright. If a probate is found please make me a copy of the Last Will and Testament and return to me at the address above. If additional fees are required please let me know or send me a bill.

If you have any questions please advise. Your prompt and favorable response will be greatly appreciated. Thank you for your time and consideration on this matter.

Respectfully,

Clay Johnson

Clay Johnson

WCJ/cj

1-26-90

FEES ARE AS FOLLOWS:

Search (es)	<u>5/22 8.75</u>
Copywork	_____
Certification	_____
Comparison	_____
TOTAL	<u>8 8.75</u>

MP

A search of the indexes for the matter referred to above from 1985 to present has been made and I find no record in this office

Dated: 1-26-90

RENE C. DAVIDSON, County Clerk

By *[Signature]* Deputy

8 1 25 average

FEB 01 1990

Leonard Resource Investment Corporation

P. O. BOX 3422

MIDLAND, TEXAS 79702

OIL AND GAS INVESTMENTS

(915) 682-3712

January 8, 1991

Ms. Phyllis Bennett
GHK Company
18th Floor
3030 NW Expressway
Oklahoma City, Oklahoma 73112

Re: Seay Exploration, Inc.
#1 Bilberry
SW/4 NE/4 of Section 6, T20S, R39E
Lea County, New Mexico

Dear Ms. Bennett;

As you suggested in our telephone conversation yesterday, I am writing to request oil and gas leases from three of the Hefner entities covering the S/2 NW/4 of Section 6, T20S, R39E, Lea County, New Mexico. By leases dated October 24, 1988 the Hefner interests in the NE/4 of Section 6 were leased to Union Oil Company of California. We have acquired a farmout from Unocal of their leasehold interests in Section 6.

We have been acquiring leases on the remainder of the mineral interests in Section 6 since 1988 and earlier this year when you were contacted. For a lease for the S/2 NW/4 of Section 6, you advised Mr. Dan Leonard that you would consider leasing this interest on the basis of a six months lease, with a 1/4 royalty (and with stipulations as contained in the leases made in favor of Unocal), at such time as we were prepared to drill our well.

I am enclosing a plat of this area and have shown the location of the tract (S/2 NW/4 of Section 6) on which we are requesting a lease on the Hefner interests. The proposed test well, the Seay Exploration, Inc. #1 Bilberry is located in the SW/4 NE/4 of Section 6 and will be drilled to the Abo Formation, with an expected total depth of 7,800'. Our agreement with Unocal provides that the well will be commenced by January 31, 1991.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>4</u>
CASE NO. <u>10361</u>

Our records indicate that the following reflects the interest owned by each of the entities in which Robert A. Hefner, III is the executor or trustee:

Robert A. Hefner, Jr. Estate - 20% of 18/320 Mineral interest (.9 acres)
Robert A. Hefner, III, Executor

R. A. Hefner Trust #1 - 6.66% of 18/320 mineral interest (.3 acres)
Robert A. Hefner, III, Trustee

Eva Hefner Trust #1 - 6.66% of 18/320 mineral interest (.3 acres)
Robert A. Hefner, III, Trustee

