Ernie Busch

From:

Ernie Busch

To: Subject:

Ben Stone HALLWOOD ENERGY COMPANIES (SWD)

Date:

Friday, March 22, 1996 2:29PM

Priority:

USA #1

P-24-32N-13W

RECOMMEND: APPROVE FOR MORRISON AND BLUFF FORMATIONS ONLY, DO NOT INCLUDE THE DAKOTA FORMATION BECAUSE OF FUTURE POTENTIAL PRODUCTION AND IF YOU LOOK AT THE AOR WELL (MONTOYA 25 #1)BECAUSE OF THE FISH, IT MAY NOT BE PLUGGED PROPERLY IN THE DAKOTA.

POOL NO. AND NAME
PROPERTY NO. AND U-U-S-T-R
WELL NO. AND U-L-S-T-R
API NUMBER FORM C-115- OPERATORS MONTHLY REPORT (CONTINUATION) 42-12 H-12-27N-12N 30-045-28918 32-1 G-01-27N-12H 30-045-28837 004R A-11-27N-12H 30-045-06732 003 R K-01-27N-12N 30-045-06833 005959 HANCOCK 005957 FEDERAL COAL 18-24 N-18-27N-11W 30-045-28397 12-23 K-12-27N-12J 30-045-28402 OPERATOR: LOUIS DREYAUS NATURAL GAS CORP FEDERAL COAL 8 9 10 1 C C D VOLUME PRESSURE ס OCRID: 025773 INJECTION 11 12 C BBLS OF O OIL/COND-D ENSATE E PRODUCED 2 0 0 0 BBLS OF WATER PRODUCED 겂 걾 143 ヹ ద 0 0 PRODUCTION PRODUCED (MCF) 17186 5123 4575 29<u>2</u>5 8056 DAYS PRODUCED ᅜ ᅜ ᅜ ᅜ ᅜ 4 0 16 17 C POINT OF D DISPOSI-E TION Ð Ð ຄ ε G 1190350 1190430 1190330 1190550 2804975 1190530 1190830 1190850 GAS BTU OR OIL API GRAV DISPOSITION OF OIL, GAS, AND WATER **1**000 **1** 8 8 ᄚ 8 19 OIL ON HAND AT BEGINNING OF MONTH MONTH/YEAR 08/95 VOLUME (BBLS/MCF) 16406 4367 1334 £ 2811 7690 8 131 143 36 TRANS-PORTER OCRID 025773 025773 025773 025773 **02573** 73 PA FR 22 23 C OIL ON HAND D AT END OF E MONTH 0 < 0 _ 8 유 8 ¦

Hallwood Energy Companies

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

Denver, Colorado 80237 • (303) 850-7373

March 15, 1996

CERTIFIED MAIL NO. P 468 649 945 RETURN RECEIPT REQUESTED

Mr. William LeMay, Director State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87504-2088 DECESSES AND BOOK OF THE PROPERTY OF THE PROPE

OUL COM. DUV.

RE: Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL x 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Dear Mr. LeMay:

Hallwood Petroleum, Inc. respectfully requests administrative approval for conversion of the currently inactive USA #1 well, to a water disposal well. We are proposing (requesting) that the well be approved for water disposal into three formations -- Dakota, Morrison and Bluff. However, as discussed in detail in the enclosed application and exhibits, Hallwood plans to initially (after obtaining all approvals) dispose of water into the Dakota formation.

If the Dakota formation is not adequate for handling of the planned 550-1200 BWPD, we would proceed with deepening this well to the additional Morrison and Bluff disposal formations.

Enclosed is the Form C-108 and required data, including "proof of notice" to the Landowner (U.S. Government) and offset leasehold operators. Upon receiving proof of mailing notices (return receipt cards) we will furnish these to your office.

