



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-7010

via facsimile and U.S. mail

Mr. Victor P. Stabio
Chief Executive Officer
Hallador Petroleum Company
1660 Lincoln St. #2700
Denver, Colorado 80264-2701

September 25, 2007

Re: **Hallador Petroleum Company**
Form 10-KSB for fiscal years ended December 31, 2006 and December 31, 2005
File No. 1-06138

Dear Mr. Stabio:

We have completed our review of Hallador Petroleum Company's 2006 and 2005 Form 10-KSB and do not, at this time, have any further comments.

Sincerely,

Karl Hiller
Branch Chief