

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Ms. Ruby Rogers
Rural Route 4
Abilene, KS 67410

SHIPPED AUG 04 2005

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Rogers:

According to our title research, you own an undivided .475625 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

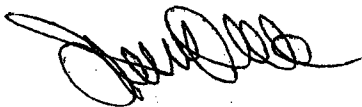
Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

OIL CONSERVATION DIVISION

CASE NUMBER

Unit EXHIBIT NUMBER 3

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

SHIPPED AUG 04 2005

John Major and Stephen Major
P.O. Box 250
Reydon, OK 73660

**Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear John and Stephen:

According to our title research, the Trust owns an undivided .3805 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

John Major and Stephen Major
107 3rd Street
Reydon, OK 73660

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear John and Stephen:

According to our title research, the Trust owns an undivided .3709875 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Ms. Peggie Sue Lawson
18395 W. FM 2790 South
Lytle, TX 78052

SHIPPED AUG 04 2005

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Lawson:

According to our title research, you own an undivided .095125 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

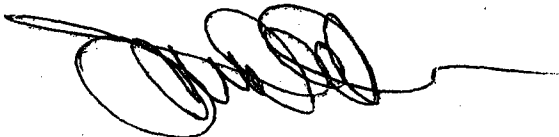
Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

September 10, 2003

Mr. Robert L. Hildom
Cathedral City, CA

Via e-mail

**Re: Oil & Gas Lease Proposal
Fairchild Farm Tract #223 out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Hildom,

According to our title research, Hildom Family owns an undivided 1/3 mineral interest or 2.33666667 net mineral acres under the above described lands. We do hereby propose to lease these minerals for \$75.00 per net mineral acre bonus consideration, 3 year paid-up primary term and three-sixteenths (3/16) royalty.

Thank you for your attention to this matter. We look forward to your response.

Sincerely,

SHAW INTERESTS

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Ms. Marjorie Moran
111 Nara Vista
Albuquerque, NM 87107

SHIPPED AUG 04 2005

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Moran:

According to our title research, you own an undivided .095125 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Ms. Marjorie Moran
2900 Tennessee
Albuquerque, NM 87107

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Moran:

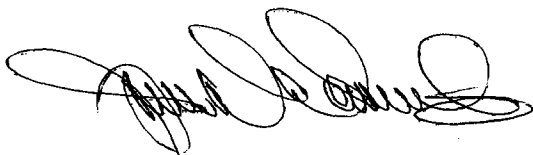
According to our title research, you own an undivided .0927468 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

A handwritten signature in black ink, appearing to read "Jim D. Daniels", with a large, stylized flourish at the end.

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Ms. Helen Joyce Hardgrave
6012 E. 114th St.
Tulsa, OK 74137

COPY

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Hardgrave:

According to our title research, the Meredith E. Hardgrave and Helen J. Hardgrave Revocable Living Trust owns an undivided 1.9025 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for you review. The terms of this lease are a \$125.00 per net mineral acre bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 per net mineral acre.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$237.82 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

Mr. Meredith E. Hardgrave

Attorney at Law
6012 East 114th Street
Tulsa, Oklahoma 74137-7761

Phone: 1-918-298-2373

August 5, 2005

SHAW INTERESTS, INC.
P. O. Box 9612
Midland, TX 79708

ATTENTION: Jim D. Daniels

Dear Sir:

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222, and
NE/4 SE/4 of Section (1), Township (18) South,
Range (26) East, EDDY County, New Mexico

Enclosed herewith you will find copy of your letter under date of August 4, 2005, directed to my wife, Helen Joyce Hardgrave, along with your proposed Oil & Gas Lease for the above lands.

However, the Trust that is the owner of the above interest you indicated takes exception to your letter as follows:

1. Your Lease shows the lands to be in CHAVES County, New Mexico, but in truth same is in EDDY County, New Mexico.
2. WE DO NOT execute and deliver Leases with expectation of receiving compensation for same at your discretion. If you desire to submit a DRAFT with same we will accept, but we DO NOT accept any Drafts for more than Ten (10) days.
3. Also, we would not be interested in any lease beyond a Three Year Lease and under no circumstances would we execute an option for an additional Two years.

