

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 27, 2000

Mr. Tom R. Cone  
Post Office Box 778  
Jay, Oklahoma 74346

Re: Oil and Gas Lease Acquisition,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

By virtue of my letter of September 27, 2000 (see copy attached), I mailed you the oil and gas lease covering the captioned lands. In addition, I said I would mail you a check in the amount of \$152.19 representing the bonus consideration due upon receipt of the lease.

Since, the present plans our to drill a well at a location on the captioned lands early next year, I have enclosed my check in the amount \$152.19 representing the bonus consideration due for the two (2) year paid up oil and gas lease.

Please forward the fully executed lease to me at the captioned address as soon as possible. Should you have any questions, please call me at the captioned phone number. Thank you for your prompt attention to this matter.

Yours truly,

Blaine Hess

Bh/arh  
Enclosure

OIL CONSERVATION DIVISION

CASE NUMBER \_\_\_\_\_

Clean EXHIBIT 313

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Ms. Marilyn Cone,  
Trustee of the D.C. Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Ms. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

LWJ Partnership  
Post Office Box 64244  
Lubbock, Texas 79424

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Gentlemen:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Kenneth G. Cone  
Post Office Box 11310  
Midland, Texas 79702

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet.  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Kenneth G. Cone  
Trustee of the Kenneth  
G. Cone Children's Trust  
Post Office Box 11310  
Midland, Texas 79702

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 5, of Section 3-All Depths  
Lot 6 of Section 3-All Depths, Save & Except  
The Depths between 10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico  
Containing 177.21 gross acres  
And 1.015266 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Clifford Cone  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Clifford Cone,  
Trustee of the Clifford Cone  
Family Trust U/W/O Kathleen Cone  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Oil and Gas Lease Offering,  
Lots 3, 4, 6 of Section 3, All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 137.21 gross acres  
And .786099 net acres, more or less

Dear Mr. Cone:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4th) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

The Long Trusts  
Post Office Box 3096  
Kilgore, Texas 75663

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3-All Depths,  
Save & Except the depths between  
10,394 feet and 10,442 feet  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And .916667 net acres, more or less

Gentlemen:

Lot 4 — We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh



Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 12, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Oil and Gas Lease Offering,  
- Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 2.5 net acres, more or less

Dear Philip:

Lot 4  
— We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, our plans are to drill a Morrow Test well at a location on the captioned lands.

Therefore, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 2.5 net acres, more or less

Dear Philip:

In reference to our conversation of today, I am sending this letter to clarify that the proposed location of the Morrow Test well is located on Lot 4 of Section 3 instead of Lot 5 as described in my letter of September 12, 2000.

Also, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Ms. Keith Pratt Daniels  
Post Office Box 190766  
Dallas, Texas 75219

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 1.25 net acres, more or less

Dear Ms. Daniels:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

Please consider this proposal as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*

September 15, 2000

Ms. Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014

Re: Oil and Gas Lease Offering,  
Lot 5 of Section 3,  
T-16-S, R-35-E, N.M.P.M.,  
Lea County, New Mexico  
Containing 40.00 gross acres  
And 1.25 net acres, more or less

Dear Ms. Rast:

We are completing our acquisition of oil and gas leases covering the captioned lands. In this respect, we submit an offer to lease your mineral interest in the captioned lands of \$150.00 per net mineral acre bonus consideration for a two (2) year paid up oil and gas lease that provides for a one-quarter (1/4) royalty interest on production.

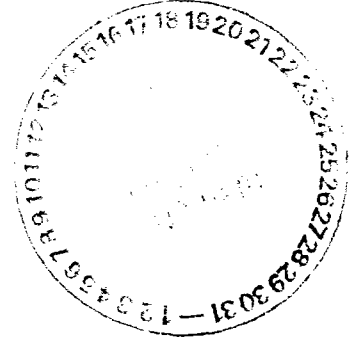
Please consider this proposal, as we are anxious to finalize our plans for this project. Please contact me at the above phone number to discuss this proposal. Thank you.

Yours truly,

Blaine Hess

Bh/arh

Blaine Hess  
*Oil Properties*  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile*



November 8, 2000

Mr. Tom R. Cone  
Post Office Box 778  
Jay, Oklahoma 74346

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

Ms. Marilyn Cone  
Trustee of the D.C. Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

LWJ Partnership  
Post Office Box 64244  
Lubbock, Texas 79424

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess  
Oil Properties  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile***

November 8, 2000

Mr. Kenneth G. Cone, Individually  
And as Trustee of the Kenneth G.  
Cone Children's Trust  
Post Office Box 11310  
Midland, Texas 79702

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.



**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

Mr. Clifford Cone, Individually  
And as Trustee of the Clifford  
Cone Family Trust  
Post Office Drawer 1629  
Lovington, New Mexico 88260

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. Cone:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

The Long Trusts  
Post Office Box 3096  
Kilgore, Texas 75663

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess  
Oil Properties  
Post Office Box 326  
Roswell, New Mexico 88202-0326  
(505) 623-5400  
(505) 623-4916 *facsimile***

November 8, 2000

Mr. Philip L. White  
The Blanco Company  
Post Office Box 2168  
Santa Fe, New Mexico 87504-2168

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Mr. White:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

Ms. Keith Pratt Daniels  
Post Office Box 190766  
Dallas, Texas 75219

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Daniels:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**  
**(505) 623-4916 *facsimile***

November 8, 2000

Ms. Lynda Pratt Rast  
1202 Marlee Lane  
Arlington, Texas 76014

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Dear Ms. Rast:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

You have previously been extended an opportunity to lease your mineral rights and, having not reached a lease agreement with you, we now request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000

cc: Mr. Derold Maney, Ocean Energy Resources, Inc.

**Blaine Hess**  
***Oil Properties***  
**Post Office Box 326**  
**Roswell, New Mexico 88202-0326**  
**(505) 623-5400**

November 8, 2000

Sonic Oil & Gas, L.P.  
Post Office Box 1240  
Graham, Texas 76450

Re: Lots 1 thru 8 of Section 3,  
T-16-S, R-35-E, N.M.P.M.  
Lea County, New Mexico  
Townsend Area

Gentlemen:

Ocean Energy Resources, Inc. hereby proposes the drilling of the Townsend State Com # 10 well in Lot 4 of Section 3, T-16-S, R-35-E, N.M.P.M., Lea County, New Mexico. The well will be drilled to a depth of approximately 12,950 feet to test the Morrow formation.

In this respect, we submit an offer to lease your mineral interest in Lots 3, 4, 5 of Section 3 at \$50.00 per net mineral acre bonus consideration for a two (2) oil and gas lease that provides for a one-fifth (1/5<sup>th</sup>) royalty interest on production.

In the event you decide not to lease your mineral interest, we request your participation in the above described well. Your election to participate shall be evidenced by your execution of an Authority for Expenditure and Joint Operating Agreement, naming Ocean Energy Resources, Inc. as operator, and payment of your proportionate share of the drilling cost.

We would appreciate your notifying us as to your election on or before November 27, 2000, as we anticipate commencing the well in the latter part of December 2000. Should you respond affirmatively, Ocean Energy Resources, Inc. will provide a Joint Operating Agreement along with an invoice for your drilling cost.

Thank you for your attention to this matter.

Yours truly,

Blaine Hess

Enc: AFE dated May 9, 2000  
cc: Mr. Derold Maney, Ocean Energy Resources, Inc.