

**ATTACHMENT #1**

1. Formal request and approval for this off-lease gas measurement is requested as discussed above. The sales meter has been located off-lease in Section 6 since 1987 and is the meter that the purchaser/transporter determines volumes to be paid on. Approval is necessary to continue monthly gas sales.
2. A map is attached showing the location of the said pipeline, off-lease meter and leases. Only one well is connected to this pipeline, being the Hallwood-operated Fort "7" Com #1.
3. The only off-lease equipment to be utilized is a conventional gas meter. No storage facilities exist off-lease.
4. The Fort "7" Com #1 currently produces approximately 160-175 MCFD of natural gas.
5. The proposed (and current) method for handling and measuring production for this lease (Fort "7" Com #1) is via the gas meter describe in Section 3 above.