New Mexico

Energy, Minerals and Natural Resources Department

Oil Conservation Division Artesia District Office

Gary E. Johnson Governor Jennifer Salisbury Cabinet Secretary

Ph: (505) 748-1283

December 1, 1998

Hallwood Petroleum, Inc. P.O. Box 378111 Denver, Co. 80237

Re:

Well Placed in Pool

Gentlemen/Madams:

As the result of Division Order R-11067, the following described oil well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice.

Pierce Crossing; Bone Spring Oil Pool Fort "18" Com. #1

Unit E, Section 18, Township 24 South, Range 29 East NMPM

Poolcode: 50371

Transporters are advised by copy of this letter, to change their records to reflect the pool name as established by this order, effective June 1, 1998.

Sincerely,

Bryan Arrant Knud

District Geologist

Cc: LG & E Energy Marketing

Scurlock Permian LLC

Santa Fe

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Well File /