

# HALLADOR PETROLEUM, LLP

HALLADOR PETROLEUM COMPANY

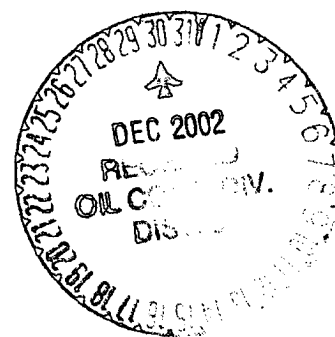
HALLADOR PRODUCTION COMPANY

December 24, 2002

New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
Aztec District Office  
1000 Rio Brazos Road  
Aztec NM 87410

Attention: Mr. Charlie T. Perrin

Re: CTP0229847437, Horton #4, Sec 27 T32N, R12W, API 30-045-60074



Dear Mr. Perrin:

In an effort to determine the cause of the Bradenhead test failure on the subject well, Hallador has trying to determine if there is a leak in the wellhead. If possible, we plan to reseal or rebuild the wellhead. However, if these repairs do not solve the problem, we intend to submit a procedure for cementing the 7-inch long string.

Completion of this initial phase of work has taken longer than anticipated. Hallador Petroleum respectfully requests an extension to February 1, 2003 to complete the wellhead repairs or submit a cementing procedure.

Please call me at (303) 839-5504 ext. 317 if you have any questions regarding this matter. Thank you.

Sincerely,

Timothy Lovseth  
Manager of Exploration and Geology