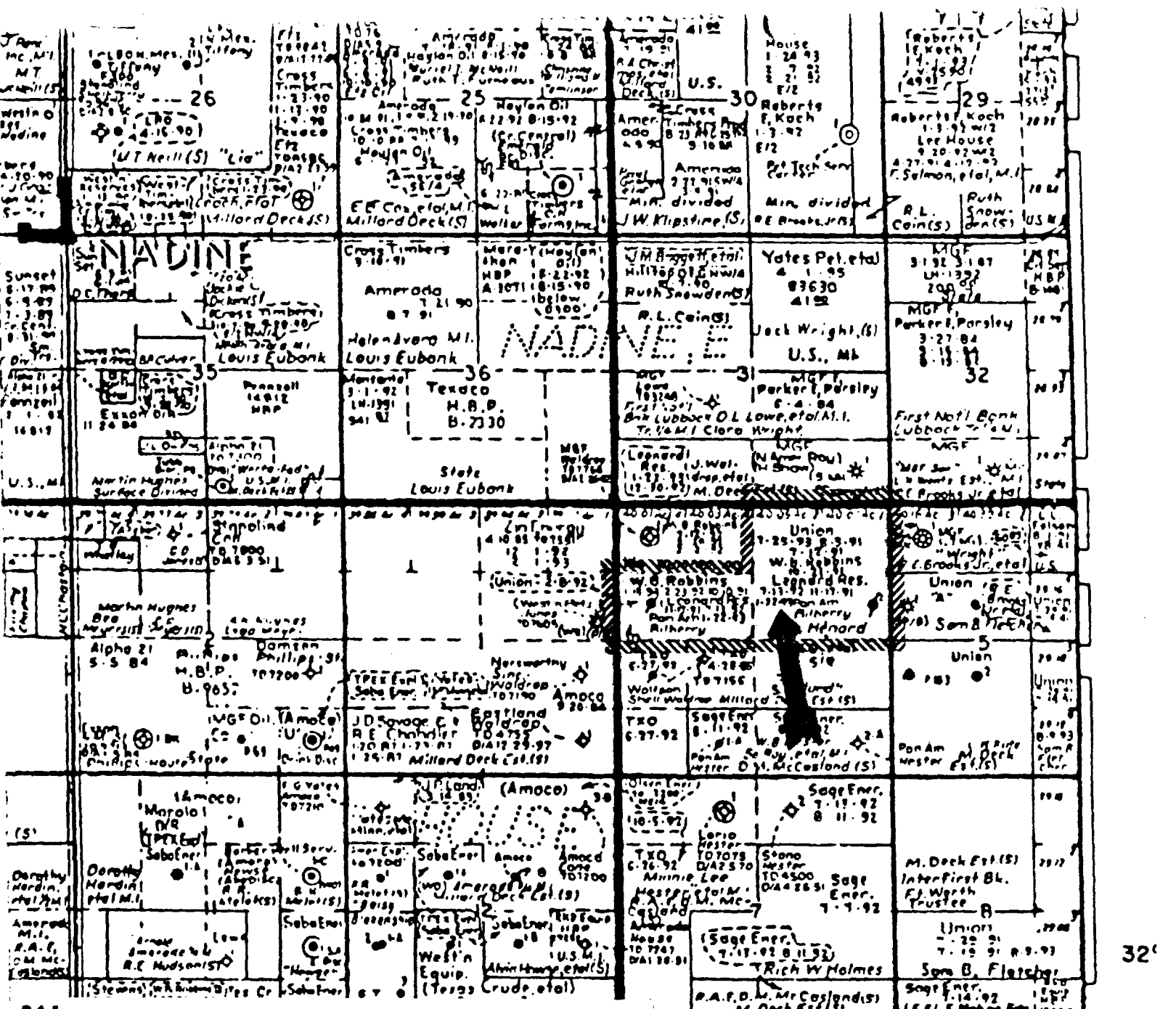
I will appreciate your consideration of a lease covering these interests and if you are agreeable let me know if you would want us to prepare the leases or if you have your own form.





In addition, I need to have a copy of the documents that appoint Mr. Robert A. Hefner, III as substitute Trustee on the two above described trusts. This information is a requirement by our attorney, for the Unocal lease under our drillsite.

