

FOUR CORNERS DRILLING CO.

P. O. BOX 1067
5651 U.S. HWY. 64
FARMINGTON, NEW MEXICO 87499

TELEPHONE: (505) 326-3371

FAX: (505) 326-3370

RECEIVED
SEP 26 1996

Oil CON. DIV.
DIST. 3

August 5, 1996

Hallwood Energy
P.O. Box 378111
Denver, CO 80237

RECEIVED RM & MC

AUG 7 - 1996

OPER. HFI DENVER

**RE: Deviation report on the Cardon Com #1,
Section 27, Township 32 N, Range 13 W
San Juan County, New Mexico**

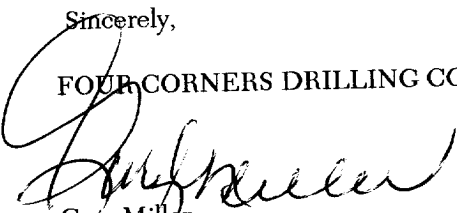
Gentlemen:

Below is the deviation report for your Cardon Com #1

6946'	7°
6978'	14°
7009'	17°
7165'	19°
7260'	13½°
7445'	11°
7535'	13°
7635'	9°
7734'	9¾°
7852'	7°

Sincerely,

FOUR CORNERS DRILLING COMPANY


Gary Miller
Drilling Superintendent

GM/add

NOTE: SURVEYS ABOVE WERE TAKEN IN THE NEW
HOLE INTERVAL DRILLED BY HALLWOOD PETROLEUM INC.
FROM 6995-8000'. OLD (ORIGINAL WELL) SURVEYS BY TENNECO
FROM 1980 SHOULD BE ON FILE AT OCD.

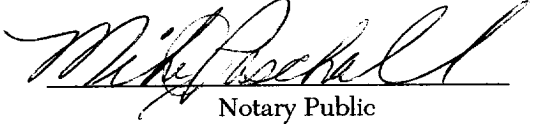
K.E. O'Connell 9/16/96

August 5, 1996
Cardon Com #1
PAGE 2

Acknowledgement

State of New Mexico)
) s.s.
County of San Juan)

The foregoing instrument was acknowledged before me this 5th day of August, 1996, by Gary Miller.


Notary Public

My Commission Expires : 8/26/98
(seal)