



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING SOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

March 3, 1994

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Hallwood Energy Companies P.O. Box 378111 Denver, CO 80237

Attention: Kevin E. O'Connell

Administrative Order NSP-1686

Dear Mr. O'Connell:

Reference is made to your application dated November 24, 1993 for a 320-acre non-standard gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal Gas Pool:

SAN JUAN COUNTY, NEW MEXICO TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM

Section 9: NE/4 Section 10: NW/4

It is my understanding that this unit is to be dedicated to your Wilmerding "9" Well No. 2 to be drilled at a standard coal gas well location 1190 feet from the North line and 790 feet from the East line (Unit A) of said Section 9.

The above-described acreage is currently dedicated in the Basin-Dakota and Blanco-Mesaverde Pools to the Wilmerding Well No. 1 in Unit "B" of said Section 9 and the Wilmerding Well No. 1M in Unit "C" of said Section 10 under the authority of Division Order No. R-2067, dated September 22, 1961.

By authority granted me under the provisions of Rule 6 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, the above non-standard gas spacing and proration unit is hereby approved.

Sincerely,

William J. LeMay,

Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec

W. Thomas Kellahin - Santa Fe

MAR DT 1994



STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

Date: 12.13-93 Athis Mixe Fagnice
Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87504-2088
RE: Proposed MC Proposed DHC Proposed NSL Proposed SWD Proposed WFX Proposed NSP Proposed DD
Gentlemen:
I have examined the application received on
for the #ALLUCOD ENERGY CO. LEASE & WELL NO. A-9-3/N-/3/L and my recommendations are as follows:
Applece
Yours truly,
grue Busel

Hallwood Energy Companies

4582 South Ulster Street Parkway · Stanford Place III · Suite 1700 · Post Office Box 378111

Denver, Colorado 80237 · (303) 850-7373

CERTIFIED MAIL

November 24, 1993

State of New Mexico Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87501 Attn: Mike Stogner DEC - 6 1993

OIL CON. DIV.

Re: Hallwood-Wilmerding 9 #2
Basin Fruitland Coal
Non-Standard Spacing Unit

Dear Mr. Stogner:

This letter is in reference to our permit to drill application on the subject well and telephone conversations between myself and Mr. Ernie Busch (OCD-Aztec office), in which additional information was requested for approval of this application. Hallwood is planning to drill the Wilmerding 9 #2 at a standard well location for Fruitland Coal wells <u>but</u> in a non-standard spacing unit that was created in 1961 for the deeper formations - Dakota & Mesa Verde.

Attached for your review and as requested are:

- 1) A copy of C-101 drilling permit application.
- 2) A sketch of the proposed and adjacent Fruitland Coal spacing units.
- 3) A copy of the 1961 Order creating the Dakota/Mesa Verde spacing unit we are drilling this well in.
- 4) Copies of the letters sent to offset operators/lessee.

November 24, 1993 State of New Mexico Oil Conservation Division Page 2

As can be seen on the enclosed map of the spacing units approval of this well/spacing unit will not disturb the existing pattern. Even though there are unspaced (for the Fruitland Coal) units to the Northwest, West and South of this location, future Fruitland coal wells could be located at legal locations within the already established deeper pool spacing units as we are doing. We should also point out that this map illustrates the Fruitland Coal structure which outcrops to the Northwest in Sections 5 and 32. Locations to the West of this proposed Wilmerding 9 \$2 and our approved but undrilled Baird 4 \$2 will be very risky to drill due to the rapidly rising Fruitland Coal section.

Please contact me at (303) 850-6303 with any questions you may have. I appreciate your prompt attention to this matter as we are planning to drill this well prior to year end 1993.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Western District

Attachments

CC: Wilmerding 9 #2 Well File

State of New Mexico
Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410
ATTN: Ernie Busch

Kathleen Volk

KEO\#173.pp

Submit to Appropriate Desiret Giffice State Lease — 6 copies Fee Lease — 5 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101

OIL CONSERVATION DIVISION

Revised 1-1-89

API NO. (assigned by OCD on New Wells)

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				8. Well No.	
2 Name of Operator Hallwood Peti	roleum, Inc.			2	
3 Address of Operator				9. Pool name or Wildcat	1 01
P. O. Box 37	8111, Denver, (Colorado 80237		Basin Fruitlar	id Coal
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District Office
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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

