



OIL CONSERVATION DIVISION
POST OFFICE BOX 1880
MORNING STAR, NEW MEXICO 88041-1880
PHONE 505-618-6185

August 13, 1998

Hallwood Petroleum Inc
ATT: Kevin E O'Connell
P O Box 378111
Denver, CO 80237

RECEIVED
AUG 17 1998
DRLG & PROD.

RE: Bass
#5-N, 30-20s-33e
#6-L, 30-20s-33e

Gentlemen:

The Oil Conservation Division District I has received objection to Hallwood drilling these two well from the Mississippi Potash Inc. According to the R-111-p, if the objection cannot be resolved by agreement of the parties, the matter shall be referred for hearing before the Oil Conservation Division in Santa Fe.

At this time we are returning the C-101 intent to drill with copies of the objection attached and ask the operator to notify Michael Stogner at the OCD in Santa Fe to set-up a hearing date. If you have any questions on this matter, please call Chris Williams (505) 393-6161 ext, 102 or Micheal Stogner (505) 827-8185.

Yours very truly,

OIL CONSERVATION DIVISION

Chris Williams
District I, Supervisor

CW:dp

cc: Micheal Stogner, OCD-Santa Fe
BLM, Roswell
State Land Office, Santa Fe
file, Hobbs

Hallwood Petroleum, Inc.
Before Examiner Catanach
NMOCD Cases 12,055 & 12,056
November 5, 1998
Exhibit No. 7