



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

September 9, 1998

Dr. Henry Yeager, Jr.  
5624 Knollwood Road  
Bethesda, Maryland 20816

RE: Drill & Equip AFE  
Wood State Lease SE/4  
NW/4 of Section 16, T 20 S,  
R 37 E, Lea County, NM.  
Below 7000'.

Dear Dr. Yeager;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres as shown on the attached map. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated January 15, 1998. I hereby submit a [REDACTED] overriding royalty interest (proportionately reduced) along with a purchase offer of [REDACTED] per acre for your net 10 acres (below 7000') which amounts to [REDACTED]. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for [REDACTED] that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

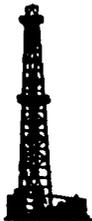
Thank you for your consideration.

Yours very truly,  
Baqash Resources

By: Damian Barrett

Attachments

Before the Oil Conservation Division  
Santa Fe, New Mexico  
John H. Hendrix Corp. Exhibit No. 5  
Case No. 12085  
November 5, 1998



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

September 9, 1998

Mr. & Mrs. Roger Hansen  
4642 Lorraine Avenue  
Dallas, TX 75209

RE: Drill & Equip AFE  
Wood State Lease SE/4  
NW/4 of Section 16, T 20 S,  
R 37 E, Lea County, NM.  
Below 7000'.

Dear Mr. & Mrs. Hansen;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres as shown on the attached map. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated January 15, 1998. I hereby submit a ~~25%~~ overriding royalty interest (proportionately reduced) along with a purchase offer of ~~25%~~ per acre for your net 10 acres (below 7000') which amounts to ~~25%~~. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for ~~25%~~ that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

Thank you for your consideration.

Yours very truly,  
Baqash Resources

By: Damian Barrett



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

Certified Mail No.  
p 219 743 485

September 17, 1998

10-1-98  
YES FI MPB Y.

Dr. Henry Yeager, Jr.  
5624 Knollwood Road  
Bethesda, Maryland 20816

RE: Drill & Equip AFE  
Wood State Lease SE/4 NW/4 of  
Section 16, T 20 S, R 37 E, Lea  
County, NM. Below 7000'.

Dear Dr. Yeager;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated September 9, 1998. I hereby submit a  overriding royalty interest (proportionately reduced) along with a purchase offer of  per acre for your net 10 acres (below 7000') which amounts to . Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for  that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$1,800,000. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, 26 days after which our application will be filed.

Thank you for your consideration.

Yours very truly,  
Baqash Resources

By: Damian Barrett

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Dr. Henry Yeager, Jr.  
5624 Knollwood Road  
Bethesda, Maryland 20816

4a. Article Number  
P 219 743 485

4b. Service Type

Registered  Certified

Express Mail  Insured

Return Receipt for Merchandise  COD

7. Date of Delivery  
9-28-99

5. Received By: (Print Name)  
Sandra D Yeager

6. Signature: (Addressee or Agent)  
X Sandra D. Yeager

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-8-0179 Domestic Return Receipt

P 219 743 485



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
DR HENRY YEAGER JR	
Street and No.	
5624 KNOLLWOOD ROAD	
P.O., State and ZIP Code	
BETHESDA, MARYLAND 20816	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.23
Postmark or Date	
9-17-98	

PS Form 3800, June 1991



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

Certified Mail No.  
p 219 743 484

September 17, 1998

Mr. & Mrs. Roger Hansen  
4642 Lorraine Avenue  
Dallas, TX 75209

RE: Drill & Equip AFE  
Wood State Lease SE/4 NW/4 of  
Section 16, T 20 S, R 37 E, Lea  
County, NM. Below 7000'.

Dear Mr. & Mrs. Hansen;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated September 9, 1998. I hereby submit a [REDACTED] overriding royalty interest (proportionately reduced) along with a purchase offer of [REDACTED] per acre for your net 10 acres (below 7000') which amounts to [REDACTED]. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for [REDACTED] that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$1,800,000. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, 26 days after which our application will be filed.

Thank you for your consideration.

Yours very truly,  
Baqash Resources

*Damian Barrett*  
By: Damian Barrett

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. & Mrs. Roger Hansen  
4642 Lorraine Avenue  
Dallas, TX 75209

4a. Article Number  
**P 219 743 484**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
**9/24/98**

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

*X Mrs. Roger Hansen*

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

**DATE RECEIVED 9-25-98**

Thank you for using Return Receipt Service.

P 219 743 484



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to <b>MRS &amp; MRS ROGER HANSEN</b>	
Street and No <b>4642 LORRAINE AVE</b>	
P. O., State and ZIP Code <b>DALLAS TX 75209</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	<b>\$3.23</b>
Postmark or Date <b>9-17-98</b>	

PS Form 3800, June 1991



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

Certified Mail No.  
p 219 743 352

October 12, 1998

Mr. & Mrs. Roger Hansen  
4642 Lorraine Avenue  
Dallas, TX 75209

RE: Drill & Equip AFE  
Wood State Lease SE/4 NW/4 of  
Section 16, T 20 S, R 37 E, Lea  
County, NM. Below 7000'.

