

CAMPBELL, BYRD & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE
KEMP W. GORTHEY

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

February 21, 1983

Ernest L. Padilla, Esq.
First Northern Plaza
Santa Fe, New Mexico 87501

HAND-DELIVERED

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. _____ Exhibit No. _____

Submitted by _____

Hearing Date _____

Re: Oil Conservation Commission Case #7744 (de novo):
Application of Clements Energy, Inc. for Compulsory
Pooling, Lea County, New Mexico

Dear Mr. Padilla:

In an effort to resolve the dispute which exists between Mr. Perry A. Poole and Clements Energy, Inc. for the development of the northeast quarter of Section 14, T14S, R34E, NMPM, Lea County, New Mexico, we request that Clements consider the following.

1. Mr. Poole proposes farm-out of the captioned acreage to Clements under the following general terms and conditions:

a) On or before June 1, 1983, Clements Energy, Inc. to commence an 11,000-foot (plus or minus) Permo Penn test ("Initial Test Well") with proposed location in the northeast quarter of Section 14 (Initial Proration Unit is the northeast quarter).

b) By drilling and completing such "Initial Test Well", Clements Energy, Inc. to earn an assignment of 100% of the referenced acreage as to the proration unit designated for such well. In such agreement, Perry A. Poole to reserve a proportionately reduced 8.333% ORRI; Poole to have an option to convert

continued

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. _____ Exhibit No. 9a

Submitted by _____

Hearing Date _____

Ernest Padilla, Esq.
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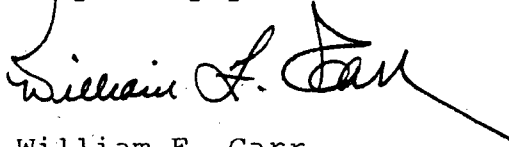
such ORRI to a proportionately reduced 33-1/3% Working Interest after payout. The approximate Working Interest after payout is as follows:

	<u>net acres</u>	<u>original interest</u>	<u>before payout</u>	<u>after payout</u>
Clements Energy, Inc.	120.0	75%	100%	91.666%
P.A. Poole	<u>40.0</u>	<u>25%</u>	<u>0%</u>	<u>8.333%</u>
TOTAL	160.0	100%	100%	100%

In the alternative, Perry A. Poole would accept the proposal made by Mr. Larry T. Hunnicutt on November 12, 1982, if Clements Energy, Inc. would pay an additional \$100 per acre as a bonus for the 40 acres under lease to Mr. Poole in the northeast quarter of Section 14.

I would appreciate your reviewing this proposal with your clients and advising us of their decision at the earliest possible time period.

Very truly yours,



William F. Carr

cc: P.A. Poole
3565 Frow Avenue
Miami, Florida 33133

WFC:msf