

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

February 15, 2004

**"Certified-Return Receipt"**

Alan Wesley Armstrong  
126 Elm Street  
Hatfield, MA 010308

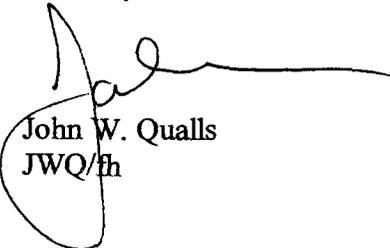
**Re: West Carlsbad Prospect  
WC 3 #2  
990' FSL & 990' FWL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Armstrong :

Chi Operating, Inc. is proposing a Morrow test in the SW/4SW/4 of Section 3-22S-26E, Eddy County, New Mexico to a depth of approximately 11,900'. The South one-half (S/2) of Section 3 is the proposed spacing unit. Attached is an "Authority for Expenditures" and approval page of same. Please return a signed AFE at your earliest convenience. Should you not wish to participate in the drilling of this well, Chi would be interested in purchasing an Oil & Gas Lease for \$100.00 per net acre, 5 year Term and 1/8<sup>th</sup> Royalty. The Heirs of Mrs. John W. Armstrong own collectively 4.166% of the proposed well. Part of this interest was leased from Augustus Armstrong.

Thanks and please call should you have any questions.

Sincerely,

  
John W. Qualls  
JWQ/th

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER **5**

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

February 15, 2004

**"Certified-Return Receipt"**

Anna Marie E. Armstrong  
14 Carlton Rd.  
Bronxville, NY 10708

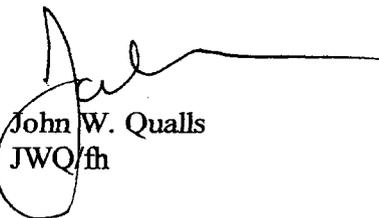
**Re: West Carlsbad Prospect  
WC 3 #2  
990' FSL & 990' FWL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Ms. Armstrong :

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Sincerely,



John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

February 15, 2004

**“Certified-Return Receipt”**

Jacqueline Armstrong Strigel  
624 East Main Street  
Moorestown, NJ 08054

**Re: West Carlsbad Prospect  
WC 3 #2  
990' FSL & 990' FWL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Ms. Strigel :

Chi Operating, Inc. is proposing a Morrow test in the SW/4SW/4 of Section 3-22S-26E, Eddy County, New Mexico to a depth of approximately 11,900'. The South one-half (S/2) of Section 3 is the proposed spacing unit. Attached is an "Authority for Expenditures" and approval page of same. Please return a signed AFE at your earliest convenience. Should you not wish to participate in the drilling of this well, Chi would be interested in purchasing an Oil & Gas Lease for \$100.00 per net acre, 5 year Term and 1/8<sup>th</sup> Royalty. The Heirs of Mrs. John W. Armstrong own collectively 4.166% of the proposed well. Part of this interest was leased from Augustus Armstrong.

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Sincerely,



John W. Qualls  
JWQ/fh

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P.O. BOX 1799  
MIDLAND, TEXAS 79702

February 15, 2004

**"Certified-Return Receipt"**

Stuart Jay Armstrong  
10485 Grant Creek Rd.  
Missoula, MT 59808

**Re: West Carlsbad Prospect  
WC 3 #2  
990' FSL & 990' FWL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Armstrong :

Chi Operating, Inc. is proposing a Morrow test in the SW/4SW/4 of Section 3-22S-26E, Eddy County, New Mexico to a depth of approximately 11,900'. The South one-half (S/2) of Section 3 is the proposed spacing unit. Attached is an "Authority for Expenditures" and approval page of same. Please return a signed AFE at your earliest convenience. Should you not wish to participate in the drilling of this well, Chi would be interested in purchasing an Oil & Gas Lease for \$100.00 per net acre, 5 year Term and 1/8<sup>th</sup> Royalty. The Heirs of Mrs. John W. Armstrong own collectively 4.166% of the proposed well. Part of this interest was leased from Augustus Armstrong.