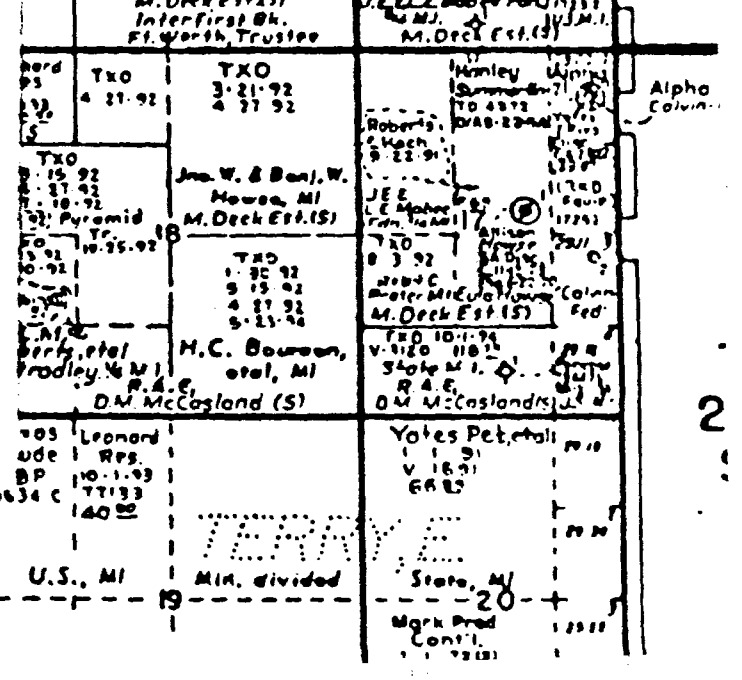
If you have any questions or if I can furnish any additional information, please feel free to call me. I am sure you can appreciate the time constraints we are dealing with as we have a rig scheduled to move on location around the 27th of January, so I will sincerely appreciate your expeditious handling of this request.

Very truly yours,

Stephen C. Helbing, Sr.



-  Outline of mineral interests owned by Hefner Interests
-  Lands leased to Union Oil Co. of California in 1988
-  Unleased mineral interests owned by Hefner Interests
-  Location of Seay Exploration #1 Bilberry test well



32'

Alpha Column

2

Leonard Resource Investment Corporation

P. O. BOX 3422
MIDLAND, TEXAS 79702

OIL AND GAS INVESTMENTS

(915) 682-3712

January 26, 1991

Ms. Phyllis Bennett
GHK Company
18th Floor
3030 NW Expressway
Oklahoma City, Oklahoma 73112

Re: S/2 NW/4 of Section 6, T20S, R39E
Lea County, New Mexico

Dear Ms. Bennett;

Enclosed you will find the following:

1. Plat of the immediate area around these mineral interests showing the current status of leases on your mineral interests and the location of the Seay Exploration, Inc. #1 Bilbery well to be located in SW/4 NE/4 of Section 6, T20S, R39E, Lea County, New Mexico.

2. Oil and Gas Lease dated January 25, 1991 between Robert A. Hefner III, Executor of the Robert A. Hefner, Jr. Estate as Lessor and Leonard Resource Investment Corporation as Lessee covering the subject lands. Said lease reserving a 1/5th royalty and providing for a six month primary term. Our records indicate that the mineral interest covered by this lease is 20% of 18/320 or .9 net mineral acres.

3. Oil and Gas Lease dated January 25, 1991 between Robert A. Hefner III Trustee of the R. A. Hefner Trust #1 as Lessor and Leonard Resource Investment Corporation as Lessee covering the subject lands. Said lease reserving a 1/5th royalty and providing for a six month primary term. Our records indicate that the mineral interest covered by this lease is 6.66% of 18/320 or .3 net mineral acres.

4. Oil and Gas Lease dated January 25, 1991 between Robert A.

4-24.
says we should
hear something
big next wk

5-14
talked to her - says
will call
back today

5-21
1st message

Hefner III Trustee of the Eva Hefner Trust #1 as Lessor and Leonard Resource Investment Corporation as Lessee covering the subject lands. Said lease reserving a 1/5th royalty and providing for a six month primary term. Our records indicate that the mineral interest covered by this lease is 6.66% of 18/320 or .3 net mineral acres.

