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February 16, 2005

Fred Joseph, Commissioner
Department of Regulatory Agencies
Colorado Division of Securities
1580 Lincoln, Suite 420
Denver, Colorado 80203-1506

Re: TEL Offshore Trust

Dear Mr. Joseph:

We are writing on behalf of Magnum Hunter Resources, Inc. (the "Company") to request confirmation of exemption under the Colorado Securities Act (the "Act") for the proposed in-kind dividend (the "TEL Dividend") to holders of its common stock of approximately 1,391,221 units of beneficial interest in TEL Offshore Trust, an oil and gas trust organized under the laws of the State of Texas (the "TEL Trust"). Stockholders are not required to pay for the TEL units or to take any other action to participate in the distribution.

The TEL Trust is subject to the reporting requirements under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), units of beneficial interest in the TEL Trust are registered with the Securities and Exchange Commission ("SEC") under Section 12(g) of the Exchange Act, and we are informed that all filings with the SEC required thereunder are current as of the date hereof. The TEL Trust is a going concern, actually engaged in business and is not in the development stage, in bankruptcy or receivership. TEL units have been traded on the Nasdaq SmallCap Market since August 31, 2001. The TEL units to be distributed by the Company to holders of its common stock represent approximately 30% of the total number of TEL units that are currently outstanding. No commissions will be paid by the Company to its officers or employees by reason of their activities in effecting the Dividend. No supplemental filing is contemplated with the SEC to register the TEL units to be distributed on the theory that the Dividend does not constitute a "sale" under the Securities Act of 1933, as amended.¹

Exemption is respectfully claimed from the securities and dealer/agent registration provisions of the Act on the ground that the Distribution qualifies as a stock dividend

¹ See Nationwide Cellular Service, Inc., SEC No-Action Letter, WSB File No. 082195008 (Aug. 18, 1995)(staff would not recommend enforcement action when a company distributed its 33% stake in another company to its stockholders without registration).

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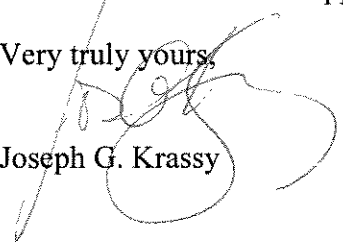
by the Company to its stockholders and is excluded from the definition of "sale" under Section 11-51-201(13)(h) of the Act. In addition, we believe that the Distribution is exempt from registration under Section 11-51-308(1), as a nonissuer transaction in a security registered under the Exchange Act. We understand that the Division has issued no-action letters in the past confirming the applicability of this "no-sale" analysis (or has issued discretionary exemptive orders not requiring registration) in similar transactions.²

In the alternative, it is requested that the Commissioner issue a letter or ruling confirming that the Division will take no-action against the Company or TEL Offshore Trust, or their respective employees if securities registration under Section 11-51-301, and dealer/agent registration under Section 11-51-401, is not undertaken for the distribution of the TEL units pro-rata to existing security-holders. We understand that the Division has issued similar no-enforcement letters in the past in similar transactions.³

In furtherance thereof, please find enclosed our check in the amount of \$100 to cover the requisite fee. Please acknowledge your receipt of this filing by signing or stamping the enclosed copy of this letter and returning it in the stamped, addressed envelope provided for that purpose. Please address your response to the undersigned at the above address at your earliest convenience.

Should you have any questions regarding the foregoing or require additional information, please call me at the above number. In my absence, you may contact Mr. Jeff McFall in our Dallas office at 214-855-8015. Your attention to this matter is appreciated.

