

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION

Stuckey EXHIBIT NO. 3

CASE NO. 8194

November 16, 1983

1/4
Mewbourne Oil
3903 South Broadway
Tyler, Texas 75701
Attn: Mr. Curtis Mewbourne

3/8
MFG Oil Corporation
P.O. Box 360
Midland, Texas 79702-0360
Attn: Mr. Marshal Mason

1/8
Florida Exploration Company
P.O. Box 5025
Denver, Colorado 80227
Attn: Mr. Dick Leuenberger

1/8
David Metts
Damco Energy
360 Briercroft Savings Center
Midland, Texas 79701
Attn: Ms. Laura Brady

1/8
Union Texas Petroleum
14001 East Iliff, Suite 500
Auroro, Colorado 80014
Attn: Mr. Alan Woydziak

Mr. Tom L. Ingram
P.O. Box 1757
Roswell, New Mexico 88201

Re: Remaining acreage, S.P. Johnson #1,
N/2 Sec 5, T-205, R-25-E, Eddy Cty, N. Mex.

Dear Sirs:

I am proposing a re-entry to test two zones drill stem tested in the subject well between 7000 and 8000 feet. Please elect to participate or farm-out to me. If you choose to farm-out, I am requesting the following terms, based on the best information available to me.

Tract No.	Description	Present NRI, %	Proposed ORRI, %	Farm-out NRI, %	Mineral Acres
1	NW/4 NW/4	78.5	3.5	75	40
2	25% of SW/4 NW/4	72	1	71	10
3	12.5% of SW/4 NE/4	72	1	71	5
4	S/2 SE/4 NW/4	70	1	69	20

Options at payout to convert 3% ORRI's to 50% WI's encumber tracts 2, 3, & 4, which are all apparently HBP by Monsanto's Covert Com #1 and Dagger Draw #1.

In Designated Farm. Suite to Prop. of (H.M.)

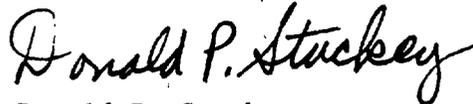
Tract 1 is federal acreage, held through March 1984 by a two year extension from the plugging of the S. P. Johnson in March 1982. A 4% ORRI on tract 1 increases to 10% at payout.

Apparently, Mr. Tom L. Ingram's interest is unaffected by options at payout and only involves tracts 2, 3, & 4. His NRI is 75%.

Excepting your acreage, I already control the proration unit to include the NW/4, SW/4, & SE/4 of the NW/4 and the SW/4 of the NE/4. Chama's Courtney P. Holstun lease is entirely left out of this non-standard proration unit. The Holstun lease is a proration unit in itself.

Thank you for considering this matter.

Very truly yours,



Donald P. Stuckey
1205 Vicksburg Drive
Garland, Texas 75041

Phone: (214) 840-2845