

LLANO, INC.

PHONE 505 393-2153 P.O. DRAWER 1320
HOBBS, NEW MEXICO 88241

AL KLAAR
VICE PRESIDENT
SUPPLY, MARKETING AND
OIL & GAS OPERATIONS

April 30, 1984

BelNorth Petroleum Corporation
10,000 Old Katy Road, Suite 100
Houston, Texas 77055

Attention: Mr. Carl M. Houser

Re: Union Mead Com. #3 Well
Hardship Classification
Carlsbad Morrow South
Eddy County, New Mexico

Dear Mr. Houser:

In response to our recent telephone conversation, this letter will serve as Llano, Inc.'s intent to take the full deliverability from the Union Mead Well Com. #3, subject to state regulations and the force majeure clause in the Gas Purchase Agreement until such time as this well is no longer capable of commercial production.

Llano does not have an over supply of natural gas, so it is beneficial and more economical to maintain this source of gas rather than to connect new sources to replace the gas due to the Union Mead Com. #3 Well being shut in.

If we can be of further assistance, please advise.

Very truly yours,

LLANO, INC.



Al Klaar

AK/SP:nvz

xc: Donald L. Garey
GP-47

Llano File No. K.04.122.84

Exhibit No. 5
Case 8178