Please contact me at (303) 850-6303 with any questions or comments you have on this application for injection, or if you need additional information.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea Enclosures Mr. William LeMay, Director State of New Mexico March 15, 1996 Page 2

cc: Oil Conservation Division Aztec District III Office 1000 Rio Brazos Road Aztec, NM 87410

STATE OF NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION PO BOX 2088 SANTA FE, NM 87504-2088



APPLICATION FOR AUTHORIZATION TO INJECT OF GORDO

I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No							
II.	OPERATOR: Hallwood Petroleum, Inc.							
	ADDRESS: P. O. Box 378111, Denver, CO 80237							
•	CONTACT PARTY: Kevin E. 0'Connell PHONE:303-850-6303							
ш.	WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.							
IV.	Is this an expansion of an existing project: Yes X No If yes, give the Division order number authorizing the project							
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.							
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.							
VII.	Attach data on the proposed operation, including:							
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed waterch a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literate studies, nearby wells, etc.). 							
•VIII.	Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/1 or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.							
IX.	Describe the proposed stimulation program, if any.							
* X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)							
* XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.							
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.							
хш.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.							
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.							
	NAME: Kevin E. O'Connell TITLE: Drilling & Production Manag							
	SIGNATURE: Florin & Olonnold DATE: 03/15/91							
•	If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal.							

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Form 3160-3 (July 1992)

UNITED STATES

SUBMIT IN TRIPLICATE. (Other instructions on reverse side) FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

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	1	N/A	
Hallwood Petroleum, Inc. has submitted a C-108 application conversion of this depleted Mesa Verde/Dakota well (drillewell. Part 1. Propose to cement squeeze Mesa Verde perfs at 460 Dakota zones (6810-6975') and dispose of water via 2 7/8" Part 2. If Dakota Formation does not provide sufficient thank and the sufficient of sufficient of the sufficient of sufficient of the sufficient of t	ed in 19 06 - 469 tubing injectiv 800'. ormation	980) to a water 96'; reperforate and packer at 6 vity and/or disp This would be cos, TD'ing in Su	disposal and frac 5775'. bosal capac done with ummerville
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zo deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout professional State Office Use) TITLE Drilling & Professional Drilling & P	reventer program	m, if any.	
APPROVAL DATE Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subj			

INSTRUCTIONS

cedures and practices, either are shown below or will be issued by, or may be obtained number of copies to be submitted, particularly with regard to local, area, or regional proregulations. Any necessary special instructions concerning the use of this form and the Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and tions, as indicated, on all types of lands and leases for appropriate action by either a GENERAL: This form is designed for submitting proposals to perform certain well opera-

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State State or Federal regulations concerning subsequent work proposals or reports on the well. tion or to a new reservoir, use this form with appropriate notations. Consult applicable ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface locafrom, the local Federal and/or State office.

roads to, and the surveyed location of, the well, and any other required information, should land or lease description. A plat, or plats, separate or on this reverse side, showing the ILEM 14: Needed only when location of well cannot readily be found by road from the or Federal office for specific instructions.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for be furnished when required by Federal or State agency offices.

cerning approval of the proposal before operations are started. ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, consubsurface location of hole in any present or objective production zone.

NOTICE

nished the following information in connection with information required by this applica-The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be fur-

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

to drill or deepen an oil or gas well. PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit

investigations or prosecutions, as well as routine regulatory responsibility. Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory (4)(5) Information from the record and/or the record will be transferred to appropriate proposed operation on surface and subsurface water and other environmental impacts. the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract

information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease. EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the

BURDEN HOURS STATEMENT

Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503. Bureau of Land Management, (Alternate) Bureau Cleatance Officer, (WO-771), 1849 C Street, N.W., comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct Public reporting burden for this form is estimated to average 30 minutes per response, including the time for

The Paperwork Reduction Act of 1980 (44 3.S.C. 3501 et seq) requires us to inform you

This information is being collected to allow evaluation of the technical, safety, and en-

and gas leases. vironmental factors involved with drilling for oil and/or gas on Federal and Indian

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil This information will be used to analyze and approve applications.

and gas lease.