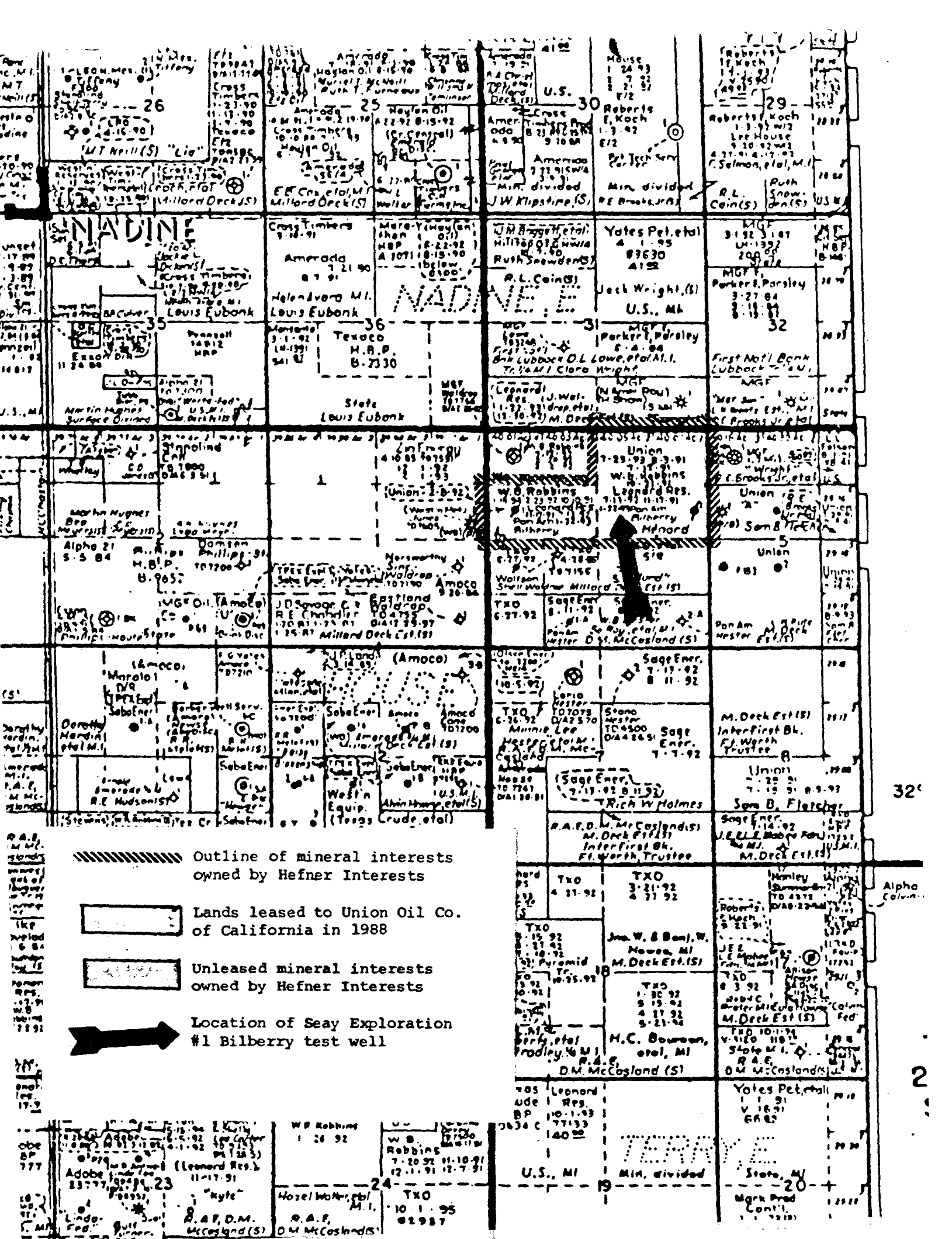
I believe these leases contain all of the terms that you requested in our telephone conversation yesterday. We will pay the necessary legal costs to secure approval of the lease from the Robert A. Hefner, Jr. Estate at such time as you decide to lease the mineral interests.

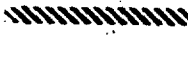
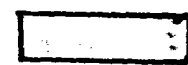
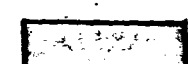

Our Farmout Agreement with Union Oil Company of California requires us to commence the 7,800' Abo Formation test well (#1 Bilberry) by January 31, 1991 and we have a rig contracted to be on location prior to that date.

