

TEXLAND PETROLEUM, L.P.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

(817) 336-2751

November 7, 2013

Mrs. Catherine Prichard Kaplan
3916 McFarlin Blvd
Dallas, TX 75205

Re: *Texland Petroleum, L.P.*
Notice of Force Pooling
Leasing / Participation Election

Dear Mrs. Kaplan:

Texland Petroleum, L.P., is preparing to drill a well on the following described lands in Lea County, New Mexico (the "Land"):

Township 17 South, Range 37 East, N.M.P.M.
Section 3: SW/4

Texland has obtained oil and gas leases covering 73% of the mineral interest in the Land, and will seek approval from the New Mexico Oil Conservation Division of a 160 acre Spacing Unit encompassing all of the Land with the intent of drilling a well to test the Strawn formation in February 2014.

Texland recently received a title opinion crediting "John F. Prichard and wife, Edna C. Prichard" with a 1/40 mineral interest in the Land. Continental Land Resources has acted as broker for Texland in obtaining leases covering the Land, and they determined (i) that John and Edna are deceased, and (ii) that you are their only child. Nothing has been filed of record with respect to your parents' estates in Lea County.

There are a couple of matters we need to resolve with respect to your interest. First, Continental has obtained a copy of your father's will, whereby everything passed to the Family Trust of Dr. and Mrs. John F. Prichard. Unfortunately, New Mexico law is different from Texas law with respect to "foreign" probates, or probates occurring out of state. If a New Mexico resident owned something in Texas, all they have to do to transfer title is file an exemplified copy of the New Mexico probate proceedings in the Texas county records. However, New Mexico requires an "Ancillary Probate" proceeding in order to process a foreign probate. Thus, in order to get title into the Family Trust, New Mexico law requires that you hire a lawyer and have a brief proceeding in a New Mexico court. The other alternative is having the interest pass as though your parents were intestate. The outcome would be that you would hold title to

EXHIBIT 3

the interest as the sole heir. However, this would also require a formal adjudication in a New Mexico court as to your heirship.

The probate proceeding is not very difficult, but it can still cost a couple thousand dollars or more to complete. This is not an insignificant amount of money, particularly when you do not know if the minerals will have any value until after we drill. What Texland tends to do in this situation is obtain oil and gas leases from every possible heir or beneficiary under a foreign will. This allows us to drill a well without the risk of an unleased interest, and we can determine if it will be a producer. If the well proves to be a producing well, we will notify you and suspend payment of royalty until you are able to conduct the required proceedings in the New Mexico courts. Alternatively, if the well turns out to be a dry hole, you can avoid the hassle and expense of having your parents' estates probated in New Mexico.

Texland is pleased to offer you an oil and gas lease on the following terms, which match the best terms offered to any mineral owner with an interest in the Land:

Bonus:	\$500 per net mineral acre
Royalty:	1/4
Term:	Three years

In this case, I need to obtain an oil and gas lease from you individually, as well as the trustees of the Family Trust of Dr. and Mrs. John F. Prichard. I have enclosed two lease forms for you to execute. If you would prefer to lease your interest, please complete the following:

- (a) Execute the oil and gas lease in your individual name.
- (b) Have the trustees execute the oil and gas lease in the Trust's name.
- (b) Acknowledge your execution of the leases before a Notary Public.
- (c) Complete the enclosed W9 form for you individually and the trust.
- (d) Return the signed and acknowledged lease forms and W-9s to my attention at the address above.
- (c) Upon receipt of your lease, Texland will promptly issue you a check for the bonus amount due. The check will be payable to both you and the Family Trust.

Before we can pay the bonus, I will also need a copy of your mother's will, and an affidavit of heirship reciting that both of your parents are deceased and you are their only child. This documentation will help us confirm that we have every possible beneficiary or heir leased.

In the event you prefer not to lease, there are two options available to you at this time:

Option 2: Participate in the Project Area as a working interest owner.

As mentioned above, Texland plans to drill a well this winter on the Land (the "Well"). You may elect to participate in the drilling of the Well. As a participant, you would be responsible for your ownership percentage share of all costs associated with the drilling and completing of the Well, but would also receive your ownership percentage share of proceeds

Mrs. Catherine Kaplan

November 8, 2013

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from the sale of oil and gas from the Well in lieu of a royalty. We have enclosed an Authorization For Expenditure (an "AFE"), which reflects the total projected cost of drilling and completing the Well. If you would like to participate please sign and return the enclosed AFE. We would note for your reference that the AFE is merely an estimate of costs with respect to the Well, and not a reflection of the total actual costs involved. Actual costs may be higher or lower than the estimated cost shown in the AFE. If you elect to participate, you will also be subject to a Joint Operating Agreement with Texland as Operator of the Well. If you are interested in participating in the Well and want to review the Joint Operating Agreement, I am happy to send you a copy for your review at your request.

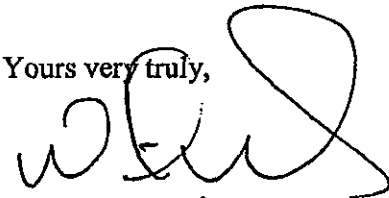
Option 3: Application for Forced Pooling under NMSA 70-2-17.