Enclosed you will find your proposed lease and attachments thereto. You may resubmit same to us if the above corrections have been made.

Very truly yours,



MR. MEREDITH E. HARDGRAVE

MEH:hh

Enclosed: Proposed Lease and Attachments thereto.

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Mr. Merideth Hardgrave
6012 E. 114th St.
Tulsa, OK 74137

(918) 298-2373

**Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Mr. Hardgrave:

Pursuant to my receipt of your letter dated August 05, 2005, enclosed is an Oil and Gas Lease covering your trust's undivided 1.9025 net miner acres. The terms of this lease are a \$125.00 per net mineral acre bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 per net mineral acre.

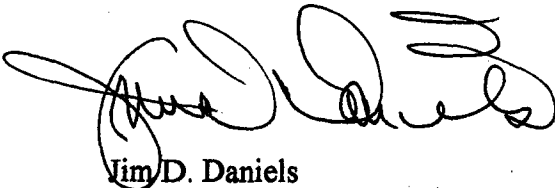
Please sign the lease in the presence of a Notary Public, provide us with the Trust's tax identification number and thereafter present the executed lease and the enclosed bank draft to your bank as a collection item for forwarding to the First National Bank of Midland, 123 N. Colorado, Midland, TX 79701.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Mr. Merideth Hardgrave
6012 E. 114th St.
Tulsa, OK 74137

(918) 298-2373

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. Hardgrave:


Pursuant to my receipt of your letter dated August 05, 2005, enclosed is an Oil and Gas Lease covering your trust's undivided 1.8549 net mineral acres. The terms of this lease are a \$125.00 per net mineral acre bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty.

Please sign the lease in the presence of a Notary Public. Thereafter return the lease, along with the completed W-9 form, and the enclosed bank draft to your bank as a collection item for forwarding to the First National Bank of Midland, 123 N. Colorado, Midland, TX 79701.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

September 24, 2003

Mr. Warren Buxman
Route 2, No. 24
Quincy, IL 62301

**Re: Oil & Gas Lease
Fairchild Farm Tract #218 out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Mr. Buxman,

According to our title research you own an undivided 3/168 mineral interest or 0.0902 net mineral acres under the above described lands. We do hereby propose to lease these minerals for \$20 flat rate bonus consideration, 3 year paid-up primary term and one-eighth (1/8) royalty. We have enclosed an Oil & Gas Lease for your review.

If you are in agreement with these terms, please sign the lease in the presence of a Notary Public, insert your Social Security number in the space provided and thereafter return the lease to the above letterhead address. Upon receipt we will process the lease and forward you a check in the amount of \$20.00.

Sincerely,

SHAW INTERESTS

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

September 24, 2003

Ms. Ella Buxman
Route 2, No. 24
Quincy, IL 62301

**Re: Oil & Gas Lease
Fairchild Farm Tract #218 out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Ms. Buxman,

According to our title research you own an undivided 10/168 mineral interest or 0.30060 net mineral acres under the above described lands. We do hereby propose to lease these minerals for \$20 flat rate bonus consideration, 3 year paid-up primary term and one-eighth (1/8) royalty. We have enclosed an Oil & Gas Lease for your review.

If you are in agreement with these terms, please sign the lease in the presence of a Notary Public, insert your Social Security number in the space provided and thereafter return the lease to the above letterhead address. Upon receipt we will process the lease and forward you a check in the amount of \$20.00.

Sincerely,

SHAW INTERESTS

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

James and Judith Brown
P.O. Box 928
Elk City, OK 73648

SHIPPED AUG 04 2005

**Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Mr. And Mrs. Brown:

According to our title research, you own an undivided .19025 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

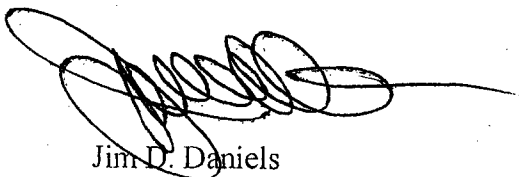
Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

September 24, 2003

Ms. Alma Gloor
3165 Ashbury
Dubuque, IA 52001

**Re: Oil & Gas Lease
Fairchild Farm Tract #218 out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Ms. Gloor,

According to our title research you own an undivided 3/672 mineral interest or 0.0225 net mineral acres under the above described lands. We do hereby propose to lease these minerals for \$20 flat rate bonus consideration, 3 year paid-up primary term and one-eighth (1/8) royalty. We have enclosed an Oil & Gas Lease for your review.

