



**Union Pacific
Resources**

A Subsidiary of Union Pacific Corporation



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**TRI
ROCKY MTN. REGION**

APR 29 1988

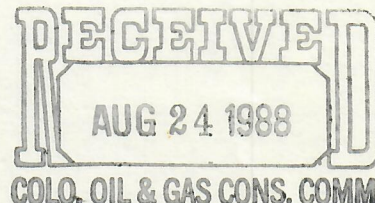
LAND DEPT.

April 27, 1988

Terra Resources, Inc.
1200 17th Street, Suite 2200
Denver, Colorado 80202-1502

ATTN: Mr. Bill Heisner

RE: Exception Location
UPRC's Proposed 6500' "J" Sand Test
NW1/4SW1/4 Section 23, T9N-R68W
Larimer County, Colorado



Gentlemen:

As you know, UPRC desires to drill a 6500' "J" Sand Test in the NW1/4SW1/4 of Section 23, T9N-R68W. The proposed location of this test is 330' FWL and 1750' FSL. Since Terra owns the leasehold in the E1/2E1/2 of Section 22, T9N-R68W, UPRC hereby requests Terra's consent to this off pattern location.

If the above meets with your approval, please so indicate by signing this letter which is sent in duplicate in the space provided and return one copy to the undersigned.

Very truly yours,

WAS *Charles R. Traxler*
Charles R. Traxler
Sr. Staff Landman

CRT/cjs

Agreed to this 17 day of MAY, 1988.

TERRA RESOURCES, INC.

By: *N. A. Stanley*

Its: **N. A. STANLEY**
REGIONAL MANAGER