

May 24, 2006

Boy's Club of America  
1230 Peachtree St. NE  
Atlanta, GA 30309

RE: Well Proposal-CNB #1 - Re-entry  
T-24-S, R-28-E, N.M.P.M.  
Section 11: W2  
Eddy County, New Mexico

Ladies and Gentlemen:

OGX Resources, LLC ("OGX") has acquired the above referenced well from Kaiser-Francis Oil Company. Additionally, OGX has acquired new leases covering approximately 80% of the mineral rights in the above referenced lands. OGX plans to re-enter said well to a depth of approximately 13,000' to test the Morrow formation.

Enclosed you will find a Proposed Workover Procedure and a Cost Estimate and Authority for Expenditure (AFE) for your review and approval. As an unleased mineral owner, OGX invites your participation in this project. Should you elect to participate, please sign the AFE and return one copy to me at the above captioned address. Thereafter, I will forward you an Operating Agreement for your review and signature.

In the event you elect not to participate in this well, OGX is offering to lease your mineral interest, subject to the following terms:

- 1) Bonus Consideration: \$300.00 per net mineral acre.
- 2) Primary term: Three (3) years.
- 3) Royalty: One-fourth (1/4).
- 4) Rentals: Paid-up.
- 5) Lease Form: Mutually acceptable form.

OGX plans to commence operations on this well as soon as possible. Therefore, your prompt attention to this matter would be greatly appreciated. Please let me know if you have any questions or comments.

Sincerely,

OGX Resources, LLC

Richard H. Coats  
Member

Enclosures

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13746 Exhibit No. 5  
Submitted By:  
OGX Resources LLC  
Hearing Date: July 20, 2006