If you are in agreement with these terms, please sign the lease in the presence of a Notary Public, insert your Social Security number in the space provided and thereafter return the lease to the above letterhead address. Upon receipt we will process the lease and forward you a check in the amount of \$20.00.

Sincerely,

SHAW INTERESTS

Jim D. Daniels



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

September 30, 2005

Mineral Owner – See Exhibit "A"

Monte Carlo Fed Com # 1
E/2 Section 1, T18S-R26E, N.M.P.M.
Eddy County, New Mexico
(Monte Carlo Prospect)

Ladies and Gentlemen:

You recently received a proposal from Shaw Interests, Inc. to either grant an oil and gas lease covering your mineral interest located in the captioned lands, or participate in the captioned well by signing the AFE that was enclosed. Shaw Interests, Inc. made that proposal on behalf of Unit Petroleum Company, who will operate the captioned well.

Since the date of the AFE that was furnished to you, the well's location has been revised. The surface location is now 2385 feet from the north line and 271 feet from the east line of Section 1, and the bottom hole location is 1845 feet from the north line and 1487 feet from the east line of Section 1. Enclosed is a revised AFE.

We respectfully request that you quickly decide to either execute the oil and gas lease furnished to you by Shaw Interests, Inc. or sign the AFE. If you sign and return the AFE, we will forward to you a copy of our proposed operating agreement.

Sincerely yours,

Fred Schantz
District Landman

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

October 15, 2004

Mr. Eugene Buxman
2125 Ennis Ln
Quincy, IL 62305

(217) 224-8701

Re: Oil & Gas Lease
Fairchild Farm Tract #218 out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

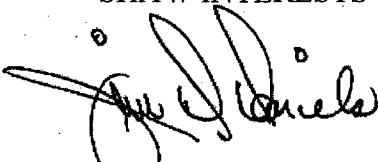
Dear Mr. Buxman,

Pursuant to our agreement, enclosed is an Oil and Gas Lease covering your undivided 3/168 mineral interest or 0.0902 net mineral acres under the above described lands. We do hereby propose to lease these minerals for \$50 flat rate bonus consideration, 5 year paid-up primary term and three-sixteenths (3/16) royalty.

Please sign the lease in the presence of a Notary Public, insert your Social Security number in the space provided and thereafter return the lease to the above letterhead address. Upon receipt we will process the lease and forward you a check in the amount of \$50.00.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 17, 2005

Ms. Charlotte Wells
Rt. 1, Box 314B
Burkeville, TX 75932

(409) 565-2537

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Wells

According to our title research, Kauilani and your undivided .6183124 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward each of you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 22, 2005

Mr. Larry Redford
2608 E. Pearl St.
Odessa, TX 79761

Re: Oil & Gas Lease
Fairchild's Farm Land Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. Redford:

According to our title research, you own an undivided .3709875 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Mr. & Mrs. Terry A. White
P.O. Box 27
Tunkawa, OK 74653

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. & Mrs. White:

According to our title research, you own an undivided .6183124 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

A handwritten signature in black ink, appearing to read "Jim D. Daniels", with a long, sweeping horizontal line extending to the right.

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Mr. Richard A. Swearingen
3444 Happy Hollow Rd.
Topeka, KS 66617

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. Swearingen:


According to our title research, you own an undivided .1545781 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

A handwritten signature in black ink, appearing to read "Jim D. Daniels", written over the typed name.

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Ms. Joyce Ann Sasse
10801 W. Walnut Grove Ln.
Rocheport, MO 65279

**Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Ms. Sasse:

According to our title research, you own an undivided .1545781 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS

A handwritten signature in black ink, appearing to read "Jim D. Daniels", with a stylized flourish at the end.

Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Ms. Sharon K. Fenton
3447 SE 35th St.
Topeka, KS 66605

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Ms. Fenton:

According to our title research, you own an undivided .1545781 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Ms. Sheryl S. Johnson-Collins
3209 Belle Ave.
Topeka, KS 66614

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mrs. Collins:

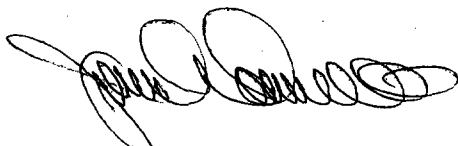
According to our title research, you own an undivided .1545781 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Mr. & Mrs. Craig Collins
3209 Belle Ave.
Topeka, KS 66614

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. & Mrs. Collins:


According to our title research, you own an undivided .1545781 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

November 14, 2005

Mr. James A. Collier
1113 Shady Oaks Drive
McKinney, TX 75070-5213

**Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico**

Dear Mr. Collier:

According to our title research, you own an undivided .3709875 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

SHAW INTERESTS, INC.

OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Roy G. Barton, Jr. and Claudia R. Barton
1919 Turner St.
Hobbs, NM 88240

SHIPPED AUG 04 2005

Re: Oil & Gas Lease
Tracts 213, 215, 216, 222 & NW/4SE/4 of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Roy and Claudia:

According to our title research, you own an undivided .3805 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 flat fee bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 flat fee.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$125.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels



UNIT PETROLEUM COMPANY

A ~~Subsidiary~~ of Unit Corporation

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 6, 2005

Roy G Barton, Jr. and
Claudia R. Barton
1919 Turner Street
Hobbs, New Mexico 88240

Monte Carlo Fed Com #1 Well
NE/4 Section 1, T18S- R26E,
Eddy County, New Mexico
Monte Carlo Prospect

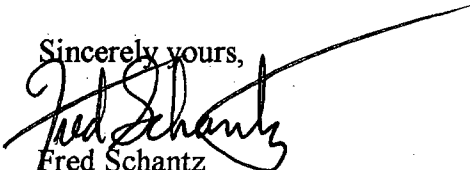
Dear Mr. Barton:

I have been told that you are considering participating in the captioned well with your mineral interest. Please find enclosed an AFE in the amount of \$1,162,200 Dry Hole Cost and \$1,823,800 Completed Well Cost (completion cost being \$661,600). You have been furnished a copy of this AFE previously.

Also attached is a copy of the Joint Operating Agreement the current participating parties have agreed to enter into. If you elect to participate in the well, please indicate your election to participate by signing and returning the AFE to me at your very earliest convenience. I will then modify the Joint Operating Agreement to accommodate your election by amending the Exhibit "A" to include you as a working interest owner, include an Exhibit "B" for your mineral interest, and forward a ratification of the JOA to you for your execution. Otherwise, the JOA will remain essentially the same.

Time is of the essence. Please advise me of your election as soon as possible. Thank you for your cooperation in this matter.

Sincerely yours,


Fred Schantz
District Landman



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

November 15, 2005

Roy G. Barton, Jr. & Claudia R. Barton
1919 North Turner
Hobbs, New Mexico 88240

Monte Carlo Fed Com #1 Well
NE/4 Section 1, T18S- R26E,
Eddy County, New Mexico
Monte Carlo Prospect

Dear Mr. and Mrs. Barton:

Thank you for furnishing me with a signed AFE for the captioned well.

Attached is a Joint Operating Agreement with a revised Exhibit A to the Joint Operating Agreement reflecting your interest. Also, the JOA now includes an Exhibit "B" for the JOA. Your agreement should be complete at this point. Finally, enclosed is a ratification to the JOA that I need for both of you to sign and return to me at your very earliest convenience.

Time is of the essence. Therefore, I would really appreciate your quick response in signing the ratification and returning to me.

Thank you for your cooperation in this matter.