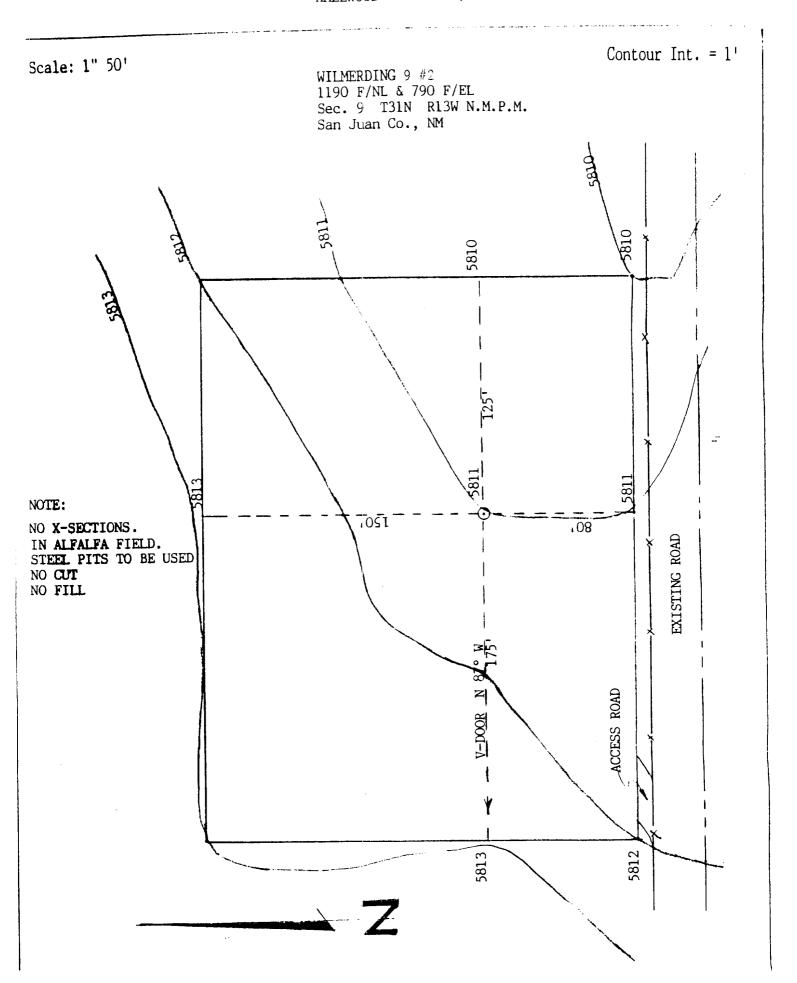
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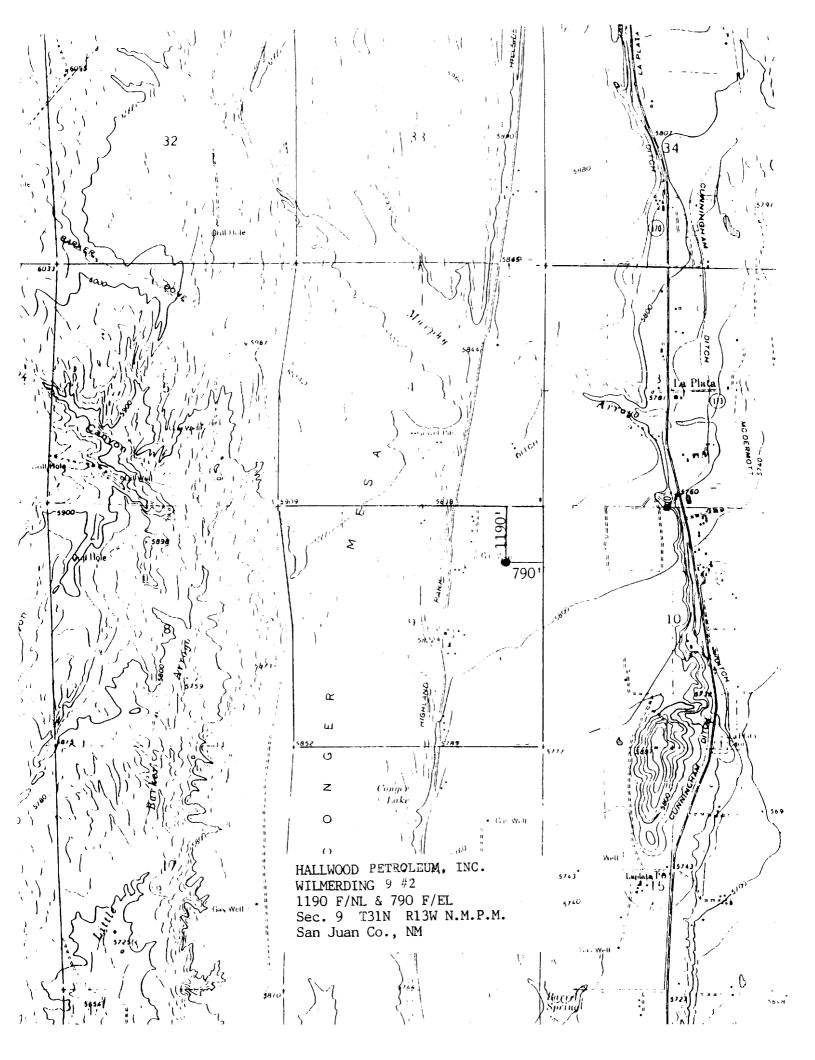
P.O. Box 2088 Santa Fe, New Mexico 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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- (5) That establishment of the above-described non-standard gas proration unit will not cause waste.
- (6) That establishment of the above-described non-standard gas proration unit will not impair correlative rights inasmuch as a companion non-standard gas proration unit comprising the SE/4 of Section 9, and the SW/4 of Section 10 could be formed upon the communitization of said acreage.

