



**State of New Mexico**  
**Commissioner of Public Lands**

**RAY POWELL, M.S., D.V.M.**  
**COMMISSIONER**

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760  
 FAX (505) 827-5766

October 28, 1997

Hallwood Petroleum, Inc.  
 P.O. Box 37811  
 Denver, Colorado 80237

Attn: Mr. Kevin E. O'Connell

Re: Downhole Commingling Application  
 State "B" 14 Com #1  
 Unit P, Section 14-18S-28E  
 Travis Upper Penn and Empire South Morrow Pools  
 Eddy County, New Mexico

Dear Mr. O'Connell:

We are in receipt of your application of October 15, 1997, requesting our approval to downhole commingle the production from the above subject well from the Travis Upper Penn and Empire South Morrow Pools in Eddy County, New Mexico.

It is our understanding that production from the subject well will be allocated as follows:

<u>POOL</u>	<u>ALLOCATION</u>	
	<u>Oil%</u>	<u>Gas %</u>
Travis Upper Penn	81%	46%
Empire South Morrow	19%	54%
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	100%	100%

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for downhole commingling the production from the above-mentioned well is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

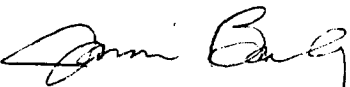
Please submit a filing fee in the amount of \$30.00.

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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm  
Enclosure

xc: Reader File

OCD—Attention: David Catanach, Ben Stone