Sincerely yours,

Fred Schantz
District Landman

SHAW INTERESTS, INC.
OIL & GAS PROPERTIES

P.O. BOX 9612

MIDLAND, TX 79708

(432) 685-1404

August 4, 2005

Mr. William P. Edwards
P.O. Box 2421
Gainesville, GA 30503-2421

SHIPPED AUG 04 2005

(770) 513-3739

Re: Oil & Gas Lease
72.47 acres out of Section 1
Township 18 South, Range 26 East
Eddy County, New Mexico

Dear Mr. Edwards:

According to our title research, Higgins Trust, Inc. owns an undivided 42.64 net mineral acres under the above described lands. Enclosed is an Oil and Gas Lease for your review. The terms of this lease are a \$125.00 per net mineral acre bonus consideration, a three (3) year paid-up primary term and a one-fifth (1/5) royalty with the option to extend the primary term an additional two (2) years for a \$125.00 per net mineral acre.

Please sign the lease in the presence of a Notary Public and thereafter return the lease along with the completed W-9 form to the above letterhead address. Upon receipt, subject to title approval, we will process the lease and forward you a check in the amount of \$5,330.00 within thirty (30) days.

If you choose not to lease your mineral interest and would like to participate in the drilling of the well an AFE has been included as well. In order to participate in the drilling of the well, please sign and date the AFE and return it to the above letterhead address.

Thank you for your attention to this matter and please do not hesitate to call should you have any questions.

Sincerely,

SHAW INTERESTS



Jim D. Daniels

HIGGINS TRUST, INC.

August 10, 2005

Mr. Jim D. Daniels
Shaw Interests, Inc.
P.O. Box 9612
Midland, TX 79708

P.O. Box 2421
Gainesville, GA 30503-2421
Tel/Fax: (770) 513-3739
Email: higginstrustinc@msm.com

MONTE CARLO

RE: Your letter July 15, 2005 for Fairchild Farm tracts

Dear Mr. Daniels,

In response to your letter the Lessee shall determine if there are existing leases or held-by-production leases on the subject property. All leases shall be subject to the existing pasture lease on the captioned property. Currently, there are additional inquires about subject property.

Subject to the terms of your paragraph 3, royalties to be paid to Higgins Trust, Inc., Lessor, by Lessee are to be one-quarter (1/4) on all products subject to said lease.

Additionally, notwithstanding any provisions in the lease to the contrary, it shall be agreed that any lease executed by Higgins Trust, Inc. will not be perpetuated by reason or payment of shut-in royalty provisions of your lease paragraph 3 and 11. If for any reason, Lessee elects to pay a shut-in royalty, said advance shut-in royalty shall be \$1,000.00 U.S. dollars per net mineral acre, payable within 45 days of shut-in date and annually on or before the anniversary date on which the well was shut-in.

Lease shall be a Paid-Up Lease containing a \$500.00 U.S. dollars lease bonus consideration per net mineral acre interest payable by bank draft accompanying said lease.

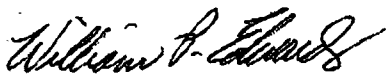
Paragraph 6 shall be deleted. If at the expiration of the primary term Lessee desires an additional lease term, a new primary lease will be required.

As in paragraph 10, any lease executed by Higgins Trust, Inc. shall have struck and deleted all language whereby the signatory warrants and defends title to the interest credited to them.

Additionally, Higgins Trust, Inc. expressly denies any Lessee the option or right to discharge any tax, mortgage or other lien on any real property owned by the aforementioned corporation.

If you have additional questions, you may contact David R. Vandiver of the law firm, Vandiver & Bowman, 611 W. Malone, Ste. E, Artesia, NM 88211 or me.

HIGGINS TRUST, INC.



William P. Edwards
President



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

November 22, 2005

David Vandiver
611 West Mahone, Suite E
Artesia, New Mexico 88210

RE: Monte Carlo Fed Com #1 Well
NE/4 Section 1, T18S- R26E,
Eddy County, New Mexico
Monte Carlo Prospect

Dear Mr. Vandiver:

We have been advised that Higgins Trust is interested in participating in the captioned well with its interest. Enclosed is an AFE for this well.