IT IS THEREFORE ORDERED:

- (1) That a 320-acre non-standard gas proration unit in the Basin-Dakota and the Blanco-Mesaverde Pools consisting of the NE/4 of Section 9, and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, is hereby established. Said unit is to be dedicated to the applicant's proposed Wilmerding Well No. 1-9, to be located at an orthodox location in the NE/4 NE/4 of Section 9.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-

Note this was some this state of New Mexicol Conservation

For the Unity 20. 11/24/97.

EDWIN L. MECHEM.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2380 Order No. R-2067

APPLICATION OF CONSOLIDATED OIL & GAS, INC: FOR A 320-ACRE NON-STANDARD GAS PRORATION UNIT IN THE BASIN-DAKOTA AND THE BLANCO-MESAVERDE POOLS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 20, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of September, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Consolidated Oil & Gas, Inc., is the owner and operator of the NE/4 of Section 9, and the NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, which applicant proposes be established as a 320-acre non-standard gas proration unit in the Basin-Dakota and the Blanco-Mesaverde Pools.
- (3) That the applicant proposes to drill and operate the Wilmerding Well No. 1-9, to be located at an orthodox location in the NE/4 NE/4 of Section 9, to which well the proposed 320-acre non-standard gas proration unit is to be dedicated.
- (4) That the proposed 320-acre non-standard proration unit can reasonably be presumed to be productive of gas from the Basin-Dakota and the Blanco-Mesaverde Pools.

Hallwood Energy Companies

4582 South Ulster Street Parkway · Stanford Place III · Suite 1700 · Post Office Box 378111

Denver, Colorado 80237 · (303) 850-7373

CERTIFIED MAIL

November 24, 1993

Snyder Oil Corporation 1625 Broadway, Suite 2200 Denver, CO 80202

> RE: Notification of Offset Well Section 9-T31N-R13W

san Juan County, New Mexico

Gentlemen:

This letter is to notify you as an offset affected Operator/Lessee of Hallwood Petroleum, Inc.'s plans to drill a Basin Fruitland Coal Gas well at a standard location but in a non-standard spacing unit consisting of the NE/4 of Section 9 T31N-R13W and the adjacent and contiguous NW/4 of section 10 T31N-R13W.

This is the same spacing unit that was created for the deeper formations and existing Mesa Verde/Dakota well - Wilmerding #1-9. Approval for Hallwood's Fruitland Coal well can be done administratively under Order No. R-8768-A Rule 6., (c). This notification of our well location and drilling plans is required by the Oil Conservation Division.

