

# Hallwood Energy Companies

4582 South Ulster Street Parkway • Stanford Place III • Suite 1700 • Post Office Box 378111  
Denver, Colorado 80237 • (303) 850-7373

April 10, 1991

Mr. Bill Carr  
P. O. Box 2208  
Santa Fe, New Mexico 87501

Re: Forni 15 #1 Well  
Section 15-22S-27E  
Eddy County, New Mexico

Dear Mr. Carr:

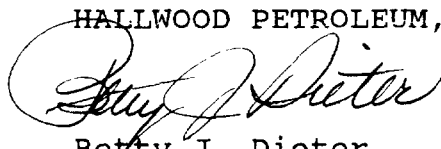
Hallwood Petroleum, Inc. owns 83.59375% of the Working Interest in Section 16-22S-27E, Eddy County, New Mexico. Please be advised that Hallwood Petroleum, Inc. does not object to the non-standard location proposed by Nearburg Producing Company for the referenced well.

It is our understanding that said proposed well location will be 330' FWL and 2,500' FNL, Section 15-22S-27E and that the well will test the Strawn and Morrow formations at approximately 12,000' making the W/2 of Section 15 the proration unit.

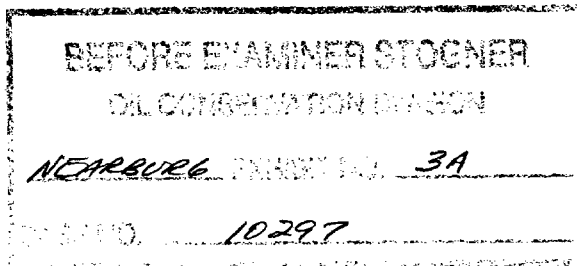
If you should have any questions please feel free to call either Steve Bausch (303)850-6237 or Robin Benko (303)850-6334 of this office.

Sincerely,

HALLWOOD PETROLEUM, INC.

  
Betty J. Dieter  
District Manager  
Western Region

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