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From this step we would then set a 100' shoe plug at 2,365-2,465', cut the 7-5/8"-inch just above, at approximately 2,000', and set a 350' "freshwater zone" plug and 10 sack surface plug.

Please consider this proposal for the Lakey #1 and call me at (303) 850-6303 or 1-800-388-4833 to discuss any of the aspects of these procedures.

Sincerely,

HALLWOOD PETROLEUM, INC.

Coin & O'Connell

Kevin E. O'Connell Drilling & Production Supervisor Western District

KEO:pp

cc: J. Bonaventura J. Pickett E. Kardas Well File

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