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Sincerely,



John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Alan Wesley Armstrong  
2 College Circle, Apt 1  
Haverford College  
Haverford, PA 19041

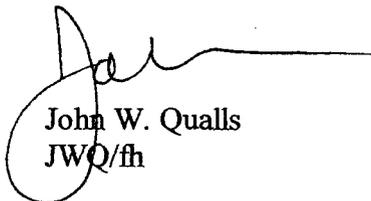
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

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JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**"Certified-Return Receipt"**

Alan W. Armstrong, Trustee  
u/w/o Marion Armstrong Hearn  
f/b/o Stuart J. Armstong  
2 College Circle , Apt. 1  
Haverford College  
Haverford, PA 19041

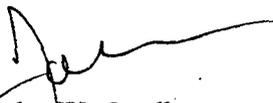
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March 1, 2004

**"Certified-Return Receipt"**

Anna Marie E. Armstrong  
14 Carlton Rd.  
Bronxville, NY 10708

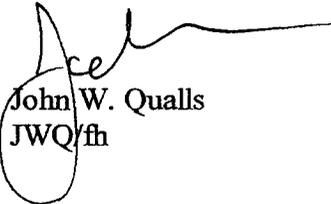
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624 East Main Street  
Moorestown, NJ 08054

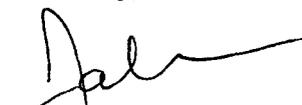
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Eddy County, New Mexico**

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John W. Qualls  
JWQ/fh

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P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Clinton A. Grant  
P. O. Box 128  
Santa Cruz, New Mexico 87562

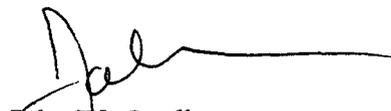
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Grant :

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John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Bennie P. Grant  
P. O. Box 128  
Santa Cruz, New Mexico 87562

**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Grant :

Chi Operating, Inc. is proposing a Morrow test in the SE/4SE/4 of Section 3-22S-26E, Eddy County, New Mexico to a depth of approximately 11,900'. The South one-half (S/2) of Section 3 is the proposed spacing unit. Attached is an “Authority for Expenditures” and approval page of same. Please return a signed AFE at your earliest convenience. Should you not wish to participate in the drilling of this well, Chi would be interested in purchasing an Oil & Gas Lease for \$100.00 per net acre, 5 year Term and 1/8<sup>th</sup> Royalty.

Thanks and please call should you have any questions.

Sincerely,



John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
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MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Juan Rascon  
603 Boyd Drive  
Carlsbad, New Mexico 88220

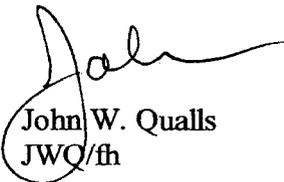
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Rascon:

Chi Operating, Inc. is proposing a Morrow test in the SE/4SE/4 of Section 3-22S-26E, Eddy County, New Mexico to a depth of approximately 11,900'. The South one-half (S/2) of Section 3 is the proposed spacing unit. Attached is an "Authority for Expenditures" and approval page of same. Please return a signed AFE at your earliest convenience. Should you not wish to participate in the drilling of this well, Chi would be interested in purchasing an Oil & Gas Lease for \$100.00 per net acre, 5 year Term and 1/8<sup>th</sup> Royalty.

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John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Jimmy C. Barnett  
1034 North Edwards  
Carlsbad, New Mexico 88220

**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Barnett:

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John W. Qualls  
JWQ/fh

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P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**“Certified-Return Receipt”**

Emily Loftis  
2312 Parsifal NE  
Albuquerque, New Mexico 87112

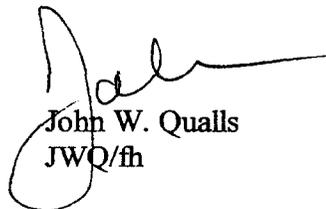
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Ms. Loftis :

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John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**

P.O. BOX 1799

MIDLAND, TEXAS 79702

March 1, 2004

**"Certified-Return Receipt"**

Roy B. Laney  
4001 Jones St.  
Carlsbad, New Mexico 88220

**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Mr. Laney :

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John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**"Certified-Return Receipt"**

Ruth Davis  
805 Hueco St.  
Carlsbad, New Mexico 88220

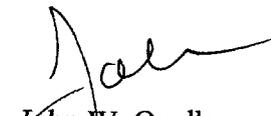
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Ms. Davis :

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John W. Qualls  
JWQ/fh

**CHI ENERGY, INC.**  
P.O. BOX 1799  
MIDLAND, TEXAS 79702

March 1, 2004

**"Certified-Return Receipt"**

Linda Calderon  
1705 Watson  
Carlsbad, New Mexico 88220

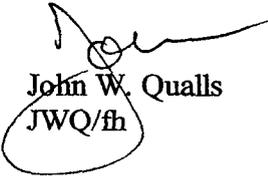
**Re: West Carlsbad Prospect  
WC 3 #3  
660' FSL & 660' FEL  
Section 3-T-22S-R-26E  
Eddy County, New Mexico**

Ms. Calderon :

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