Blaine Hess Oil Properties Post Office Box 326 Roswell, New Mexico 88202-0326 (505) 623-5400 (505) 623-4916 facsimile

June 1, 2000 -

Ms. Lutishie Hamilton Brewer 704 West 16th Street Portales, New Mexico 88130

Re: Oil and Gas Lease Offering, NE/4SE/4 of Section 34, T-16-S, R-38-E, N.M.P.M. Lea County, New Mexico, Containing 40.00 gross acres And 1.25 net acres, more or less

Dear Ms. Brewer:

Paladin Energy Corp. has purchased the WW Hamilton A No. 2 well that is currently temporarily abandoned. In this respect, Paladin is acquiring oil and gas leases so that they may re-enter the well and make a completion attempt in the Devonian formation.

Therefore, on behalf of Paladin Energy Corp., we submit an offer covering your mineral interest in the captioned lands of \$50.00 per net mineral acre bonus consideration for an eighteen (18) month oil and gas lease that provides for a three-sixteenths(3/16ths)-royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Should you have any questions, please contact me at the above phone number. Thank you.

Yours truly,

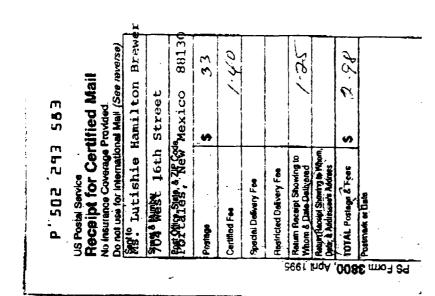
Blaine Hess

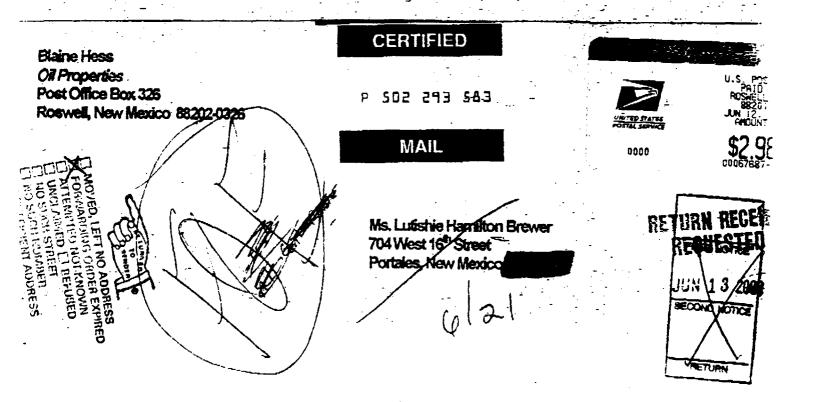
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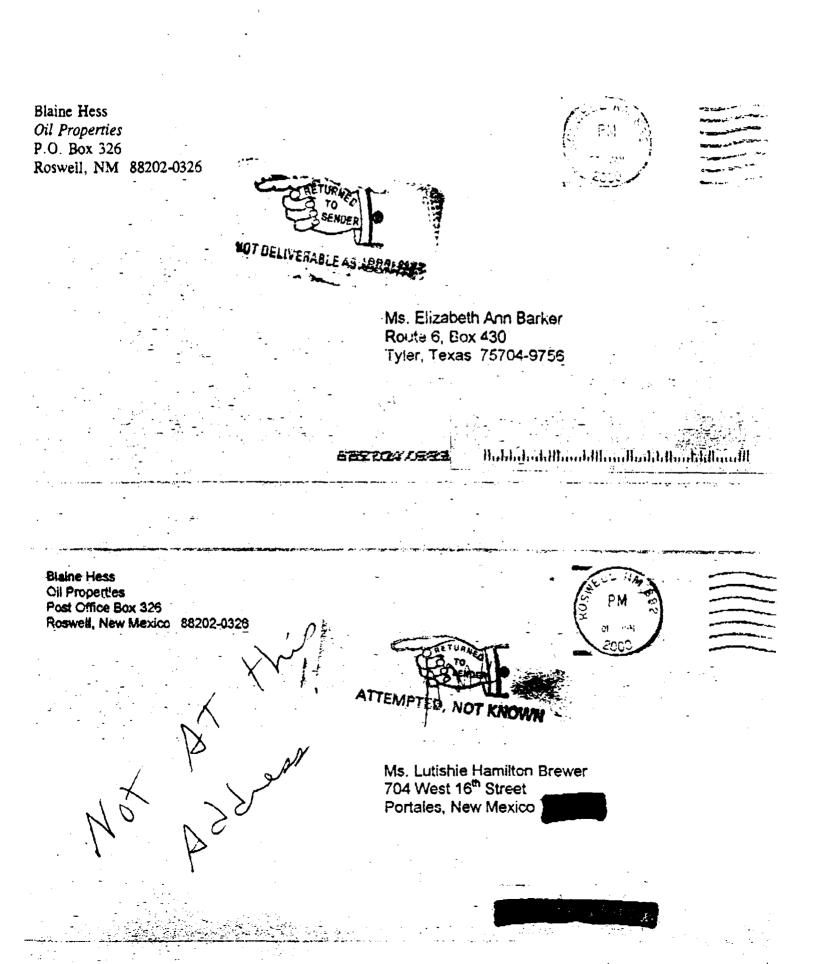
BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>12469</u> Exhibit No. <u>3</u> Submitted by: <u>Paladin Energy Corp.</u> Hearing Date: <u>August 10, 2000</u>