Should you have any questions please contact me at (303) 850-6303 or 1-800-382-4833.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Western District

Attachment

cc: Well File

State of New Mexico - Oil Conservation Division

P.O. Box 2088

Santa Fe, New Mexico 87501

Attn: Mike Stogner

KEO\#172.pp

Hallwood Energy Companies

4582 South Ulster Street Parkway · Stanford Place III · Suite 1700 · Post Office Box 378111

Denver, Colorado 80237 · (303) 850-7373

CERTIFIED MAIL

November 24, 1993

Benson - Montin - Greer Drilling Corp. 221 Petroleum Center Building Farmington, NM 87401

RE: Notification of Offset Well

Section 9-T31N-R13W

San Juan County, New Mexico

Gentlemen:

This letter is to notify you as an offset affected operator/lessee of Hallwood Petroleum, Inc.'s plans to drill a Basin Fruitland Coal Gas well at a standard location but in a non-standard spacing unit consisting of the NE/4 of Section 9 T31N-R13W and the adjacent and contiguous NW/4 of section 10 T31N-R13W.

This is the same spacing unit that was created for the deeper formations and existing Mesa Verde/Dakota well - Wilmerding #1-9. Approval for Hallwood's Fruitland Coal well can be done administratively under Order No. R-8768-A Rule 6., (c). This notification of our well location and drilling plans is required by the Oil Conservation Division.

Should you have any questions please contact me at (303) 850-6303 or 1-800-382-4833.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Western District

Attachment

cc: Well File

State of New Mexico - Oil Conservation Division

P.O. Box 2088

Santa Fe, New Mexico 87501

Attn: Mike Stogner

KEO\#171.pp

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR ANITA LOCKWOOD

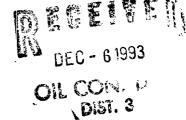
CABINET SECRETARY

December 2, 1993

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Hallwood Energy Companies P.O. Box 378111 Denver, CO 820237

Attention: Kevin E. O'Connell, Drilling and Production Manager



RE: Administrative application for a non-standard gas spacing and proration unit. Hallwood-Willmerding 9 Well No. 2, NE/4 of Section 9 and NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.

Dear Mr. O'Connell:

After my initial review of the subject application, I find it necessary to inquire further concerning notification. Rule 6(d) and (e) of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, requires either a waiver from or affirmation of notice to all operators owning interest in the half-section in which the non-standard unit is situated and which acreage is not included in said non-standard unit. Please submit additional information showing who all of the interest owners (royalty, working and overriding) are in the 160-acre tract being severed in the SE/4 of said Section 9. Also, were all these parties notified of this application?

In addition, please submit a plat indicating who the offset operators or owners of undrilled tracts are to the proposed non-standard unit.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner Chief Hearing Officer

MES/amg

cc: Oil Conservation Division - Aztec

RULE 5. The Supervisor of the Aztec district office of the Division shall have the authority to approve a non-standard gas proration unit within the Basin-Fruitland Coal Gas Pool without notice and hearing when the unorthodox size or shape is necessitated by a variation in the legal subdivision of the United States Public Lands Survey and/or consists of an entire governmental section and the non-standard unit in not less than 70% nor more than 130% of a standard gas proration unit. Such approval shall consist of acceptance of Division Form C-102 showing the proposed non-standard unit and the acreage contained therein.

RULE 6. The Division Director may grant an exception to the requirements of Rule (4) when the unorthodox size or shape of the gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey and the non-standard gas proration unit is less than 70% or more than 130% of a standard gas proration unit, or where the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental half section, except as provided in paragraph (c) following.
- (c) The non-standard unit conforms to a previously approved Blanco-Mesaverde or Basin-Dakota Gas Pool non-standard unit as evidenced by applicant's reference to the Division's order number creating said unit.
- (d) The applicant presents written consent in the form of waivers from all offset operators or owners of undrilled tracts and from all operators owning interests in the half section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (e) In lieu of paragraph (d) of this rule, the applicant may furnish proof of the fact that all of the aforesaid parties were notified by certified or registered mail or overnight express mail with certificate of delivery of his intent to form such non-standard unit. The Division Director may approve the application if no such party has entered an objection to the formation of such non-standard unit within 30 days after the Division Director has received the application.