

STRATTON & CAVIN, P.A.

ATTORNEYS & COUNSELORS AT LAW

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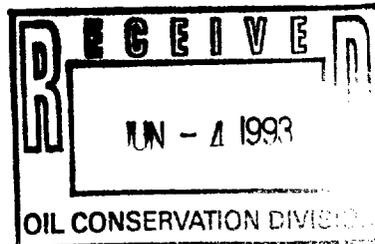
*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES - OIL AND GAS LAW

June 3, 1993

10753

VIA FEDERAL EXPRESS

Mr. William J. LeMay
Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail - Room 206
Santa Fe, NM 87501



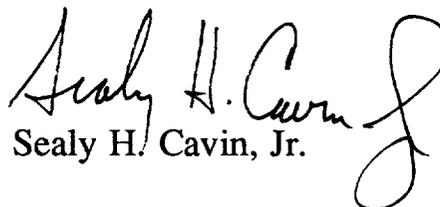
Re: Application of Capataz Operating, Inc. and Leonard Resource Investment Corporation for Compulsory Pooling, Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Capataz Operating, Inc. and Leonard Resource Investment Corporation, we would appreciate your setting the enclosed application for public hearing before a division examiner on the docket now scheduled for Thursday, July 1, 1993. Please provide notice of this case by publication as required by Rules 1204 and 1205 of the Division's regulations. We are providing additional notice to the affected interest owner as required by Rule 1207.

Thank you for your consideration.

Very truly yours,


Sealy H. Cavin, Jr.

SHC/jas

Enclosures

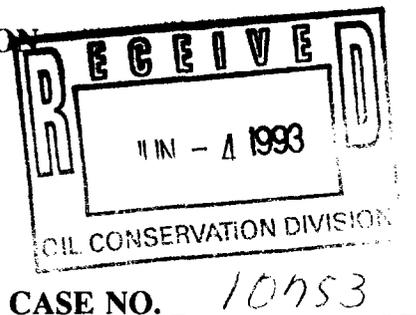
cc: H. Scott Davis, President, Capataz Operating, Inc., w/Encl.
Dan Leonard, President, Leonard Resource Investment Corporation, w/Encl.

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CAPATAZ OPERATING, INC. AND
LEONARD RESOURCE INVESTMENT CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.



APPLICATION

COMES NOW CAPATAZ OPERATING, INC. and LEONARD RESOURCE INVESTMENT CORPORATION by and through their attorneys, STRATTON & CAVIN, P.A., and apply to the New Mexico Oil Conservation Division for an order pooling all uncommitted interests as follows:

From the surface of the earth to the base of the Seven Rivers Formation (approximately 3,650 feet subsurface) for the formation of a 160-acre gas spacing and proration unit consisting of the SW $\frac{1}{4}$ of Section 11, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico for any production so spaced.

In support thereof, Applicants state:

1. Applicant Leonard Resource Investment Corporation is a working interest owner in the SW $\frac{1}{4}$ of Section 11, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.
2. Applicant Capataz Operating, Inc. is an oil and gas operator with operations in southeastern New Mexico.
3. Applicants desire to drill the proposed well at a standard location to a total depth of approximately 3,200 feet to test and evaluate the Seven Rivers Formation.

4. Applicant Leonard Resource Investment Corporation has sought the voluntary agreement of all parties shown on Exhibit A hereto for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement from such parties.

5. Applicants have obtained voluntary agreements from all other affected interest owners for the formation of the appropriate spacing and proration unit for the drilling of the subject well.

6. Pursuant to the Division's notice requirements, Applicants have notified the parties listed at Exhibit A of their request for a hearing on July 1, 1993, by sending to such parties a copy of this Application with a letter apprising such parties of the nature and pendency of the proposed action.

7. The pooling of the interest of the parties listed at Exhibit A will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

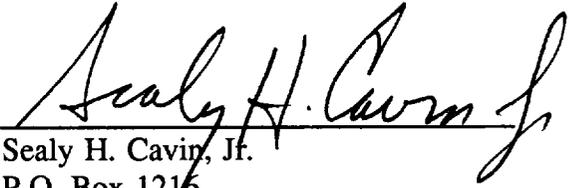
8. In order to permit the Applicant Leonard Resource Investment Corporation to obtain its just and fair share of the oil and gas underlying the subject lands, the interest of the parties listed at Exhibit A should be pooled and the Applicant Capataz Operating, Inc. should be designated the operator of the well.

WHEREFORE, Applicants pray that this Application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 1, 1993, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for Applicants to recover their costs of drilling, completing and equipping the well, their costs of supervision while drilling and after completion, including overhead charges, and imposing a

risk factor for the risk assumed by the Applicants completing and equipping the well, and making such other further provisions as may be proper in the premises.

Respectfully submitted,

STRATTON & CAVIN, P.A.

By: 

Sealy H. Cavin, Jr.

P.O. Box 1216

Albuquerque, NM 87103-1216

505/243-5400

ATTORNEYS FOR APPLICANT

THIS EXHIBIT A IS ATTACHED TO AND MADE A PART
OF THIS APPLICATION TO THE STATE OF NEW
MEXICO - ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT - OIL CONSERVATION
DIVISION BY CAPATAZ OPERATING, INC. AND
LEONARD RESOURCE INVESTMENT CORPORATION.

EXHIBIT A

MWJR Petroleum Corporation
2000 Post Oak Boulevard, Suite 100
Houston, Texas 77056-4400
Attention: Mr. Scott Spence

MW Petroleum Corporation
2000 Post Oak Boulevard, Suite 100
Houston, Texas 77056-4400
Attention: Mr. Scott Spence