Very truly yours,


Joseph G. Krassy

Encl:

² See, e.g., Exemption Request—Pro-rata dividend distribution of subsidiary's shares is not a sale, BLUE SKY LAW REP. (CCH), Colorado ¶13,612 (fifty-eight percent of the issued shares of the majority-owned subsidiary) (order of transactional securities registration exemption issued); Exemption Request—distribution of subsidiary stock, BLUE SKY LAW REP. (CCH), Colorado ¶13,620 (distribution of shares of 81%-owned subsidiary with both parent and subsidiary as reporting companies); Exemption Request—a discretionary exemption was granted for a "spin off" of all the outstanding shares of a Corporation's wholly-owned subsidiary, BLUE SKY LAW REP. (CCH), Colorado ¶13,665K (both parent and subsidiary will be, after the distribution, reporting companies);

³ See, e.g., Exemption Request—no enforcement action taken for a corporation's failure to register a distribution of stock by its newly-formed subsidiary as a dividend to current shareholders, BLUE SKY LAW REP. (CCH), Colorado ¶13,647.

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Cc: Morgan F. Johnston
Senior Vice President, General Counsel and Secretary
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Irving, Texas 75039

Andrew B. Derman
Thompson & Knight LLP
1700 Pacific, Suite 3300
Dallas, TX 75201

David E. Morrison, Firm

OP 2005-28-846

STATE OF COLORADO

Division of Securities

Department of Regulatory Agencies

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Denver, Colorado 80203
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Fred J. Joseph
Securities Commissioner



Bill Owens
Governor
Tambor Williams
Executive Director

March 15, 2005

Joseph G. Krassy
Fulbright & Jaworski LLP
666 Fifth Avenue, 31st Floor
New York, NY 10103-3198

**RE: Dividend of units of TEL Offshore Trust to Magnum Hunter Resources,
Inc.'s Shareholders
Our File No. A-005-004**

Dear Mr. Krassy:

The staff of the Division of Securities ("Staff") is in receipt of your letter dated February 16, 2005, regarding the above-referenced matter. In your letter, you request, on behalf of Magnum Hunter Resources, Inc. (the "Company"), that the Staff confirm the availability of the exemption from securities registration under the Colorado Securities Act ("Act") found at §11-51-201(13)(h), C.R.S., and §11-51-308(1), C.R.S., which we believe you to mean §11-51-308(1)(b)(III), C.R.S.

In your correspondence, you state that the Company proposes an in-kind dividend to holders of its common stock of approximately 1,391,221 units of beneficial interest in TEL Offshore Trust, an oil and gas trust organized under Texas law (the "TEL Trust"). According to the representations in your letter, the Tel Trust is subject to the reporting requirements under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and units of beneficial interest in the TEL Trust are registered with the SEC under Section 12(g) of the Exchange Act. You state that all filings with the SEC required thereunder are current as of the date of your correspondence. The TEL Trust is a going concern, actually engaged in business and is not in the development stage, in bankruptcy or receivership. TEL units have been traded on the Nasdaq SmallCap Market since August, 2001. The TEL units to be distributed by the Company represent approximately 30% of the total number of TEL units that are currently outstanding. No commissions will be paid by the Company to its officers or employees by reason of their activities in effecting the Dividend.

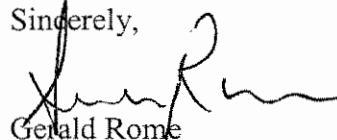
Joseph G. Krassy
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Based on the representations contained in your letter, and without taking a position whether the exemption from securities registration found at §11-51-308, C.R.S., is available in connection with the TEL Dividend, the Staff will not recommend to the Securities Commissioner that formal proceedings be initiated against Magnum Hunter Resources, Inc., or any of their respective officers, directors, or control persons for violation of the registration or licensing provisions of the Act regarding the TEL Dividend.

It should be noted that by this letter, the Staff only expresses its opinion as to the recommendation of formal enforcement proceedings under the Act and does not purport to express any formal opinion or conclusion. Also, it should be noted that the position taken is done so based on the facts as presented, and any change in those facts or circumstances described might require a different response.

If there are any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Rome", written over a horizontal line.

Gerald Rome
Deputy Securities Commissioner