

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

October 27, 1987

Union Texas Petroleum Corporation
P. O. Box 2120
Houston, TX 77252-2120

Attn: Bonnie Allen

Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Gentlemen;

In connection with my recent farmout & lease request covering the referenced acreage I enclose herewith, pursuant to your request, the AFE for re-entry of the Cavalcade Oil Corporation No. 1 Pearl Western Well. Please sign and return the enclosure in the event you wish to participate in this operation or in the alternative please consider my original request.

Also as requested please be advised that the interval to be tested is the lower wolfcamp at a depth of 9650' to 9660'. Thank you for your consideration.

Yours very Truly,



Randall L. Capps

RLC/ksc

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
CAPPS	EXHIBIT NO. 4
CASE NO.	9255

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 15, 1987

Union Texas Petroleum Corporation
P. O. Box 2120
Houston, TX 77252-2120

Attn: Lael Henning

Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Gentlemen;

As discussed in our phone conversation this date I am enclosing a copy of my letter requesting a Lease and Farmout covering the referenced property in which Enstar (managed by Union Texas Petroleum) owns an interest. Please let me hear from you as soon as possible, my other leases covering this property will begin expiring six months from today. Thank you.

Yours very Truly,


Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

August 27, 1987

Union Texas Petroleum Corporation
4000 N. Big Spring
Midland, TX 79705-4613

Attn: Mr. Larry Crowder

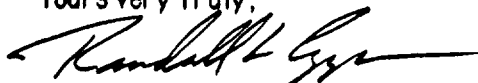
Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Gentlemen;

I am interested in re-entering a well located in the NW/4SW/4 of the referenced 160 acre tract. Enstar Corporation owns an unleased mineral interest covering 5.104167 net acres and a leasehold interest covering 6.380208 net acres which is HBP due to production from an adjacent tract. It is hereby requested that Enstar Lease its' mineral interest and farmout its' leasehold interest delivering a 75% net revenue interest.

In order to secure all the undivided interests involved in this tract 24 separate leases and 16 separate farmouts will be acquired. It is therefore requested that you grant 6 months in which to commence operations as it will likely take most of that time to obtain all the necessary signatures and a drilling title opinion. You may send the lease and farmout agreement to me at the above address. Your consideration of this request is most appreciated.

Yours very Truly,



Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

October 21, 1987

Mr. Alan King
City Corp Center-Suite 2680
Houston, TX 77002

Re: Lease and Farmout Request
Gloria Goldston King
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Mr. King;

Sorry I could not contact you by phone today. As you may know, I am interested in re-entering a well located on the referenced 160 acre tract. Enclosed is a copy of my letter to Ms. Edith Suffern dated 9/23/87 as well as Ms. Sufferns' response dated 9/29/87.

I believe the enclosures will explain my lease request. Please contact me at your earliest convenience concerning your decision as I plan to begin operations immediately upon receipt of all the necessary leases and farmout agreements. Thank you for your anticipated cooperation.

Yours very Truly,

A handwritten signature in dark ink, appearing to read "Randall L. Capps", written in a cursive style.

Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

October 21, 1987

Mr. W. J. Goldston, Jr.
2400 Augusta Drive
Houston, TX 77057

Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Mr. Goldston;

As discussed in our phone conversation this date, I am interested in re-entering a well located on the referenced 160 acre tract. Enclosed is a copy of my letter to Ms. Edith Suffern dated 9/23/87 as well as Ms. Sufferns' response dated 9/29/87.

I believe the enclosures will explain my lease request. Please contact me at your earliest convenience concerning your decision as I plan to begin operations immediately upon receipt of all the necessary leases and farmout agreements. Thank you for your anticipated cooperation.