Aug. 09 2000 04:23PM P5









BLAINE HESS Oil Properties Post Office Box 326 Roswell, New Mexico 88202-0326 (505) 623-5400 (505) 623-4916 facsimile

June 12, 2000

Ms. Jeanne P. Fuller 4339 Roanoke Parkway Apartment No. 303 Kansas City, Missouri 64141

Re: NE/4SE/4 of Section 34, T-16-S, R-38-E, N.M.P.M. Lea County, New Mexico

Dear Ms. Daniel:

Paladin Energy Corp. hereby proposes the re-entry and workover of the WW Hamilton A No. 2 well in the NE/4SE/4 of Section 34, T-16-S, R-38-E, Lea County, New Mexico. The objective of the re-entry is to test the Devonian formation at a depth of approximately 12,430 feet.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Paladin Energy Corp. as operator, and payment of your proportionate share of the drilling cost.

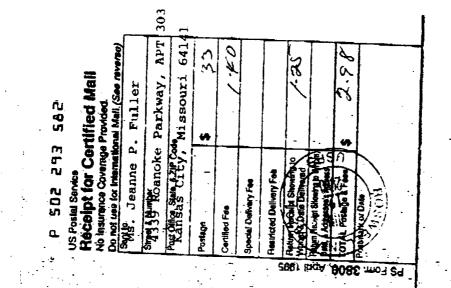
We would appreciate your notifying us as to your election on or before July 1, 2000, as we anticipate commencing the well in the latter part of July 2000. Should you respond affirmatively, Paladin Energy Corp. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Sincerely,

Blaine Hess

Enc: AFE dated April 1, 2000 cc: Mr. Rusty Rice



SENDER COMPLETE THIS SECTION	COMPLETE THIS SECTION OF DELIVERY
 Complete items 1/2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailplece, or on the front if space permits. 	A Received by (Please Print Clearly) E. Den of Delivery C. Sincefile C. Birkenholds X. L. C. Birkenholds
T. Article Addressed to:	D. S.C. S.C. S.C. S.C. Strate Conversion of
Ms. Jeanne P. Fuller 4339 Roanoke Farkway Apartment No. 303 Kansas City, Missouri 64]4]	JUN 19 200
	3. Service yper BANNA, Name Certified Mail Express Mail Alegistered Return Receipt for Merchandise Insured Mail C.O.D.
•	4. Restricted Delivery? (Edga Fee)
2. Article Number (Copy /rom service label) P 502 293 582	
PS Form 3811, July 1999 Domestic Ref	turn Receipt 102505-09-14-1788

BLAINE HESS

Oil Properties Post Office Box 326 Roswell, New Mexico 88202-0326 (505) 623-5400 (505) 623-4916 facsimile

June 1, 2000

Ms. Margaret V. Eversden 1600 Hagys Ford Narbeth, Pennsylvania 19072-1060

Re: NE/4SE/4 of Section 34, T-16-S, R-38-E, N.M.P.M. Lea County, New Mexico

Dear Ms. Eversden:

Paladin Energy Corp. hereby proposes the re-entry and workover of the WW Hamilton A No. 2 well in the NE/4SE/4 of Section 34, T-16-S, R-38-E, Lea County, New Mexico. The objective of the re-entry is to test the Devonian formation at a depth of approximately 12,430 feet.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Paladin Energy Corp. as operator, and payment of your proportionate share of the drilling cost.

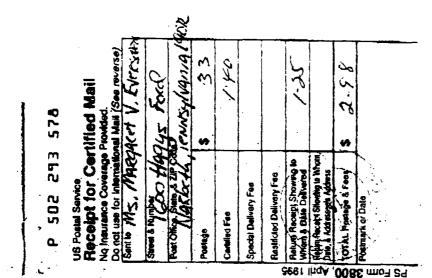
We would appreciate your notifying us as to your election on or before July 1, 2000, as we anticipate commencing the well in the latter part of July 2000. Should you respond affirmatively, Paladin Energy Corp. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

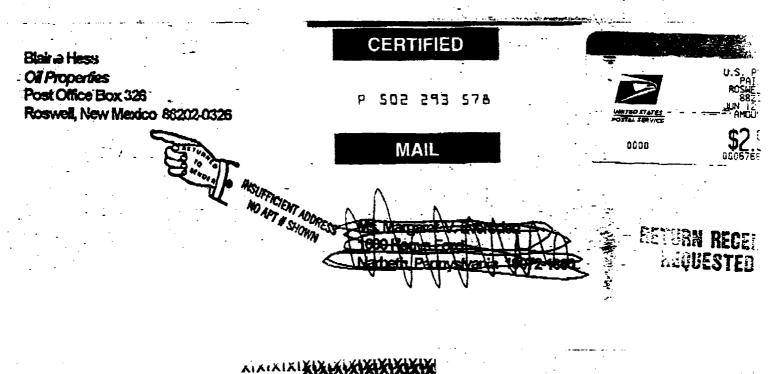
Thank you for your attention to this matter.

Sincerely,

Blaine Hess

Enc: AFE dated April 1, 2000 cc: Mr. Rusty Rice





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