



November 30, 2009

Hidalgo County, Texas  
The Hidalgo County Purchasing Department  
New Administration Building  
2802 South Business Highway 281  
Edinburg, Texas 78539

Attention: Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

**Re: Bid No.:09-448-12-02CGV  
Hidalgo County, Texas Lease  
0.68 gross acres/0.34 net acres  
Salmon Prospect  
Hidalgo County, Texas**

**OPENED**

*Op: 4:30pm*

*12/02/09*

**Witnessed**

*[Signature]*

TO WHOM IT MAY CONCERN:

Our representative Buckaroo Fuel Company nominated the above referenced 0.68 acre tract on behalf of Esenjay Oil & Gas, Ltd. a copy of the nomination letter dated October 14, 2009, is attached for your reference as Exhibit "A". Esenjay herewith submits its bid for an Oil, Gas and Mineral Lease ("Lease") with Hidalgo County ("Hidalgo County") covering Hidalgo County's interest and rights in and to that certain 0.68 Acres, more or less a part of Farm Tract 522, West Tract Subdivision, Hidalgo County, Texas; said 0.68 acres, being the same lands described in a Warranty Deed dated September 1, 1959, from Santos Vargas, Concepcion Vargas and Julia Vargas, to Hidalgo County, Texas, Trustee, recorded in Volume 958, at Page 6 of the Deed Records, Hidalgo County Texas, shown as Tract 9.2 on the plat attached hereto as Exhibit "B".

Esenjay respectfully offers the following consideration and terms as its bid for a Lease covering said 0.68 acre tract for your review and approval, to-wit:

1. A bonus consideration of Five Hundred Fifteen and No/100 Dollars (\$515.00) per acre for a total of Three Hundred Fifty and 20/100 Dollars (\$350.20) for the Lease;
2. Provide for a term of one (1) year;
3. Provide for a royalty interest of One Fourth (1/4<sup>th</sup>);
4. Provide for a One (1) year extension for a consideration of Five Hundred Fifteen and No/100 Dollars (\$515.00) per acre.

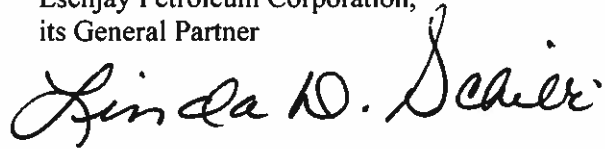
In accordance with the Request for Bid ("RFB") packet, please find enclosed one (1) original and three (3) copies of Esenjay's Bid Letter along with the following items (i) Esenjay's RFB acknowledgement of receipt of all pages and documents referenced on the Invitation to Bid

Checklist, (ii) Paid Up Oil, Gas and Mineral Lease, (iii) Bidder/Vendor Application Form, (iv) IRS Form W-9 and (v) copy of executed Conflict of Interest Questionnaire Form.

After you have reviewed and considered the above bid, please indicate your approval in the space provided below and return one copy of this letter by fax for our files. We have enclosed herewith our Cashiers Check No. 4337666 in the amount of Three Hundred Fifty and 20/100 Dollars (\$350.20). Thank you for your consideration and support in our efforts to further develop the area.

Sincerely,

ESENJAY OIL & GAS, LTD. by  
Esenjay Petroleum Corporation,  
its General Partner



Linda D. Schibi  
Vice President Land

AGREED AND ACCEPTED

this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

HIDALGO COUNTY, TEXAS

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

- Enclosures:
- (i) Esenjay's RFB acknowledgment
  - (ii) Paid Up Oil, Gas and Mineral Lease
  - (iii) Bidder/Vendor Application Form
  - (iv) IRS Form W-9
  - (v) Copy of executed Conflict of Interest Questionnaire Form

## **EXHIBIT A**

**0.68 acres of land, more or less, a part of Farm Tract 522, West Tract Subdivision, Hidalgo County, Texas; said 0.68 acres, more or less, being the same lands described in a Warranty Deed dated September 1, 1959, from Santos Vargas, Concepcion Vargas and Julia Vargas to Hidalgo County, Texas, Trustee, recorded in Volume 958, at Page 6 of the Deed Records, Hidalgo County, Texas.**