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**September 9, 1998**

**Florene Davidson  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505**

**Re: Applications of Hallwood Petroleum, Inc. for Orders Allowing Drilling in  
Potash Area, Lea County, New Mexico.**

**Dear Florene:**

Enclosed herewith are the original and three copies of the above referenced applications of Hallwood Petroleum, Inc., along with the proposed ads. Please file the originals and return one file-stamped copy of each application to us in the enclosed, stamped envelope. We would request that this matter be placed on the docket for October 8, 1998.

The applications request that the Division allow drilling to develop the oil and gas resources on fee lands within the Designated Potash Area. The mineral interest owners concur with these Applications. The subject lands are not leased for potash. However, Mississippi Potash, Incorporated owns a potash lease within one mile of the APD locations and has filed objections to the proposed development.

In accordance with applicable Division rules, we have notified the persons on the list below of this application.

Please advise if anything further is needed. Thank you for your assistance.

Very truly yours,

HINKLE, COX, EATON, COFFIELD,  
& HENSLEY, L.L.P.

A handwritten signature in black ink, appearing to read "James A. Gillespie". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

James A. Gillespie

/s

Enclosures

cc: Lois Dodds  
Mississippi Potash, Inc.  
Attn: Jill Farnsworth