I will appreciate your handling this as soon as your busy schedule will permit. If you need additional information, please call me at my office number which is 915-685-3313, as I maintain my own office. Thank you for your assistance in this matter.

Very truly yours,

Stephen C. Helbing, Sr.



-  Outline of mineral interests owned by Hefner Interests
-  Lands leased to Union Oil Co. of California in 1988
-  Unleased mineral interests owned by Hefner Interests
-  Location of Seay Exploration #1 Bilberry test well

32c

2

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

SEAY EXPLORATION INC.
407 N. Big Spring, Suite 200
Midland, Texas 79702

EXHIBIT NO. 5

AUTHORIZATION FOR EXPENDITURE CASE NO. 10361

Category: Wildcat
 Development
 Injection/SUD

Type: Drilling
 Completion
 Workover

Lease and Well No. Bilberry #2 Depth, Formation 3200' Yates-Seven Rivers
Location SE/4 NW/4 Sec. 6, T-20-S, R-39-E
County and State Lea County, New Mexico Field House (Yates-Seven Rivers)
Operator Seay Exploration, Inc. Spud Date Mid-September, 1991
Description of Work Drill & Equip. 3200' Yates/Seven Rivers Gas Well.

INTANGIBLE WELL COST (\$)

Code	Description	Dry Hole	Producer
-10	Location and Roads	10,000	10,000
-05	Right of Way and Surface Damages	6,000	6,000
-15	Drilling Footage: 3200 ft. @ 9.25	29,600	29,600
-20	Drilling Day Work: 2 days @ 4320 \$/day	8,700	8,700
-35	Bits and Reamers		
-50	Fuel and Water	5,000	6,500
-30	Mud and Chemicals	3,000	3,000
-40	Cementing and Services	7,500	18,000
-70	Drill Stem Testing and Coring	3,500	3,500
-75	Open Hole Logs and Surveys	10,000	10,000
-60	Contract Labor (Mud Log., Consul., etc.)	2,500	2,500
-55	Perforating and Cased Hole Logging	-0-	1,500
-65	Stimulation	-0-	32,000
-45	Transportation		
-85	Drilling Overhead and Supervision	1,000	2,000
-55	Equipment Rental	-0-	2,000
-10	Completion Rig 5 days @ 1200 \$/day	-0-	6,000
-90	Other Drilling Expense + Insurance	5,000	7,000
	Contingencies		
	TOTAL INTANGIBLE COSTS	91,800	148,300

TANGIBLE WELL COST (\$)

