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jamesbruc@aol.com

May 18, 2004

Hand Delivered

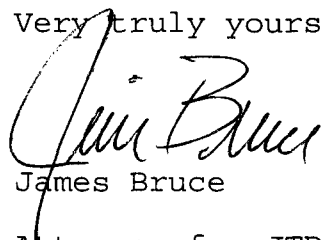
Will Jones
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 13255/JTD Resources, LLC/application for
compulsory pooling and an unorthodox well location

Dear Will:

The above application requested a surface location 500 feet from the north line of the section. Due to surface problems, the well's surface location has been moved to 582 feet from the north line, and applicant requests that the order reflect this surface location. A Sundry Notice, with a new Form C-102, is enclosed.

Very truly yours,



James Bruce

Attorney for JTD Resources, LLC

RECEIVED

MAY 17 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Blanco Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 March 4, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Capataz Operating Inc

3. Address of Operator
 PO Box 10549, Midland, TX 79702

4. Well Location
 Unit Letter D 582 feet from the North line and 330 feet from the West line
 Section 2 Township 20S Range 38E NMPM County Lea

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lessee Name or Unit Agreement Name
 White Owl

8. Well Number
 1

9. OGRID Number
 3659

10. Pool name or Wildcat
 House, Abo

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3573 GR

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit Location: UL _____ Feet Twp _____ Rng _____ Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____
 Distance from nearest surface water _____ Below-grade Tank Location UL _____ Feet Twp _____ Rng _____
 feet from the _____ line and _____ feet from the _____ line

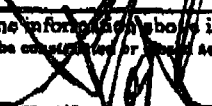
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Operator has re-staked location 82' South (582') due to surface conditions.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or as (attached) alternative OCD-approved plan .

SIGNATURE  TITLE Agent DATE 5-12-04

Type or print name H Scott Davis E-mail address: CapatazHSD@aol.com Telephone No 32-620-81

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of Approval, if any:

DISTRICT I
1635 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88310

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals, and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-10
Revised August 15, 2004
Submit to Appropriate District Office:
State Lease - 4 copies
Fee Lease - 3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APT Number	² Pool Code 33210	³ Pool Name House, Abo
⁴ Property Code	⁵ Property Name WHITE OWL	⁶ Well Number 1
⁷ OGRID No.	⁸ Operator Name CAPATAZ OPERATING COMPANY	⁹ Elevation 3573'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Foot from the	North/South line	Foot from the	East/West line	County
D	2	20 SOUTH	38 EAST, N.M.P.M.		582'	NORTH	330'	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Foot from the	North/South line	Foot from the	East/West line	County
D	2	20south	38 East		1300'	North	330	West	Lea

¹⁰ Dedicated Acres 40	¹¹ Joint or Infill	¹² Consolidation Code F	¹³ Order No.
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>"OPERATOR CERTIFICATION" I hereby certify that the information obtained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature H Scott Davis Title President Date 4-27-04</p>
	<p>"SURVEYOR CERTIFICATION" I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey JANUARY 22, 2004</p> <p>Signature and Seal of Professional Surveyor V. L. BEZNER R.P.S. #7920 JOB #22448 / 70 SE / E.U.O.</p>

CAPATAZ OPERATING, INC.
P.O. Drawer 10549
Midland, Texas 79702
(432)620-8820 / fax (432)620-8842

05/12/04

New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, NM 88240

Re: White Owl #1
Lea County, NM

Dear Sir:

Enclosed are AMENDED Forms C-103 and Form C-102 for the above referenced leases.

Call if you should require additional information.

Sincerely,

H Scott Davis