If you elect not to execute a lease covering your Mineral Interest or participate in the Well, Texland will file an application for a pooling order as permitted under NMSA 70-2-17. I have enclosed a copy of the statute for your review. Should you elect to be subject to a forced pooling, we specifically call to your attention the 200% penalty provided for in 70-2-17. That is, you will not be entitled to any proceeds from the sale of oil or gas produced from the well until Texland has recovered 300% of its cost of drilling and completing the well.

Texland respectfully requests that you make your election on or before Friday, November 22, 2013. At that time, Texland will proceed with an application for a unitization order from the NMOCD with respect to your interest.

If you have any questions, please call me at the number listed above, or email me at wwoods@texpetro.com.

Yours very truly,



Wilson C. Woods
Land Manager & Counselor

Enclosures:

- (1) Oil and Gas Leases
- (2) Internal Revenue Service Form W-9s
- (3) Authorization for Expenditure with respect to the proposed well
- (4) Copy of NMSA §70-2-17.

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Print or type See Specific Instructions on page 2	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
City, state, and ZIP code		
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
				-				
Employer identification number								
				-				

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

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send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	<input type="checkbox"/> Exempt payee	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

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DRILL & COMPLETE

AFE NUMBER: 2324-01

DATE: FEBRUARY 2013

PROSPECT: MIDWAY - SHIPP (STRAWN) FIELD

WELL NAME: SIMMONS ESTATE #2

 LOCATION: 1657 FSL & 970 FW, Unit L, SEC 3, T17S R37E
LEA COUNTY, NM

FILENAME: Simmons Estate #2 (AFE 2324)

DEPTH: 11600'

ENGINEER: G. Mendenhall

START DATE: 3Q 2013

END DATE: 3Q 2013

ACTIVITY: Drill Vertical Wellbore and Complete In Strawn

ESTIMATED COSTS PRIOR TO CASING POINT

ACCT CODE	ITEM DESCRIPTION	INTANGIBLE	TANGIBLE	TOTAL \$	ACCT CODE
8710.001	IDC-Drilling Daywork - Vertical Section 42 days @ \$14,500	609,000			8710.001
8710.002	IDC-Drilling Bits	77,000			8710.002
8710.003	IDC-Rig Move	55,000			8710.003
8710.004	IDC-Drilling Water 42 days @ \$1840 per day	77,280			8710.004
8710.034	IDC-Drilling Fuel 42 days @ \$2500 per day	105,000			8710.034
8710.005	IDC-Drilling Mud & Chemicals	69,700			8710.005
8710.007	IDC-Survey, Stake Location	2,625			8710.007
8710.008	IDC-Road, Location, Easement	85,000			8710.008
8710.009	IDC-Cementing - Vertical - 13-3/8" Csg & 9-5/8" Csg	79,688			8710.009
8710.010	IDC-Wireline - Mudlogging & Platform Express OH Logging	79,625			8710.010
8710.012	IDC-Drill Stem Test	25,000			8710.012
8710.013	IDC-Contract Geological	6,000			8710.013
8710.015	IDC-Field Personnel	30,500			8710.015
8710.017	IDC-Casing Crew	12,500			8710.017
8710.018	IDC-Contract Engineer	5,000			8710.018
8710.024	IDC-Contract Labor	47,359			8710.024
8710.025	IDC-Overhead	15,960			8710.025
8710.026	IDC-License, Legal, Regulatory	12,700			8710.026
8710.028	IDC-Insurance - Control of Well	1,600			8710.028
8710.027	IDC-Freight & Trucking	108,627			8710.027
8710.028	IDC-Rental Equipment, Surface	40,000			8710.028
8710.030	IDC-Miscellaneous - 10% Contingency	153,316			8710.030
8430.001	Eqp-Surface Casing - 13-3/8" 450' @ \$39.00 /M		17,550		8430.001
8430.002	Eqp-Intermediate Casing - 8-5/8" 32# J-55 3800' @ \$30.31 /M		115,178		8430.002
8430.002	Eqp-Intermediate Casing - 8-5/8" 32# HCK-55 700' @ \$34.00 /M		23,800		8430.002
8430.002	Eqp-External Casing Pkr - 8-5/8"		35,000		8430.002
TOTAL COST TO CASING POINT		1,686,480	191,528	= 1,878,008	

ESTIMATED COMPLETION COSTS:

ACCT CODE	DESCRIPTION	INTANGIBLE	TANGIBLE	TOTAL \$	ACCT CODE
8431.504	Eqp-Production Casing - 5-1/2" 17# N80 10700' @ \$16.89 /M		180,723		8431.504
8431.504	Eqp-Production Casing - 5-1/2" 17# P110HC 900' @ \$18.89 /M		17,001		8431.504
8431.505	Eqp-Tubing - 2-7/8" 6.5# L-80 Std EUE 11800' @ \$6.95 /M		80,620		8431.505
8431.508	Eqp-Rods - 88 HB Rodstring 11600' @ \$6.25 /M		72,500		8431.508
8431.508	Eqp-Pumping Unit, Base, Electrical Motor & Connections		150,000		8431.508
8431.509	Eqp-Subsurface Rod Pump		4,500		8431.509
8431.510	Eqp-Well Head Assembly		5,600		8431.510
8431.512	Eqp-Tank Battery		135,205		8431.512
8431.515	Eqp-Flowlines - Gasline & Production Lines		68,000		8431.515
8431.517	Eqp-Tubing Anchor Catcher		1,850		8431.517
8431.519	Eqp-Rig Anchors, Etc.		14,000		8431.519
8711.508	IDC-Road, Location	12,000			8711.508
8711.509	IDC-Cementing - Vertical - 5-1/2" Csg	65,000			8711.509
8711.510	IDC-Logging/Perforating	18,300			8711.510
8711.514	IDC-Engineer/Geological	1,000			8711.514
8711.515	IDC-Field Personnel	13,950			8711.515
8711.517	IDC-Casing Crew (5-1/2")	14,000			8711.517
8711.519	IDC-Service Unit - WSU 12 days @ \$3500 per day	42,000			8711.519
8711.520	IDC-Stimulation	60,000			8711.520
8711.524	IDC-Contract Labor	12,500			8711.524
8711.526	IDC-Overhead	5,040			8711.526
8711.528	IDC-License, Legal, Regulatory	1,200			8711.528
8711.527	IDC-Freight & Trucking	108,120			8711.527
8711.528	IDC-Rental Equipment, Surface (BOP, tanks, etc)	48,000			8711.528
8711.530	IDC-Miscellaneous - 5% Contingency	20,091			8711.530
8711.537	IDC-Equipment Repairs, Downhole	14,700			8711.537
TOTAL COMPLETION COSTS		421,901	719,809	= 1,141,710	
TOTAL COST TO CASING POINT (FROM ABOVE)		1,686,480	191,528	= 1,878,008	
TOTAL WELL COST IN DOLLARS:		2,108,381	911,337	= \$3,019,718	

70-2-17. Equitable allocation of allowable production; pooling; spacing.

A. The rules, regulations or orders of the division shall, so far as it is practicable to do so, afford to the owner of each property in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in the pool, being an amount, so far as can be practically determined, and so far as such can be practicably obtained without waste, substantially in the proportion that the quantity of the recoverable oil or gas, or both, under such property bears to the total recoverable oil or gas, or both, in the pool, and for this purpose to use his just and equitable share of the reservoir energy.

B. The division may establish a proration unit for each pool, such being the area that can be efficiently and economically drained and developed by one well, and in so doing the division shall consider the economic loss caused by the drilling of unnecessary wells, the protection of correlative rights, including those of royalty owners, the prevention of waste, the avoidance of the augmentation of risks arising from the drilling of an excessive number of wells, and the prevention of reduced recovery which might result from the drilling of too few wells.

C. When two or more separately owned tracts of land are embraced within a spacing or proration unit, or where there are owners of royalty interests or undivided interests in oil and gas minerals which are separately owned or any combination thereof, embraced within such spacing or proration unit, the owner or owners thereof may validly pool their interests and develop their lands as a unit. Where, however, such owner or owners have not agreed to pool their interests, and where one such separate owner, or owners, who has the right to drill has drilled or proposes to drill a well on said unit to a common source of supply, the division, to avoid the drilling of unnecessary wells or to protect correlative rights, or to prevent waste, shall pool all or any part of such lands or interests or both in the spacing or proration unit as a unit.

All orders effecting such pooling shall be made after notice and hearing, and shall be upon such terms and conditions as are just and reasonable and will afford to the owner or owners of each tract or interest in the unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil or gas, or both. Each order shall describe the lands included in the unit designated thereby, identify the pool or pools to which it applies and designate an operator for the unit. All operations for the pooled oil or gas, or both, which are conducted on any portion of the unit shall be deemed for all purposes to have been conducted upon each tract within the unit by the owner or owners of such tract. For the purpose of determining the portions of production owned by the persons owning interests in the pooled oil or gas, or both, such production shall be allocated to the respective tracts within the unit in the proportion that the number of surface acres included within each tract bears to the number of surface acres included in the entire unit. The portion of the production allocated to the owner or owners of each tract or interest included in a well spacing or proration unit formed by a pooling order shall, when produced, be considered as if produced from the separately owned tract or interest by a well drilled thereon. Such pooling order of the division shall make definite provision as to any owner, or owners, who elects not to pay his proportionate share in advance for the prorata reimbursement solely out of production to the parties advancing the costs of the development and operation, which shall be limited to the actual expenditures required for such purpose not in excess of what are reasonable, but which shall include a reasonable charge for supervision and may include a charge for the risk involved in the drilling of such well, which charge for risk shall not exceed two hundred percent of the nonconsenting working interest owner's or owners' prorata share of the cost of drilling and completing the well.

In the event of any dispute relative to such costs, the division shall determine the proper costs after due notice to interested parties and a hearing thereon. The division is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to all production from such well which would be received by the owner, or owners, for whose benefit the well was