Hallwood Petroleum, Inc.

4582 South Ulster Street Parkway · Stanford Place III · Suite 1700 · Post Office Box 378111 Denver, Colorado &0237 · (303) 850-7373

July 17, 1997

## CERTIFIED MAIL NO. P 212 222 106

State of New Mexico Oil Conservation Division Hobbs District Office P. O. Box 1980 Hobbs, New Mexico 88241-1980

Attention: Chris Williams

RE: Application to Drill Bass #3-J Section 30-T20S-R33E Lea County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is re-applying for permission to drill the captioned well. Enclosed are the original plus six (6) copies of the State of New Mexico – Oil Conservation Division Forms C-101, C-102 and supplemental well information.

Also enclosed is a copy of our August 11, 1994 letter (Attachment No. 1) to the OCD-Hobbs District Office and a copy of your October 11, 1994 letter (Attachment No. 2) explaining the original 1994 permit denial reasons. Attachment No. 3 is a copy of Mississippi Potash, Inc.'s July 8, 1997 letter that constitutes approval on their behalf to the drilling of the Bass #3 well. Mississippi Potash, Inc. is the successor to New Mexico Potash and is the potash lessee of record at the drillsite location for the Bass #3 well. This information should now satisfy all the requirements of Order No. R-111-P.

Please contact me at (303) 850-6303 or 1-800-382-4833, ext. 303, with any questions you may have, or should you require additional information.

Sincerely,

## HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell Drilling & Production Manager

KEO/jey