Hallwood Energy Companies

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



March 13, 1997

Joe E. Lara Bureau of Land Management Carlsbad Resource Area Federal Building, Room 163 P. O. Box 1778 Carlsbad, New Mexico 88220

RE: Catclaw Draw Unit #5 SW NE Section 25-T21S-R25E

Dear Mr. Lara:

Enclosed please find Form 3160-5 (Sundry Notices and Reports on Wells) for the above captioned well. Hallwood plans to reevaluate this well for possible future SWD use, as the well has good casing integrity (tested to 1225 psi).

If you have further questions, please feel free to contact me at (303) 850-6257.

Sincerely,

HALLWOOD PETROLEUM, INC.

Nonya K. Durham Production Reporting Supervisor

NKD/jey

NKD97.040