

JTD RESOURCES, LLC
P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
(432) 682-8652 FAX

April 8, 2005

Anderson Carter
P.O. Box 7190
Ruidoso, New Mexico 88355

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mr. Carter:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 50% mineral interest in the N/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being 10 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate 25% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$226,346.25.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event you elect not to participate, we would be receptive to purchasing an Oil and Gas Lease covering your 10 net mineral acre interest in the N/2 NE/4 NE/4 of Section 3 on the following terms and conditions: \$150.00 per acre and \$2.00 per acre prepaid delay rental for a three (3) year paid-up lease, one quarter (1/4) royalty lease.

JTD Anderson Carter Salem #1

OIL CONSERVATION DIVISION

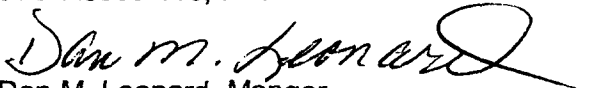
CASE NUMBER 13495

EXHIBIT NUMBER 3

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC



Handwritten signature of Dan M. Leonard in cursive script.

Dan M. Leonard, Manger

DML/kw

Enclosure

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Midland, Texas 79702

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April 8, 2005

Michael Chappell
Route 4, Box 362
Astoria, Oregon 97122

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mr. Chappell:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 1/90th mineral interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being .0556 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate .139% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$1,258.49.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event you elect not to participate, we would be receptive to acquiring an Oil and Gas Lease covering your .0556 net mineral acre interest in the E/2 N/2 S/2 NE/4 NE/4 of

Section 3 on the following terms and conditions: no bonus consideration and 1/4 royalty for a three (3) year paid-up lease.

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC


Dan M. Leonard, Manger

DML/kw

Enclosure

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P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
(432) 682-8652 FAX

April 8, 2005

Steve Chappell
P.O. Box 249
West Brownfield, Maine 04010

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mr. Chappell:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 1/90th mineral interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being .0556 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate .139% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$1,258.49.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event you elect not to participate, we would be receptive to acquiring an Oil and Gas Lease covering your .0556 net mineral acre interest in the E/2 N/2 S/2 NE/4 NE/4 of

Section 3 on the following terms and conditions: no bonus consideration and ¼ royalty for a three (3) year paid-up lease.

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC



Handwritten signature of Dan M. Leonard in cursive script.

Dan M. Leonard, Manger

DML/kw

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P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
(432) 682-8652 FAX

April 8, 2005

Bruce Chappell
2515 Louise Lane
Billings, MT 59102

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mr. Chappell:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 5/480ths mineral interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being .05208 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate .1302% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$1,178.81.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

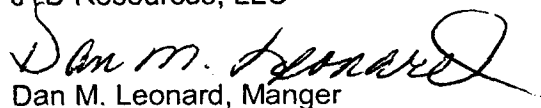
In the event you elect not to participate, we would be receptive to acquiring an Oil and Gas Lease covering your .05208 net mineral acre interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3 on the following terms and conditions: no bonus consideration and 1/4 royalty for a three (3) year paid-up lease.

JTD B Chappell Salem #1

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC

A handwritten signature in black ink, appearing to read "Dan M. Leonard". The signature is fluid and cursive, with a large loop at the end.

Dan M. Leonard, Manager

DML/kw

Enclosure

JTD RESOURCES, LLC
P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
(432) 682-8652 FAX

April 8, 2005

Ronald Chappell
128 Sirius Avenue
Lompoc, CA 93436

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mr. Chappell:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 1/90th mineral interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being .0556 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate .139% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$1,258.49.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

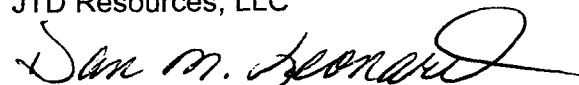
In the event you elect not to participate, we would be receptive to acquiring an Oil and Gas Lease covering your .0556 net mineral acre interest in the E/2 N/2 S/2 NE/4 NE/4 of

Section 3 on the following terms and conditions: no bonus consideration and $\frac{1}{4}$ royalty for a three (3) year paid-up lease.

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC

A handwritten signature in cursive script that reads "Dan M. Leonard". The signature is fluid and stylized, with a large, sweeping "D" and a long, horizontal flourish at the end.

Dan M. Leonard, Manger

DML/kw

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P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

(432) 682-3712 OFFICE
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April 8, 2005

Beverly Johnson
5715 Bent Brach Rd
Bethesda, Maryland 20816

RE: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Dear Mrs. Johnson:

The Deed Records of Lea County, New Mexico indicate that you own an undivided 1/15th mineral interest in the E/2 N/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E, being .333 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drillings costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00. Your mineral interest would equate to an approximate .8325% working interest in the proposed well and spacing unit. Accordingly, your proportionate share of the total completed well cost would approximate \$7,537.33.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

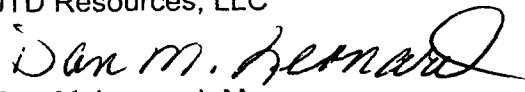
In the event you elect not to participate, we would be receptive to acquiring an Oil and Gas Lease covering your .3333 net mineral acre interest in the E/2 N/2 S/2 NE/4 NE/4 of

Section 3 on the following terms and conditions: no bonus consideration and $\frac{1}{4}$ royalty for a three (3) year paid-up lease.

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC


Dan M. Leonard, Manger

DML/kw

Enclosure

JTD RESOURCES, LLC
P. O. BOX 3422
MIDLAND, TEXAS 79702

OIL AND GAS INVESTMENTS

(432) 682-3712 OFFICE
(432) 682-8652 FAX

April 8, 2005

Devon Louisiana Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

Attn: Richard Winchester
Landman

Re: Proposal to Drill the Salem #1 Well
T-20-S, R-38-E, N.M.P.M.
Section 3: NE/4 NE/4
Lea County, New Mexico

Gentlemen:

As the March 28, 2005 proposal you should have received from Trey Robbins suggests, the Deed Records of Lea County, New Mexico indicate that Devon Louisiana Corporation owns an undivided 1/4 mineral interest in the S/2 S/2 NE/4 NE/4 of Section 3, T-20-S, R-38-E. Lea County, New Mexico, being 2.5 net mineral acres, more or less.

JTD Resources, LLC now proposes to drill the captioned well as a 7,800' Abo test at a legal location in the NE/4 NE/4 of Section 3, T-20-S, R-38-E. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or about July 15, 2005. Rig availability will determine the timing of the spud date.

Devon Louisiana Corporation would own an approximate 6.25% working interest in the proposed well and spacing unit. Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drilling costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00.


JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should Devon Louisiana elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event Devon Louisiana Corporation elects not to participate, we would be receptive to purchasing an Oil and Gas Lease covering it's undivided 1/4th mineral interest in the S/2 S/2 NE/4 NE/4 of Section 3 on the following terms and conditions: \$150.00 per acre bonus consideration and a 1/4 royalty for a 3 year paid-up lease. The lease would provide for a depth severance 100' below total depth drilled.

We would appreciate Devon Louisiana's prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC


Dan M. Leonard, Manager