

Gruy Petroleum Management Co.

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A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

Tierra Exploration Inc.
726 East Michigan Suite 188
Hobbs New Mexico 88240
Attn Mr. Joe Janica

Re: New Well Locations
T26S-R37E

Date: April 20, 1998

Dear Joe:

Enclosed is a copy of a spreadsheet containing the locations for 11 new drills in T26S-R37E. Note the comment on the proposed Rhodes "B" Federal No. 1. We are not sure that we own the target formation, so we want to hold off on permitting this well until we are sure. Please begin the permitting process on the rest of wells, as soon as practical. As usual, keep Reggie informed of survey dates. He wants to be there when the wells are staked.

Sincerely,

Zeno Farris
Manager, Operations Administration

OIL CONSERVATION DIVISION
HARTMAN EXHIBIT NO. 21
CASE NOS. 12015 & 12017

GRUY-0000339