

# EXHIBIT 5

Hatchett Land & Development Co. LLC  
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October 14, 2016

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Mr. George Guerra,  
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Tampa, FL 33609-1007  
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Mr. Burton W. Wiand

Re: Securities and Exchange Commission v. Nadel et al  
CIVIL DOCKET FOR CASE #: 8:09-cv-00087-RAL-TBM.  
Middle District of Florida (Tampa) Federal District Court

Quest Energy Management Group, Inc. - Hatchett Ranch Lease

Dear Mr. Guerra, Mr. Morello and Mr. Wiand:

We have previously communicated regarding the disposition of oil sale proceeds from the Hatchett Ranch and were successful in reaching an agreement as to the disposition of the oil revenues, which were held by a third party. We hope that cooperation can be had to resolve the remaining issues that must be addressed. These issues are much more serious than the issues we've dealt with to date. Your obligations arise as receiver for Quest Energy Management Group, both under the contract as operator for the Hatchett properties and under Texas law. Unfortunately, there are significant deficiencies in the performance of Quest and/or the receivership that require your immediate attention. First, please provide us with your insurance carrier's and bonding company's contact information immediately.

You have significant liabilities arising under the lease with the Hatchett family interests as under Texas law as an operator, you have failed to account for gas sales revenues, and you have failed to comply with your lease obligations. As of 8/15/2-16, your 120 day window to remove any equipment from the Hatchett Ranch has expired, the paid up primary term of the Hatchett lease has run, you have no production to hold the lease, so that you have no right to enter or be on the property for any reason. **YOU ARE ADVISED THAT ANY ENTRY BY YOU OR ANY ONE PURPORTING TO BE ACTING ON YOUR BEHALF ONTO THE HATCHETT RANCH IS TRESPASSING. YOU HAVE FORFEITED ANY AND ALL RIGHTS TO SALVAGE ANY EQUIPMENT OR PIPELINE.**

You are liable for damages for both what you did, and didn't do. Your negligent construction of a holding tank has resulted in an oil spill and soil contamination of ranch property. We tried to alert you of the deficient waste pit and negligent storage of waste water and damages to our land. The extensive rains of this Spring caused your negligently prepared disposal pit to over flow and all of the waste oil flushed down to the creek, and we can only assume flowed to the ultimate destination, Possum Kingdom Lake. What was once a contaminated pit is now hosting life and fresh water fauna. All of the oil has been washed away because of the failure to comply with the requirements of the Texas Railroad Commission's standards for waste pit construction.

The primary term of the lease has expired, and there has been no production which would extend the term of the lease, so the lease(s) have expired by their own terms. The expiration of the primary term does not exhaust your obligations, it triggers a whole new set of obligations you owe to us. I remind you of the proprietary position you have taken over the last 3 years over Quest's assets, as evidenced by your letter to Bill Hatchett dated May 12, 2013. What you claimed to be under your control is now your liability responsibility, and those obligations include plugging and closure of the 11 or so wells.

You are obligated to account to us for gas sales proceeds received and not disbursed. Unlike oil sales, gas sale payments in Texas are made to the operator, in this case Quest, which became a receivership asset operated by the Receiver, pursuant to the order entered on Receiver's Motion To Expand The Scope Of Receivership To Include Quest Energy Management Group, Inc. docket no. 993 Granting Motion to Expand Scope of Receivership regarding Quest. Signed by Judge Richard A. Lazzara on 5/24/2013.

We have previously requested that you account for the natural gas sales proceeds received by Quest and/or the Receiver and to pay over that portion due and owing to the Hatchett Ranch royalty owners. Demand is hereby made for the accounting of the monies received.

You are also obligated to plug and close the wells. Effective September 13, 2010, the Texas Railroad Commission ("Railroad Commission") adopted a new rule on the plugging of inactive oil and gas wells. The new rule, codified with existing Statewide Rule 15, applies to onshore wells and was instituted in part to address plugging inactive wells. In order to comply, operators are required to plug inactive wells. The rule mandates a variety of actions depending on how long particular wells have been idle. One immediate liability for operators created by Rule 15 is the cost to plug many inactive wells, which is estimated by the Railroad Commission to cost anywhere from \$4,500 to \$15,000 per well.

The Receiver is responsible for plugging, closure, remediation of the environmental liabilities and satisfaction of the landowners rights, both contractually and that arise under state law. As evidenced by the attached photographs, you have left contaminated, open pits, without proper fencing that must be remediated.

Perhaps as important as the direct requirements of the rule, however, are other potential liabilities that may be revealed as you attempt to comply with Rule 15 including the discovery of needed environmental remediation and/or issues involving the landowner's rights. Operators of wells that have been inactive and, thus, unsupervised may find existing contamination issues at well sites that will require remediation, in addition to the plugging and abandonment obligations. Indeed, the purging and removal of equipment would seem to make it more likely that contamination or other remediation issues will become apparent, or even occur in the first

instance, as a result of the equipment removal process. Remediation can be costly and potentially exposes operators to additional Railroad Commission requirements.

In addition, such contamination issues can expose operators to liability from landowners where, for example, discoveries of contamination are required (by law or contract) to be reported or where a sudden increase in physical activity associated with plugging or equipment removal attracts the landowner's attention. In such circumstances, landowners may demand confirmation that their land and water are not impacted; they may seek to have the surface restored and have any contamination remediated; and they may demand damages for any claimed injuries to their property, persons, or resources.

Overall, Statewide Rule 15 has the potential to be costly for the Receiver, both in its own right and as a result of environmental conditions the required site work may uncover. You should be prepared with a thoughtful compliance strategy that will appropriately utilize Rule 15's authorized approaches to plugging inactive wells and also ensure they are prepared to address the consequences of environmental conditions you have created in a manner that is responsible, efficient, or suffer the liability risks.

Also please note that pursuant to the terms of the lease, the surface equipment has become the property of the Lessors, but that does not relieve you of the obligation to comply with Statewide Rule 15 as it related to contamination associated with the surface equipment.

We would like to resolve this amiably, without further litigation, but we do insist upon your immediate attention to these matters and we look forward to your 1) accounting of proceeds received, 2) proposal for well plugging, closure and surface remediation, and 3) compliance with State law and Texas Rail Road commission regulations.

Should you have any questions or need additional information, please do not hesitate to contact me.

Very Truly yours,

John H Carney

JHC/mw  
Enclosures

With copy to:

Jim R. Hatchett  
Byron Hatchett  
Peter Gyska  
Shannon Campbell  
Sara Hatfield  
Janece Tucker