

Stratton & Cavin, P.A.
Attorneys & Counselors at Law

Harold D. Stratton, Jr.
Sealy H. Cavin, Jr.

320 Gold Avenue, S.W.
Suite 918
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

OIL CONSERVATION DIVISION
RECEIVED

'91 AUG 24 AM 9 12
Telephone: 505/243-5400
Facsimile: 505/243-1700

August 26, 1991

Catanach
CASE FILE
10361

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

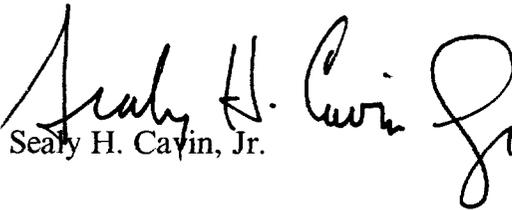
Mr. William J. LeMay
Oil Conservation Division
State of New Mexico
P.O. Box 2088
Land Office Building
Santa Fe, NM 87504-2088

Re: Affidavit Regarding Notice

Dear Mr. LeMay:

Enclosed herewith is an Affidavit Regarding Notice in regard to Case #10361. If you have any questions, please give me a call.

Very truly yours,


Sealy H. Cavin, Jr.

SHC/jas

Enclosure

cc: Dan M. Leonard

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SEAY EXPLORATION,)
INC. FOR COMPULSORY POOLING,) No. 10361
LEA COUNTY, NEW MEXICO.)

AFFIDAVIT REGARDING NOTICE

STATE OF TEXAS)
)
COUNTY OF MIDLAND) ss.

Dan M. Leonard, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 years and have personal knowledge of the matter stated herein.

2. I am a petroleum landman and an authorized representative for Applicant Seay Exploration, Inc. in the above-captioned matter.

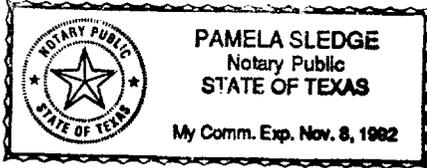
3. A good faith, diligent effort, was made to find the correct address of all persons interested in and entitled to receive notice of the captioned matter.

4. Notice has been sent to the parties listed on Exhibit A attached hereto at their last known address, by Certified Mail -- Return Receipt Requested. A copy of the notice is attached hereto as Exhibit B. A copy of the return receipt for each of the parties is also attached as part of Exhibit B hereto. The notice to Jean Marie Johansen, Harold W. Herndon and Libby P. Wright were "Returned to Sender" without delivery because of insufficient addresses. The notice to R.A. Hefner, Jr. Estate and GHK Company were received by a Mr. Jack Stanford on August 5, 1991.

5. The provisions of Division Rule 1207 have been complied with.

Dan M. Leonard
Dan M. Leonard

Subscribed and sworn to me this 23rd day of August,
1991 by Dan M. Leonard.



Pamela Sledge
Notary Public

My Commission Expires:

11-08-92

THIS EXHIBIT A IS ATTACHED TO THE
AFFIDAVIT REGARDING NOTICE BY DAN M.
LEONARD IN CONNECTION WITH THE
APPLICATION OF SEAY EXPLORATION, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO, CASE NO. 10361.

EXHIBIT A

Harold W. Herndon, Deceased
Fort Worth, Texas

Libby P. Wright
Alameda County, California

Jean Marie Johansen et vir, Dan Johansen
Weston, Wyoming

R. A. Hefner, Jr. Estate
c/o GHK Company
3030 NW Expressway, 18th Floor
Oklahoma City, Oklahoma 73112

GHK Company, a Limited Partnership (formerly the R. A. Hefner
Trust #1 and Eva Hefner Trust #1)
3030 NW Expressway, 18th Floor
Oklahoma City, Oklahoma 73112

EXHIBIT B

Stratton & Cavin, P.A.

Attorneys & Counselors at Law

Harold D. Stratton, Jr.
Sealy H. Cavin, Jr.

320 Gold Avenue, S.W.
Suite 918
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

Telephone: 505/243-5400
Facsimile: 505/243-1700

August 1, 1991

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Addressees listed at Exhibit A hereto

**Re: Application of Seay Exploration, Inc. for Compulsory Pooling,
Lea County, New Mexico**

Gentlemen:

This letter is to advise you that Seay Exploration, Inc. has filed the enclosed Application with the New Mexico Oil Conservation Division seeking the forced pooling of all mineral interests as follows:

From the surface of the Earth to the base of the Seven Rivers Formation (approximately 3,300 feet subsurface) for the formation of a 160-acre gas spacing and proration unit consisting of the NW1/4 of Section 6, T20S, R39E, N.M.P.M., Lea County, New Mexico for any production so spaced.

Seay Exploration, Inc. proposes to dedicate the referenced pooled unit to a well which will be located at a standard location. This Application has been set for hearing before a Division Examiner on August 8, 1991.

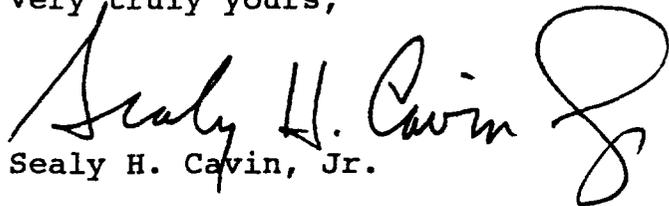
The Application was filed with the OCD on July 16, 1991 and notice of the case by publication was properly made. However, we inadvertently failed to provide personal notice as required by the OCD rules which require that "notice required by this rule shall be to the last known address of the party to whom notice is to be given at least 20 days prior to the date of hearing of the application and shall apprise such party of the nature and pendency of such action and the means by which protest may be made."

