

Gruy Petroleum Management Co.

600 East Las Colinas Blvd. • Suite 1200 • Irving, TX 75039 • (972) 401-3111 • Fax (972) 443-6450
Mailing Address: P.O. Box 140907 • Irving, TX 75014-0907

A wholly-owned subsidiary of Magnum Hunter Resources, Inc., an American Stock Exchange company

Tierra Exploration Inc.
726 East Michigan Suite 188
Hobbs New Mexico 88240
Attn: Mr. Joe Janica

Date: April 17, 1998

Dear Mr. Janica:

Enclosed are the following:

1. Copies of Lease Responsibility Statements for our three locations in sections 4, 10 and 15.
2. Copies of the C-102 for the Gregory "B" Federal No. 2 well, now the Rhodes Federal Unit No. 153. The plat for this well shows a 160 acre non-standard unit comprising the SE/4SE/4 of sec.10, and the NE/4NE/4 & S/2NE/4 of sec. 15. This is the same dedication that our new Rhodes Federal Unit No. 103 and 159 wells have. I think we need a new plat for our 103 and 159 wells, and may need to file an amended C-102. What do you think?
3. Copies of the 3160-3's, and C-102's for the above wells. I've written in the unit agreement name, and the acres assigned to the wells where applicable.
4. Statement Accepting Responsibility for Operations for the NW/4 of sec. 8, 26S-37E, and a penciled in 3160-3 for our proposed re entry of the Texaco H. G. Moberly Federal (a) No. 2. Our well will be called the Rhodes Federal Unit No. 86. Also enclosed is a copy of the Texaco C-102. It is my understanding that we can modify the Texaco plat and use their archaeological clearance, and file this well for permitting without to much delay.

Joe, the Rhodes Federal Unit No. 86 is the next well we want to permit. I seem to recall talking to Mike Stogner at the N.M.O.C.C. and he said they may be able to streamline this permit, and get it through quicker than normal. If that's possible, please let me know. Also please let me know when you have filed the permit on the RFU No. 86. We want to send a copy of the permit and a letter to owner of the borehole explaining our intentions.

Sincerely,

Zeno Farris

OIL CONSERVATION DIVISION
HARTMAN EXHIBIT NO. 147
CASE NOS. 12015 & 12017

GRUY-0000340