Attached is a copy of the Joint Operating Agreement the current participating parties have agreed to enter into and is fully executed at this point with the exception of Devon and Roy Barton who have subsequently elected to participate in the drilling of the well. If Mr. Edwards decides that the Higgins Trust will participate in the drilling of this well, I will modify the Joint Operating Agreement to accommodate your election by amending the Exhibit "A" to include you as a working interest owner and forward any modifications and a ratification of the JOA to you for your execution. Otherwise, the JOA will remain essentially the same.

Thank you for your cooperation in this matter.

Sincerely yours,



Fred Schantz
District Landman



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

September 19, 2005

Devon Energy Corporation
Attention: Meg Mullinghouse
20 North Broadway, Suite 1500
Oklahoma City, OK 73102

Monte Carlo Fed Com #1 Well
2385' FNL and 271' FEL Section 1 (Surface Location)
1905' FNL and 1350' FEL Section 1 (Bottom Hole Location)
T18S-R26E, Eddy County, New Mexico
Monte Carlo Prospect

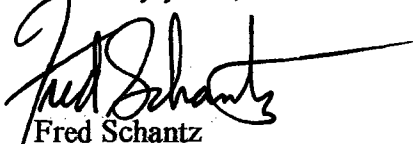
Dear Meg:

Unit proposes the drilling of the captioned well to test the Morrow formation (MD 9290' and TVD 9010') at a cost of approximately \$1,162,200 Dry Hole Cost and \$1,823,800 Completed Hole Cost (completion cost being \$661,600). Please indicate your election to participate by signing the attached AFE and returning to me along with your well information requirements. For your convenience, I have enclosed a copy of the permit for the captioned well.

Alternatively, Devon may consider granting to Unit Petroleum Company a term assignment of its leasehold interest.

We would appreciate a quick response to our proposal. Please call me at (432) 685-9020 should you have a question regarding our proposal.

Sincerely yours,


Fred Schantz
District Landman



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

SENT CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 28, 2005

Devon Energy Corporation
Attention: Meg Muhlinghouse
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Monte Carlo Fed Com #1 Well
2385' FNL and 271' FEL Section 1 (Surface Location)
1905' FNL and 1350' FEL Section 1 (Bottom Hole Location)
T18S-R26E, Eddy County, New Mexico
Monte Carlo Prospect

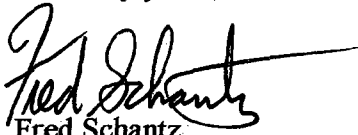
Dear Mrs. Muhlinghouse:

Unit proposes the drilling of the captioned well to test the Morrow formation (MD 9290' and TVD 9010') at a cost of approximately \$1,162,200 Dry Hole Cost and \$1,823,800 Completed Hole Cost (completion cost being \$661,600). Please indicate your election to participate by signing the attached AFE and returning to me at your earliest convenience along with your well information requirements. For your convenience, I have enclosed a copy of the permit for the captioned well.

Alternatively, Devon may consider granting to Unit Petroleum Company a term assignment of its leasehold interest.

We would appreciate a quick response to our proposal. Please call me at (432) 685-9020 should you have a question regarding our proposal.

Sincerely yours,


Fred Schantz
District Landman



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

SENT CERTIFIED MAIL – RETURN RECEIPT REQUESTED

September 28, 2005

Devon Energy Corporation
Attention: Meg Muhlinghause
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Monte Carlo Fed Com #1 Well
2385' FNL and 271' FEL Section 1 (Surface Location)
1905' FNL and 1350' FEL Section 1 (Bottom Hole Location)
T18S-R26E, Eddy County, New Mexico
Monte Carlo Prospect

Dear Mrs. Muhlinghause:

Unit proposes the drilling of the captioned well to test the Morrow formation (MD 9290' and TVD 9010') at a cost of approximately \$1,162,200 Dry Hole Cost and \$1,823,800 Completed Hole Cost (completion cost being \$661,600). Please indicate your election to participate by signing the attached AFE and returning to me at your earliest convenience along with your well information requirements. For your convenience, I have enclosed a copy of the permit for the captioned well.

