



June 02, 2005

PO Box 5513
Farmington, NM 87499
(505) 325-5449
Fax (505) 325-6585

CARDENAS JACINTO ET UX
1418 BLUFFVIEW
FARMINGTON NM, 87401-7210
RE:

Offer for Oil and Gas Lease
T29N, R13W, , A Portion of the West Half of Section 22,
San Juan County, New Mexico.

To Whom It May Concern:

Based upon a cursory title check of the county records, it appears that you own minerals in the city of Farmington. In view of that, we propose the following:

The oil and gas lease we offer provides for a five (5) year primary term, a paid up oil and gas lease, and a bonus consideration of \$100.00 per net mineral acre, or \$45.18 for your mineral interest in 0.4518 net acres. The lease also provides for a 15% royalty in the event that oil and gas can be produced.

Synergy Operating plans to stake a well in the West half of Section 22, as soon as possible.

If you find the terms of this lease acceptable, please execute the enclosed lease in the presence of a notary public and return it in the envelope provided. Please retain a copy for your records, we will mail a check to in the amount listed above within ten days of receipt of the fully executed lease and verification of title. Or if you prefer, I invite you to pickup your check at our office in the Quality Center for Business, San Juan College. Please call me at 334-4993 before you stop by, to make sure that I am here when you visit.

If you should have any questions, please feel free to call.

Sincerely,



Patrick Hegarty
Principal

Enclosure