

(505) 623-1857

214 E. STH STREET

August 20, 1982

Larry T. Hunnicutt
Barnes, Eimers & Newkumet
P.O. Box 3758
Midland, Texas 79702

RE: High Plains Prospect, Lea County, New Mexico NW/4NE/4, W/2NW/4 of Section 14, T-14-S, R-34-E, N.M.P.M.

Dear Larry:

In compliance with your instructions, an offer of \$50.00 per acre to deliver a 80% NRI lease was extended to Mr. Perry A. Poole on the above captioned land. Mr. Poole was aware of the bonus per acre of \$451.00 on Section 16 purchased by Clements Energy, Inc. He stated that he would not entertain any offer for less than \$451.00 per acre for an assignment of his lease.

After explaining to Mr. Poole that we paid that amount for a 10 year lease at 1/8 royalty, he was still not willing to compromise. I left my name and phone number with him in the event he decided to change his mind.

If you should have any further instructions, please advise.

Sincerely.

Enick E. Diffee

EED/tb

Ex#3