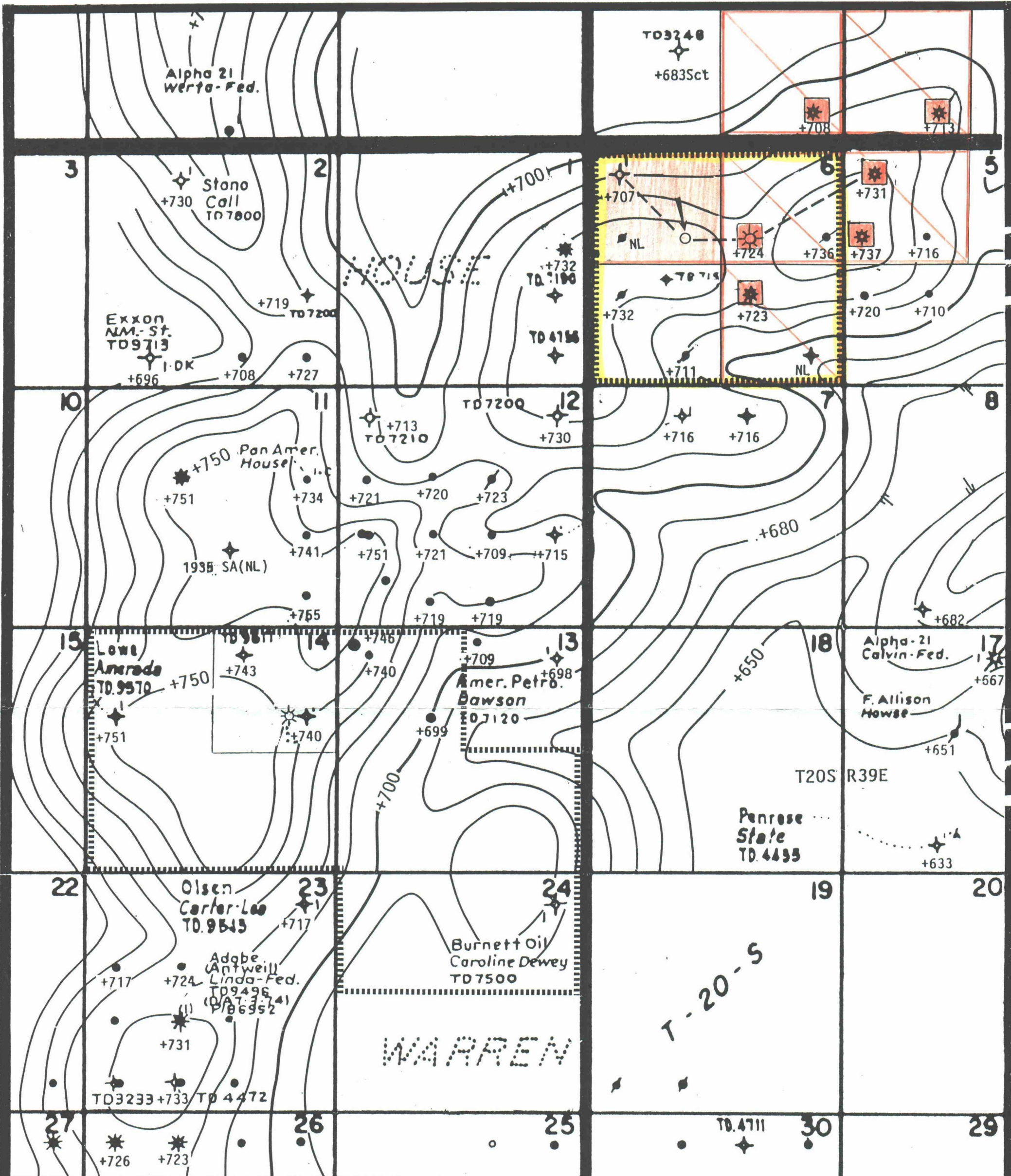
-05	Conductor Casing		
-05	Surface Casing 1700' 8 3/8 24#/ft	15,700	15,700
-10	Intermediate Casing		
-15	Production Casing 3200' 4 1/2 10.5#/ft	-0-	11,700
-17	Liner		
-20	Tubing 3000' 2 7/8	-0-	6,150
-25	Well Head Equipment	1,000	3,000
-35	Tanks, Flowlines, Connections	-0-	3,000
-45	Heater Treaters and Separators	-0-	2,000
-55	Pumping Unit, Motor, Controller		
-40	Sucker Rods, Pump, Misc. Pump Eqpt.		
-50	Compressor		1,000
-65	Other Equipment		
-30	Non Controllable Equipment		
-18	Liner Equipment		
-50	Supervision		1,500
-45	Contract Labor		
	Contingencies		
	TOTAL TANGIBLE COSTS	16,700	44,050
	TOTAL WELL COSTS	108,500	192,350

SEAY EXPL. INC APPROVAL ✓ [Signature]
DATE 8/5/91

AFE DATE 8/91
AFE NUMBER _____

JOINT OPERATOR APPROVAL _____
DATE _____

EXHIBIT _____



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 6

CASE NO. 10361

LEGEND

- Subject Well
Seay Exploration, Inc.
Bilberry # 2
- Yates - 7 Rivers
Producer and
Proration Unit

Seay Exploration, Inc.
407 North Big Spring, Suite 2000 • Midland, Texas 79701 • 915/682-8319

HOUSE PROSPECT
LEA COUNTY, NEW MEXICO

STRUCTURE TOP
YATES
C.I. = 10'



J.G. Seay

Revised 8/91