District I PO Box 1980, Hobbs, NM 88241-1980 District []

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-101 Revised February 10, 1994 Instructions on back

Hallwood P. O. Bo: Denver, Proporty Code 4918 Ler let so. Section P 24 Ler let so. Section D Multiple N	Township 32N 8 Pro	Range 13W Dposed Range st Pool 1	Lot Idm Bottom Lot Idm	7 Surface Foot from the	Property Name Location North/Seeth lies South tion If Differ North/Seeth lies	804 ent From S	urface	30 - 04 West Ene East	O9812 Aff Number 15-24023 Well No. 1 Consty San Juan
Property Code 4918 Ler lot se. Section P 24 Ler lot se. Section D "Multiple	Township 32N 8 Pro	Range 13W DPOSed Range at Pool 1	Lot Ida Bottom Lot Ida	7 Surface Feet from the 812 Hole Loca	North/Seeth lies South tion If Differ	804 ent From S	urface • East/	West Ene East	Well No. 1 Commy San Juan
Ler let se. Section P 24 Ler let se. Section D Section D Maltiple	32N 8 Pro Township 'Propose	Range 13W Dposed Range ad Pool 1	Lot Ida Bottom Lot Ida	7 Surface Feet from the 812 Hole Loca	North/Seeth lies South tion If Differ	804 ent From S	urface • East/	West Ene East	County San Juan
P 24 L or lot so. Section	32N 8 Pro Township 'Propose	13W Oposed Range Id Pool 1 Well Type	Bottom Lot Ida	Fost from the 812 Hole Loca	North/Seeth East South tion If Differ	804 ent From S	urface • East/	East Week East	San Juan
P 24 or lot no. Section Work Type Code D Multiple	32N 8 Pro Township 'Propose	13W Oposed Range Id Pool 1 Well Type	Bottom Lot Ida	812 Hole Loca	South tion If Differ	804 ent From S	urface • East/	East Week East	San Juan
Work Type Code D Multiple	* Propose	Range rd Pool i Well Type	Lot Ida			Feet from th	East/		County
D " Multiple	1.3	Well Type	Codo						Catacy
D " Multiple	1.3	Well Type	Cada			" Pr	manual Basi	,	<u> </u>
D ** Multiple			Codo		<u> </u>		hoses ved		
-		- S s			Rotary R	" Loss Type	Code		nd Level Elevation 125
	17	7800		Summer		"Coatract not know			Sped Date 96
Hole Size		21			nd Cement P	rogram			
existing (8.62:		Casia	e weight/foot	Setting Depth	Sack	of Cement		Estimated TOC
casing (4.50		 	10.5	6995 ′		225 1645		urface urface
							1010	- - '	urrace
3.875" c	open ho	le	<u> </u>		6995-7800 ′	N	/A		
llwood Petrole part conversion ter disposal wat 1. Propose ac Dakota zone 2. If Dako done with 3.8 proby certify that the information of the certification of t	eum, In on of t well. e to cel es (681) ota for ood req 875" ho	c. has his de ment s 0-6975 mation uests le fro	submi pleted queeze ') and does r permiss m 6995-	tted a C- Mesa Ver Mesa Ver dispose not provi sion to d -7800'; t	108 applica de/Dakota w de perfs at of water vi de sufficie eepen well a	tion to p ell (dril 4606-469 a 2 7/8" nt inject	erform led in 5'; rep tbg and ivity a tely 80	a poss 1980) Derfora Derfora Molor Tormati	ible to a te and r at 6775'. disposal his would ons, (see

Conditions of Approval:

