October 14, 1986

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Albert Blair Mountain States Natural Gas P. O. Box 35426 Tulsa, Oklahoma 74543

Re: Dewey Bartlett #1
S/2 Sec. 4-T25N-R2W
Rio Arriba County, New Mexico

## Gentlemen:

Jerome P. McHugh is proposing the drilling of an approximate 8200' Dakota test in the NE/4SE/4 of Section 4-T25N-R2W.

Enclosed for your review is a copy of our AFE #A-44003 for the drilling of said test. This AFE was previously provided to you on May 27, 1986 and we have not to date received any response.

Please be advised that we have scheduled a hearing before the New Mexico Oil Conservation Division in an attempt to force pool your interest for the captioned well.

A copy of our application is enclosed for your review and is scheduled to be heard on October 22, 1986 in Santa Fe.

In the event you would like to join in the drilling of our test or would prefer to negotiate an acceptable farmout arrangement, feel free to call me collect at (303) 321-2111.

In the absence of hearing from you, we will proceed with our application.

Very Truly Yours,

Kent C. Craig

KCC/rm

enclosures

cc: Tom Kellahin'

Jerome P. McHugh & Associates Operating Affiliate: Nassau Resources, Inc. 650 South Cherry, Suite 1225 Denver, Colorado 80222 (303) 321-2111 CIL CONSERVATION DIVISION

MCHYL EXHIBIT NO. 3

CASE NO. 9006