Dear Mr. & Mrs. Hansen;

Enclosed is a second AFE for \$857,000 to drill and equip a horizontal well in the Abo formation (7050'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. There have been operators in the area drilling horizontal wells in a variety of formations. The horizontal wells seem to be more efficient at recovering more oil and gas. This option is also cheaper than drilling two wells. I will propose this along with an alternative option to drill a vertical well that I sent you an AFE on September 17<sup>th</sup> 1998. My check of the records indicates you have a 25% working interest in this 80 acres. Your participation in this well would amount to an estimated expenditure of \$214,250. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

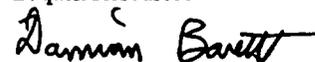
As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated September 9, 1998. I hereby submit a [redacted] overriding royalty interest (proportionately reduced) along with a purchase offer of [redacted] per acre for your net 10 acres (below 7000') which amounts to [redacted]. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for [redacted] that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$2,571,000. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, after which our application will be filed.

Thank you for your consideration.

Yours very truly,  
Baqash Resources

  
By: Damian Barrett

Attachments

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

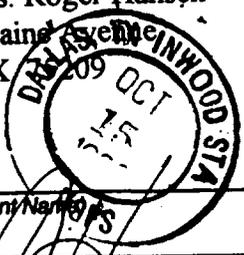
Consult postmaster for fee.

3. Article Addressed to:

Mr. & Mrs. Roger Hansen  
4642 Lorraine Avenue  
Dallas, TX 75209

5. Received By: (Print Name)  
*Roger Hansen*

6. Signature: (Addressee or Agent)  
*Roger Hansen*



4a. Article Number  
**P 219 743 352**

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- Certified
- Insured
- COD

7. Date of Delivery  
**10/16/98**

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

PSN 2595-97-8-0179

Domestic Return Receipt

P 219 743 352



**Receipt for Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

PS Form 3800, June 1991

Sent to <b>MRS. MRS ROGER HANSEN</b>	
Street and No. <b>4642 LORRAINE AVE</b>	
P. O., State and ZIP Code <b>DALLAS, TX 75209</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	<b>\$ 3.23</b>
Postmark or Date <b>10-12-98</b>	



# Baqash Resources

414 West Texas, Suite 400M  
Midland, Texas 79701

915-684-4023  
Fax 915-682-8870

Certified Mail No.  
p 219 743 353

October 12, 1998

Dr. Henry Yeager, Jr.  
5624 Knollwood Road  
Bethesda, Maryland 20816

RE: Drill & Equip AFE  
Wood State Lease SE/4 NW/4 of  
Section 16, T 20 S, R 37 E, Lea  
County, NM. Below 7000'.

Dear Dr. Yeager,

Enclosed is a second AFE for \$857,000 to drill and equip a horizontal well in the Abo formation (7050'), at a location 2310' FWL and 1650' FNL, Section 16, T20S, R37E, Lea County NM. There have been operators in the area drilling horizontal wells in a variety of formations. The horizontal wells seem to be more efficient at recovering more oil and gas. This option is also cheaper than drilling two wells. I will propose this along with an alternative option to drill a vertical well that I sent you an AFE on September 17<sup>th</sup> 1998. My check of the records indicates you have a 25% working interest in this 80 acres. Your participation in this well would amount to an estimated expenditure of \$214,250. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

As an alternative to participating I would propose to buy your 25% lease in the above referenced 40 acres as mentioned in my previous letter to you dated September 9, 1998. I hereby submit a  overriding royalty interest (proportionately reduced) along with a purchase offer of  per acre for your net 10 acres (below 7000') which amounts to . Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for  that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$2,571,000. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, after which our application will be filed.

Thank you for your consideration.

Yours very truly,  
Baqash Resources

By: Damian Barrett

Attachments

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
  
 Dr. Henry Yeager, Jr.  
 5624 Knollwood Road  
 Bethesda, Maryland 20816

4a. Article Number  
 P 219 743 353

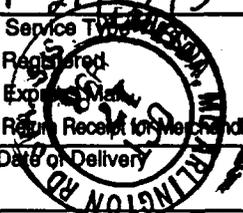
4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)  
 X *Henry Yeager*



Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

P 219 743 353



**Receipt for Certified Mail**

No Insurance Coverage Provided  
 Do not use for International Mail  
 (See Reverse)

Sent to <b>DR HENRY YEAGER</b>	
Street and No. <b>5624 KNOLLWOOD ROAD</b>	
P. S. State and ZIP Code <b>BETHESDA, MARYLAND 20816</b>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	<b>\$3.23</b>
Postmark or Date <b>10-12-98</b>	

PS Form 3800, June 1991