Yours very Truly,



Randall L. Capps

RLC/ksc

MRS. W. J. GOLDSTON
1270 FIRST CITY NATIONAL BANK BUILDING
HOUSTON, TEXAS 77002

713 652-3046

September 29, 1987



Mr. Randall L. Capps
4630 50th St., Suite 400
Lubbock, Texas 79414

Re: Lease & Farmout Request
SW/4 Section 18, T12S, R38E
Lea County, New Mexico

Dear Mr. Capps:

We refer to your letter of September 23, 1987
requesting leases and farmouts from various Goldston entities
on the captioned property.

The following are the present owners and their mineral
acre and/or leasehold acre interests (corrected):

<u>Owner</u>	<u>Mineral Acres</u>	<u>Leasehold Acres</u>
 First City National Bank of Houston & Kathleen Hadley Goldston, Trustees of The Kathleen Hadley Goldston Trust Account No. 0104253 P. O. Box 809 Houston, Texas 77001		.833 ✓
 First City National Bank of Houston, Successor Trustee of The Residuary Trusts u/w/o W. J. Goldston, Dec'd. Account No. 0106213 P. O. Box 809 Houston, Texas 77001	<i>Not yet in the Bank</i>	.555 ✓
✓ Gloria Goldston King ✓ City Corp Center - Suite 2680 1200 Smith Street Houston, Texas 77002	1.111	.093 ✓

Mr. Randall L. Capps

September 29, 1987

✓ W. J. Goldston, Jr.
2400 Augusta Drive - Suite 230
Houston, Texas 77057

1.111

.093 ✓

✱ First City National Bank of Houston
Trustee of The Jeanne Goldston Trust
Account No. 0102543
P. O. Box 809
Houston, Texas 77001

1.111

.093 ✓

✱ ✓ The Walter L. Goldston Trust Agency
First City National Bank of Houston
Account No. 0107877
P. O. Box 809
Houston, Texas 77001

1.25

1.25 ✓

We are forwarding a copy of your September 23 letter to the above owners for their consideration.

You may contact Mr. David J. Parker, Assistant Vice President & Trust Officer of First City National Bank of Houston at 713 658-7448 regarding the interests handled by the bank.

You may contact Mr. W. J. Goldston, Jr. at 713 952-7461. —
You may contact Mrs. Bigham in Mrs. King's office at 713 654-1920. —

If we may be of further assistance, please let us know.

Very truly yours,

Edith Suffern
Edith Suffern

es
cc's First City National Bank of Houston
Mrs. Gloria Goldston King
~ Mr. W. J. Goldston, Jr. ~

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 23, 1987

Mr. W. R. Stephens
C/O Stephens Production Co.
P. O. Box 2407
Fort Smith, AR 72902

Re: Lease and Farmout Request
SW/4 Section 18, T-12-S, R-38-E
Lea County, New Mexico

Dear Mr. Stephens;

I am interested in re-entering a well located in the NW/4SW/4 of the referenced 160 acre tract. You and your wife jointly own an unleased mineral interest covering 0.572917 net acres and a leasehold interest covering 0.598958 net acres which is held due to production from an adjacent tract. It is hereby requested that you Lease your mineral interest for six months at 1/4 royalty and farmout your leasehold interest delivering a 75% net revenue lease. I am offering a commitment to re-enter and attempt commercial production in lieu of cash bonus consideration.

The Farmout Agreement basically provides for the reservation of 1/8th overriding royalty in addition to the Lessors 1/8th royalty thereby delivering a 75% Lease. You may send the signed lease and the extra copy of this letter indicating your agreement to farmout under the same terms as Coastal Oil & Gas Corporation to me at the above address. Your consideration of this request is most appreciated.

Yours very Truly,


Randall L. Capps

I (We) do hereby adopt, ratify and confirm the herein described Farmout Agreement and do hereby grant to Randall L. Capps all rights contained therein as if I (We) had originally been named therein and a party thereto.

Signed this _____ day of September, 1987.