Alternatively, Devon may consider granting to Unit Petroleum Company a term assignment of its leasehold interest.

We would appreciate a quick response to our proposal. Please call me at (432) 685-9020 should you have a question regarding our proposal.

Sincerely yours,

Fred Schantz
District Landman

203 West Wall Street
Suite 1201 (Zip 79701)
P.O. Box 10187
Midland, Texas 79702

CAPSTONE OIL & GAS COMPANY, L.P.
Exploration and Development

Area Code: 432
Phone : 682-5565
Fax: 682-4498
E-Mail:
mark@capstoneoil.com

SENT CERTIFIED MAIL – RETURN RECEIPT REQUESTED NO. 70040750000069290414

October 14, 2004

Devon Energy Corporation
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260
Attn: Meg Muhlinghause

Re: AFE to drill Monte Carlo "1" Fed Com #1
1980' FNL & 1650' FEL of Section 1,
T18S, R26E, NMPM
Monte Carlo Prospect
Eddy County, New Mexico

Dear Meg:

Please find enclosed for your review and execution, two (2) copies of our AFE for the captioned well. Capstone is the owner of a term assignment and leases under said Section 1 and we are proposing to operate the proposed well as a E/2 proration unit.

If Devon is prepared to participate with its working interest in this well, please execute and forward one (1) of the enclosed AFE to the undersigned at your earliest convenience.

If you do not want to participate in the drilling of this well, Capstone would like to negotiate a farmout or the purchase of a term assignment of your leasehold rights under the E/2 of said Section 1.

Should you have any questions, please feel free to contact me.

Sincerely,

Mark Wheeler, CPL
Senior Landman

/cmw: Monte Carlo AFE letter to Devon(1m)
xc: Jim Geitgey / Dale Douglas / Jerry Elger



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

November 4, 2005

Devon Energy Corporation
Attention: Meg Muhlinghaus
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Monte Carlo Fed Com #1 Well
NE/4 Section 1, T18S- R26E,
Eddy County, New Mexico
Monte Carlo Prospect

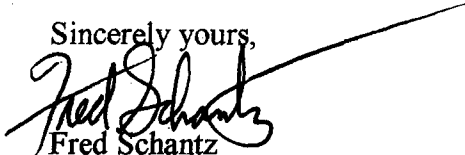
Meg:

You advised verbally and in writing that you are participating in the captioned well with your interest. You also furnished a signed AFE for this well.

Attached is a copy of the Joint Operating Agreement the current participating parties have agreed to enter into and is fully executed at this point with the exception of Devon and Roy Barton who have subsequently elected to participate in the drilling of the well. Once we know the election of all other parties, I will modify the Joint Operating Agreement to accommodate your election by amending the Exhibit "A" to include you as a working interest owner and forward any modifications and a ratification of the JOA to you for your execution. Otherwise, the JOA will remain essentially the same.

Thank you for your cooperation in this matter.

Sincerely yours,



Fred Schantz
District Landman



UNIT PETROLEUM COMPANY

A Subsidiary of Unit Corporation

November 15, 2005

Devon Energy Corporation
Attention: Meg Muhlinghaus
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Monte Carlo Fed Com #1 Well
NE/4 Section 1, T18S- R26E,
Eddy County, New Mexico
Monte Carlo Prospect

Dear Meg:

Thank you for furnishing me with a signed AFE for the captioned well.

Attached is a revised Exhibit A to the Joint Operating Agreement that I sent to you previously. You will need to insert this into the JOA that I sent to you, thereby replacing the former Exhibit "A" with this one. Also enclosed is an Ex "B" for the JOA that you will need to insert into your agreement as well. Your agreement will be complete at that point. Finally, enclosed is a ratification to the JOA that I need for you to obtain execution on behalf of Devon and return to me at your very earliest convenience.

Time is of the essence. Therefore, I would really appreciate your quick response in obtaining the execution of the ratification and returning to me.

Thank you for your cooperation in this matter.

Sincerely yours,


Fred Schantz
District Landman