

EXHIBIT 3

Correspondence

ConocoPhillips Company

- * Sent Farmout request letter dated Sept. 10, 2004, covering Section 2
- * Had numerous telephone conversations with Tom Scarbrough, landman at ConocoPhillips, during the next several months, regarding a farmout or term Assignment within Section 2
- * Received Term Assignment from ConocoPhillips under cover letter dated February 9, 2005, covering Section 2

Dugan Production Corporation

- * Sent Term Assignment request letter dated September 10, 2004, covering Section 2
- * Had numerous telephone conversations with Skip Fraker, landman at Dugan Production Corp., during the next several months regarding a farmout or term assignment from Dugan within Section 2
- * Received a Term Assignment from Dugan under cover letter dated January 31, 2005

Leland Petroleum Production, Inc.

- * Sent Farmout request letter dated May 28, 2004, to Leland at an old P.O. Box address that was listed in a chain of title document.
- * Approximately 2 weeks later, letter came back, bad address.
- * Sent Farmout request letter dated June 2, 2004, to Leland at a Dallas address I found on the internet. No response.
- * I called a Max Webb, out of Farmington, NM, who was an Assignee from Leland and he couldn't tell me anything about Leland.

- * Approximately 1 weeks later, I found, on the internet, an old P.O. Box address for Leland and cross referenced the P.O. Box to a James F. Gilbert. I called Mr. Gilbert and he said he was an agent for them at one time, but he didn't know anything about them now. He told me they were some type of tax shell company (?).
- * I searched on the internet for more clues and found Leland is no longer an active company, but did find another agent's name, Geoffrey Young, who at one time represented Leland. I called Mr. Young and learned that he didn't represent them anymore. Mr. Young gave me the name of Jerry Chapman, Olive Branch, Mississippi, who had represented Leland, as an agent after him. I could not find an address or a telephone number for a Jerry Chapman.
- * A few weeks later I called Mr. Young back and told him I couldn't locate Mr. Chapman. He then gave me the name and telephone number of a Mike Burton, Geological Dept., State of Tennessee, who he thought was one of the investors of Leland. I called Mr. Burton at least 5 times and each time I left a message pertaining to who I was and what I wanted to discuss with him. He never called me back.
- * For the last 2 months I have been trying to get in touch with the Astin Corporation, who is a stranger to title in the chain of title within Section 2, thinking they may have merged with Leland or had title thereto. I located on the internet the name of a Barnett Martin, who is a registered agent for Astin Corporation. I called Mr. Martin 5 to 7 times and left a message with his secretary and on his voice mail, regarding Astin's interest within Section 2, but Mr. Martin never called me back.

William G. Mennen

- * Since there was no address in the county records for William G. Mennen, I located an address and telephone number for a William G. Mennen in Carmel, California. I sent Mr. Mennen a proposal letter dated October 18, 2004.
- * I also sent another proposal letter dated October 18, 2004, to William G. Mennen, III, living in Benardsville, New Jersey.
- * During the next two (2) to three (3) months I called at least 7 times each to both telephone numbers I found on the internet for both Mennens. I left a message almost each time as to what it concerned. Neither Mennen returned my calls.
- * In January, 2005, I received a call from a Rebecca ?, who supposedly represented William G. Mennen, III. I told her what it was all about and why I have been trying to get in touch with him. She said she would look into the situation and get back with me.

- * I believe I talked with her once more about a month later. We discussed Huntington's upcoming pooling and what Mr. Mennen's options will be. It appeared the Mennen's representatives didn't wish to do anything. In fact they weren't sure which Mennen even owned the leasehold interest in question. I previously provided them with a copy of the recorded assignment of interest into Mennen for their review.



October 18, 2004

William G. Mennon
7079 Fairway Place
Carmel, CA. 93923-9585

Re: State of NM E-2877
S/2 & SW NW of Section 2
Township 25N Range 7W
Rio Arriba County, NM

4531 626-8138
10/25/04 called ✓
11/2/04 ✓
11/2/04 ✓

Dear Mr. Mennon ;

According to the Rio Arriba County, NM records, you are the owner of an 18.0125 % interest in the referenced State of New Mexico oil and gas lease. This interest was conveyed to you by Leland Petroleum Production, Inc. on July 14, 1977. The assignment of this interest also places a cloud on the title to the shallow rights in this tract. I have tried to call you several times to no avail.

Huntington Energy LLC is currently acquiring leases in this area and is interested in acquiring your interest in this lease covering the referenced tract, from below the base of the Picture Cliff Formation. This lease is excessively burdened with a 12.5 % royalty rate and a 27.95 % overriding royalty interest. Therefore I cannot offer an additional overriding royalty interest. However, I will offer to pay you \$2500.00 bonus consideration for your interest.

If you are interested please execute below, and return this proposal letter in the enclosed self addressed envelope to my attention. I will then prepare the assignment and arrange for your payment, or you can call me at (405) 767-3525 to discuss this matter further

Sincerely,,

A handwritten signature in cursive script, appearing to read 'Carl E. Sherrill'.

Carl E. Sherrill
Sr. Land Advisor

_____ yes, I am interested in selling my leasehold interest
in NM E-2877 per the terms above.

By: _____
William G. Mennen



May 28, 2004

SW/4 NW/4
Leland Petroleum Productions, Inc.

~~P.O. Box 190~~

~~Farmington, NM 87499~~

Re: Farmout Request

S/2 of Section 2, T25N-R7W

Rio Arriba Co., NM

*6410 Southwest Blvd.
Ft. Worth, Texas 76109
Suite 224*

Gentlemen ;

SW/4 NW/4
Based upon my brief review of the State of New Mexico records, it appears that Leland Petroleum Productions, Inc. is the record title owner of State of NM Lease E-2877-7, covering the S/2 of Section 2, T25N-R7W, Rio Arriba County, New Mexico (from below the base of the Picture Cliff Formation).

Huntington Energy, L.L.C. is the Operator of the Canyon Largo Unit Gallup PA and is currently drilling Dakota wells ,as an agent on behalf of Burlington Resources, within the Canyon Largo Unit. Therefore pursuant thereto, Huntington is interested in drilling 7,600 ft. Dakota wells within Section 2 and respectfully requests that you consider farming out your interest in the S/2 of Section 2 from below the base of the Picture Cliff Formation. I believe Huntington can offer you very favorable Farmout terms, or perhaps you would be interested in a cash bonus consideration plus an overriding royalty interest (if the present burdens are not too high).

Thank you for your prompt attention and consideration of this proposal. I will follow up this letter proposal with a telephone call to you after you have had time to consider this request.

Sincerely,

and SW/4 NW/4

Carl E. Sherrill
Carl E. Sherrill
Sr. Land Advisor



June 3, 2004

Leland Petroleum Productions, Inc.
6410 Southwest Blvd.
Suite 224
Fort Worth, Texas 76109

Re: Farmout Request
S/2 & SW/4 NW/4 of Section 2, T25N-R7W
Rio Arriba Co., NM

Gentlemen:

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