W. R. Stephens

Bess C. Stephens

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 23, 1987

Goldston Oil Corporation
P. O. Box 22568
Houston, TX 77227

Attn: Ms. Nancy Bowyer

Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Ms. Bowyer;

I am interested in re-entering a well located on the referenced 160 acre tract. The Mayfield/Goldstons own an unleased mineral interest and a leasehold interest in this tract which is HBP due to production from an adjacent tract. This Leasehold interest and mineral interest is broken down as follows:

<u>OWNER</u>	<u>MINERAL ACRES</u>	<u>LEASEHOLD ACRES</u>
Mary Iris Goldston Corporation		
& Iris Goldston	1.875	1.875
Nancy Goldston Herpin	0.935	0.000
Jack H. Mayfield, Jr.	0.935	0.000
Mayfield Corporation	0.000	1.875

I will attempt to explain my past and present position regarding the well to be re-entered. The well (Pearl Western No. 1Y) was originally drilled and subsequently abandoned as a dry hole in 1985 by Cavalcade Oil Corporation. At that time I was vice president of Cavalcade. In November of 1986 I left Cavalcade. At the same time Cavalcade withdrew from the Oil and Gas Business forming Cavalcade Foods Inc. which now owns and operates Furr's Cafeterias. I was successful in helping Cavalcade sell its' producing wells to a local independent Oil Producer named Gary L. Bennett who also operates under the name of Sand Valley Exploration. Mr. Bennett has since retained me as a consultant to continue operating the Cavalcade wells. The financing for this venture will be provided by Mr. Bennett however the leases will be taken in my name assuming you have no objection. For your information I will own a 10% working interest in any leases granted.

Page 2
Goldston Oil
SW/4 Sec 18
9/23/87

It is hereby requested that the Mayfields/Goldstons Lease their mineral interest and farmout their leasehold interest delivering a 75% net revenue. In order to secure all the undivided interests involved in this tract, 24 separate leases and 16 separate farmouts will be acquired. It is therefore requested that you grant 6 months in which to commence operations as it will likely take most of that time to obtain all the necessary signatures and a drilling title opinion.

You may wish to execute your own lease form and it is recommended that you ratify a Farmout agreement prepared by Costal Oil & Gas Corporation as you did previously when dealing with Cavalcade Oil Corporation. Also if any of the interests listed above have been transferred please advise me of any changes. Thank you for your assistance.

Yours very Truly,

A handwritten signature in cursive script, appearing to read "Randall L. Capps".

Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 23, 1987

Mrs. Edith Suffern
1270 City National Bank Bldg.
Houston, TX 77002

Re: Lease and Farmout Request
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Ms. Suffern;

As discussed in our phone conversation this date, I am interested in re-entering a well located on the referenced 160 acre tract. The Goldstons own an unleased mineral interest and a leasehold interest in this tract which is HBP due to production from an adjacent tract. This Leasehold interest and mineral interest is broken down as follows:

<u>OWNER</u>	<u>MINERAL ACRES</u>	<u>LEASEHOLD ACRES</u>
Walter L. Goldston Trust	1.25	1.25 ✓
Gloria Goldston King	1.111	-0- ✓
William J. Goldston, Jr.	1.111	-0- ✓
William J. Goldston Trust	1.111	0.833 ✓
Kathrine Hadley Goldston -	-0-	0.833 ✓
	<u>4.583</u>	<u>2.916</u>

Persuant to your request I will attempt to explain my past and present position regarding the well to be re-entered. The well was originally drilled and subsequently plugged and abandoned as a dry hole in 1985 by Cavalcade Oil Corporation. At that time I was vice president of Cavalcade. In November of 1986 Cavalcade withdrew from the Oil and Gas Business forming Cavalcade Foods Inc. which now owns and operates Furr's Cafeterias. I was successful in selling Cavalcades' producing wells to Gary L. Bennett a local independent Oil Man who also operates under the name of Sand Valley Exploration. Mr. Bennett then hired me as a consultant to continue operating Cavalcades wells which I am still doing. The financing for this venture will be provided by Mr. Bennett however the leases will be taken in my name assuming you have no objection.

