

NADEL AND GUSSMAN HEYCO, LLC
500 N. Main Street, Suite One - P. O. Box 1936
Roswell, New Mexico 88202-1936
(575) 623-6601 – Fax (575) 627-2427

April 26, 2012

CERTIFIED MAIL

Cannonball #1H Working Interest Owners
(See attached mailing list)

Re: **Cannonball #1H**
Sec. 20, T-18S R-26E, N.M.P.M.
SHL: 2310' FNL & 330' FEL
BHL: 2310' FNL & 330' FWL
Eddy County, New Mexico

Ladies and Gentlemen:

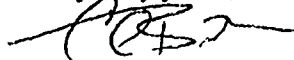
Nadel and Gussman HEYCO, LLC ("NGH") hereby proposes to drill the above captioned well. The Cannonball #1H well has been staked and permitted at a location at 2310' FNL and 330' FEL, and will be drilled horizontally in the Yeso Formation to an approximate total measured depth of 6,900 feet. This well is to be located on a 160 acre spacing unit in the S/2N/2.

Enclosed is a worksheet stating your approximate working interest in the pro-ration unit of the well. In the event that you elect to participate in the captioned proposed well, please execute one copy of the AFE and return to the undersigned. A Joint Operating Agreement designating NGH as the operator is being prepared for this well and pro-ration unit, and will be sent to you upon your decision to participate for signature.

In the event you elect not to participate in the captioned well, NGH would like to negotiate an Oil and Gas Lease or a Term Assignment of your interest.

Should you have any questions regarding this proposal please contact Gordon Yahney at (575) 623-6601 or Michael Matteucci at (432) 682-4429 for any geologic information, JJ McGlasson at (575) 623-6601 for any engineering concerns, and me for land concerns.

Very truly yours,



Colby Booth
Landman

CSB
Enclosures
Cannonball#1Hproposal.doc/Land:Cannonball

Oil Conservation Division
Case No. _____
Exhibit No. 3

Cannonball #1H Mailing List

Nadel and Gussman HEYCO, LLC
PO Box 1936
Roswell, New Mexico 88202

McBride Oil & Gas Corporation
PO Box 1515
Roswell, New Mexico 88202

Mary Salinas Vanderlinden
1105 NW Marquette Ave.
Albuquerque, New Mexico 87102

First National Bank of Roswell, Trustee
of the Earlene Cass Tweedy Living Trust
PO Box 1857
Roswell, New Mexico 88202

Janie Sullivan Salinas
c/o Gregory Brian Salinas
McCall, Parkhurst & Horton, LLP
600 N. Congress, Suite 1800
Austin, Texas 78701

Gabriela Louise Salinas
c/o Gregory Brian Salinas
McCall, Parkhurst & Horton, LLP
600 N. Congress, Suite 1800
Austin, Texas 78701

Laura Salinas Tubio
12765 SW 34th Place
Davie, Florida 33330

F.I.S.C.O., Inc.
Norman L. Stevens, President
PO Box 1
Hondo, New Mexico 88336

BWB Partners, I
PO Box 51407
Midland, Texas 79702

Vista Energy, LLC
730 17 Street, Suite 610
Denver, Colorado 80202

Eastland Oil Company
PO Drawer 3488
Midland, Texas 79702

Paula Jane Salinas
704 W. 9th Street
Austin, Texas 78701

Westway Petro, a Texas Joint Venture
500 North Akard, Lock Box 70
Dallas, Texas 75201

Norma Glover Smith, Executrix
of the H.F. Glover Estate
2716 N. Pennsylvania Ave., Apt. 38
Roswell, New Mexico 88201

John Sullivan Salinas
c/o Gregory Brian Salinas
McCall, Parkhurst & Horton, LLP
600 N. Congress, Suite 1800
Austin, Texas 78701

Gregory Brian Salinas
McCall, Parkhurst & Horton, LLP
600 N. Congress, Suite 1800
Austin, Texas 78701

First Century Oil, Inc.
Charles B. Read, President
PO Box 1518
Roswell, New Mexico 88202

Western Oil Producers, Inc.
Kenneth J. Reynolds, President
PO Box 2055
Roswell, New Mexico 88202

Read & Stevens, Inc.
PO Box 1518
Roswell, New Mexico 88202

Robert B. Porter, Jr.
PO Box 10392
Midland, Texas 79702

NADEL AND GUSSMAN HEYCO, LLC
500 N. Main Street, Suite One - P. O. Box 1936
Roswell, New Mexico 88202-1936
(575) 623-6601 – Fax (575) 627-2427

September 5, 2012

CERTIFIED MAIL

Earlene Cass Tweedy
PO Box 1857
Roswell, New Mexico 88202

Attention: Cynthia Green

Re: **Cannonball #1H**
Sec. 20, T-18S R-26E, N.M.P.M.
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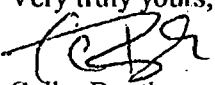
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Very truly yours,

Colby Booth
Landman