August 1, 1991
Page 2

Because drilling operations for the proposed well are imminent, we intend to put on our basic case at the August 8, 1991 hearing notwithstanding the notice deficiency. Because of the notice deficiency, we will request that the case be continued to the hearing scheduled for August 22, 1991 so that you have sufficient time to prepare for such hearing. You are not required to attend either of the hearings, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record may preclude you from challenging this application at a later date.

We are enclosing for your information a copy of the Application and the Docket.

Very truly yours,



Sealy H. Cavin, Jr.

SHC/jas

Enclosures

cc: William J. LeMay, Oil Conservation Division
John Seay, President, Seay Exploration, Inc.
Dan M. Leonard, President, Leonard Resource Investment
Corporation

THIS IS EXHIBIT A TO THE LETTER DATED
August 1, 1991 REGARDING APPLICATION OF
SEAY EXPLORATION, INC. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

EXHIBIT A

Harold W. Herndon, Deceased
Fort Worth, Texas

Libby P. Wright
Alameda County, California

Jean Marie Johansen et vir, Dan Johansen
Weston, Wyoming

R. A. Hefner, Jr. Estate
c/o GHK Company
3030 NW Expressway, 18th Floor
Oklahoma City, Oklahoma 73112

GHK Company, a Limited Partnership (formerly the R. A. Hefner Trust
#1 and Eva Hefner Trust #1)
3030 NW Expressway, 18th Floor
Oklahoma City, Oklahoma 73112

Stratton & Cavin, P.A.
Attorneys & Counselors at Law
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

P 671 283 041
MAIL



CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Harold W. Herndon
Fort Worth, Texas

Not in Directory

Insufficient address
NAME _____
1st Notice AUG
2nd Notice _____
Return _____

Stratton & Cavin, P.A.
Attorneys & Counselors at Law
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

CERTIFIED
P 671 283 040
MAIL



Delivered _____
Accepted _____
Not delivered _____
Not accepted _____
Do not remove this stamp

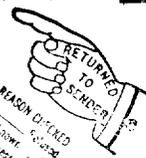
CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Libby P. Wright
Alameda County, California

NAME _____
1st Notice AUG 13
2nd Notice _____
Return _____

Stratton & Cavin, P.A.
Attorneys & Counselors at Law
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

CERTIFIED
P 671 283 039
MAIL



Delivered _____
Accepted _____
Not delivered _____
Not accepted _____
Do not remove this stamp

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

Jean Marie Johansen et vir, Dan Johansen
Weston, Wyoming 82731

NAME _____
1st Notice AUG 09
2nd Notice _____
Return _____

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: R. A. Hefner, Jr. Estate c/o GHK Company 3030 NW Expressway - 18 th Fl. Oklahoma City OK 73112		4. Article Number P 671 283 038	
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Addressee X		8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X <i>Jack C. Stanford</i>			
7. Date of Delivery 8/5/91			

PS Form 3811, Apr. 1989

*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

3. Article Addressed to: GHK Company, a limited Partnership (formerly the R.A. Hefner Trust #1 and Eva Hefner Trust #1) 3030 NW Expressway 18 th Floor Oklahoma City OK 73112		4. Article Number P 671-283-037	
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.			
5. Signature - Addressee X		8. Addressee's Address (ONLY if requested and fee paid)	
6. Signature - Agent X <i>Jack C. Stanford</i>		AC	
7. Date of Delivery 8/5/91			

PS Form 3811, Apr. 1989

*U.S.G.P.O. 1989-238-815

DOMESTIC RETURN RECEIPT

case file

Stratton & Cavin, P.A.
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320 Gold Avenue, S.W.
Suite 988
P.O. Box 1216
Albuquerque, New Mexico 87103-1216

Harold D. Stratton, Jr.
Sealy H. Cavin, Jr.

Telephone: 505/243-5400
Facsimile: 505/243-1700

RECEIVED
SEP 10 1991
AM 10 32

September 4, 1991

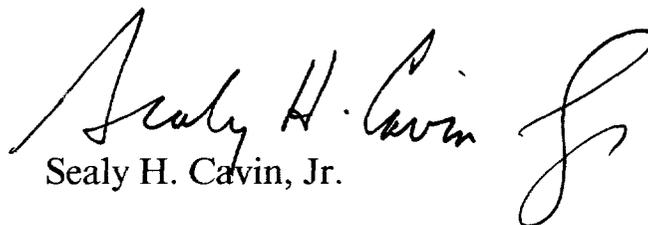
Robert G. Stovall, General Counsel
Oil Conservation Division
State of New Mexico
P.O. Box 2088 - Room 206
Land Office Building
Santa Fe, New Mexico 87504-2088

**Re: Case #10361 -- Application of Seay Exploration, Inc. for
Compulsory Pooling, Lea County, New Mexico**

Dear Mr. Stovall:

Please be advised that the well proposed in Case #10361 will be drilled and operated by Melzer Exploration Co., Inc. instead of Seay Exploration, Inc. Melzer Exploration Co., Inc. is an independent oil and gas operator with offices in Midland, Texas. If you have any questions or if I can provide you with further information, please give me a call.

Very truly yours,


Sealy H. Cavin, Jr.

SHC/jas

cc: Dan Leonard