Page 2
Ms. suffern
SW/4 Sec 18

It is hereby requested that the Goldstons Lease their mineral interest and farmout their leasehold interest delivering a 75% net revenue. In order to secure all the undivided interests involved in this tract 24 separate leases and 16 separate farmouts will be acquired. It is therefore requested that you grant 6 months in which to commence operations as it will likely take most of that time to obtain all the necessary signatures and a drilling title opinion.

You may wish to execute your own lease form and it is recommended that you ratify a Farmout agreement prepared by Costal Oil & Gas Corporation as you did previously when dealing with Cavalcade Oil Corporation. Also it is my understanding from our phone conversation that some of the interests listed above have been transferred to the Bank as Trustee. Please copy the bank with this letter and advise me of any changes. Thank you for your assistance.

Yours very Truly,

A handwritten signature in black ink, appearing to read "Randall L. Capps", written in a cursive style.

Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 15, 1987

First City National Bank
P. O. Box 809
Houston, Texas 77001

Attn: R. V. Kelly
Oil & Gas Administrator

Re: Lease Offer-B W Kinney Trust
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Your Property #010 6532

Dear Sirs;

I am interested in re-entering a well located in the NW/4SW/4 of the referenced Section. The Beulah Wood Kinney Trust owns an unleased mineral interest covering an undivided 1.5 net acres under said tract. I hereby respectfully request a lease covering this interest for the short term of six months providing for 1/4 royalty and a commitment to re-enter said well in lieu of cash bonus consideration.

From past dealings with First City National Bank I assume you wish to use your own lease form. I also understand that there will be a \$250 processing fee. After proper execution of the lease you should draft same through First RepublicBank Lubbock or if you prefer you may send the executed lease to me along with an invoice for the processing fee. Please note that I am seriously interested in obtaining commercial oil & gas production from this lease for the benefit of all parties involved. Your consideration of this request is most appreciated.

Yours very Truly,



Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 15, 1987

Mr. & Mrs. Harry Kilian
3822 Wickersham
Houston, TX 77027

Re: Lease Offer
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Mr. & Mrs. Kilian;

I am interested in re-entering a well located in the northwest corner of the referenced tract. You own an unleased mineral interest covering an undivided 5 net acres under said tract. I hereby respectfully request a lease covering this interest for the short term of six months providing for 3/16 royalty and a commitment to re-enter said well in lieu of cash bonus consideration.

Anticipating your acceptance of this agreement I have prepared and enclosed a lease form ready for your signature. After proper execution please return the lease to me at the above address. Please note that I am seriously interested in obtaining commercial oil & gas production from this lease for the benefit of all parties involved. Your consideration of this request is most appreciated.

Yours very Truly,



Randall L. Capps

RLC/ksc

RANDALL L. CAPPS
4630 50th St.; Suite 400
Lubbock, Texas 79414
(806) 796-1316

September 15, 1987

Mr. David Spoor
Esandco Ltd.
600 National Bank of Commerce Building
San Antonio, TX 78205

Re: Lease Offer
T-12-S, R-38-E
SW/4 Section 18
Lea County, New Mexico

Dear Mr. Spoor;

I am interested in re-entering a well located in the NW/4SW/4 of the referenced Section. Your Company owns an unleased mineral interest covering an undivided 7 net acres under said tract. I hereby respectfully request a lease covering this interest for the short term of six months providing for 3/16 royalty and a commitment to re-enter said well in lieu of cash bonus consideration.

Anticipating your acceptance of this agreement I have prepared and enclosed a lease form ready for your signature. After proper execution please return the lease to me at the above address. Please note that I am seriously interested in obtaining commercial oil & gas production from this lease for the benefit of all parties involved. Your consideration of this request is most appreciated.

Yours very Truly,



Randall L. Capps

RLC/ksc