

J Bar Cane, Inc.

Oil & Gas Properties
Petroleum & Mineral Land Services

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May 25, 2004

Kent Investment, Limited Partnership
Attn: Mr. Peter Digangi, Jr., Agent
1209 Georgia, NE
Albuquerque, NM 87106

Re: Oil and Gas Lease Proposal 505-265-4700
Portions of Sections 26, 27, 35 and 34
Township 10 North, Range 1 West
Bernalillo County, New Mexico

Initial Call	2-1-2004	Left message
Second Call	2-4-2004	Left message
Initial Letter	2-5-2003	\$5 / 12.5% / 5yrs
Personal Visit	2-11-2004	Stated issue was under consideration
Third Call	3-23-2004	Getting together with partners to discuss
Fourth Call	4-5-2004	Left message
Fifth call	4-27-2004	Left message
Second Letter	5-24-2004	\$10 / 12.5% / 5yrs.
Sixth call	6-8-2004	Left message
Digangi called	6-14-2004	Meeting with Legal Council 7-16-2004
Seventh call	6-24-2004	Left message
Digangi Called	7-1-2004	Left message informing me that they had met with their attorney Tom Bohnam (243-6705) and have decided not to go along with our lease proposal.

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER 5