Attached 🛛

(303) 850-7373

ch-

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

	S IS AN AMENDED REPORT CHECK THE BOX LABLED IDED REPORT" AT THE TOP OF THIS DOCUMENT.
1	Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
2	Operator's name and address
3	API number of this well. If this is a new drill the OCD will assign the number and fill this in.
4	Property code. If this is a new property the OCD will assign the number and fill it in.
5	Property name that used to be called 'well name'
6	The number of this well on the property.
7	The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
8	The proposed bottom hole location of this well at TD
9 and 1	O The proposed pool(s) to which this well is beeing drilled.
11	Work type code from the following table:
	N New well
	E Re-entry
	D Drill deeper
	P Plugback
	A Add a zone
12	Well type code from the following table:
	O Single oil completion
	G Single gas completion
	M Mutiple completion
	I Injection well
	S SWD well
	W Water supply well
	C Carbon dioxide well
13	Cable or rotary drilling code
	C Propose to cable tool drill
	R Propose to rotary drill
14	Lease type code from the following table:
	F Federal
	S State
	P Private
	N Navajo
	J Jicarilla
	U Ute
	i Other Indian tribe
15	Ground level elevation above sea level
16	Intend to mutiple complete? Yes or No
17	Proposed total depth of this well

- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.
- 20 Anticipated spud date.
- Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement
- 22 Brief description of the proposed drilling program and BOP program. Attach additional sheets it necessary.
- The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

ATTACHMENT

to

Form C-101

USA #1 SWD

#22 - TD'ing in Summerville formation. Open Hole interval would be slick water fracture stimulated and water disposal commenced via 2 7/8" tbg and packer at 6775'.

EXHIBIT III - WELL DATA

Section A

Operator:

Hallwood Petroleum, Inc.

Lease Name:

USA #1

Location:

812' FSL x 804' FEL, Unit P, SE SE Section 24-T32N-R13W San Juan County, New Mexico

Surface Casing:

8.625" 23# at 312' KB in 12.25" hole cemented with 225 sacks. Cement reported to have circulated to surface.

Production Casing:

4.50" 10.5# casing at 6995' in 7.875" hole. This string of casing from 0-6995' was cemented in 3 stages:

1st stage: 437 sxs of 50/50 Poz cement followed by 50 sxs Class "B" neat.

Calculated fill is from 6995' up to 5058'.

2nd stage: Thru a DV tool at 4844',
cemented with 434 sxs 50/50 Poz,
calculated fill is from 4844' up to
2849'.

3rd stage: Thru a DV tool at 2404' cemented with 634 sxs 50/50 Poz cement with 6% gel, followed by 140 sxs of 50/50 Poz cement with 2% gel. Reported that 10 bbls of cement circulated to surface.

Please Note: Although no cement bond logs were run on this well to confirm cement top(s), Hallwood believes that the well is essentially cemented from 0-6995' with this well designed 3-stage job. Also, the fact that cement was circulated to surface on the third is very encouraging. However, if requested and required, Hallwood will run a cement bond log from 0-6995' after cement squeezing the Mesa Verde perforations at 4606-4696'.

Proposed Tubing:

2 7/8" 6.50# EUE 8rd J-55 grade, new tubing, unlined, set at 6775'.

Proposed Packer:

Guiberson Model UNI-VI set at 6775' with an on/off tool directly above it.

EXHIBIT III - WELL DATA

USA #1

Section B

(1) The name of the injection formation(s) and, if applicable, the field or pool name.

Hallwood proposes to initially inject (dispose of) produced Fruitland Basin Coal water into the Dakota formation. The Dakota formation at this location is in the Basin Dakota field.

Hallwood is seeking approval with this application to dispose into three (3) formations - the Dakota, Morrison and Bluff. In the event that the Dakota formation in the USA #1 well is not able to satisfactorily handle our intended disposal volumes, Hallwood would like to deepen the USA #1 well down into the Morrison and Bluff formations and add them to the Dakota, as disposal zones.

(2) The injection interval and whether it is perforated or open hole.

The initially proposed disposal zone (the Dakota) is perforated 4 1/2" casing.

If the well is deepened from 6995' to 7800' to add the Morrison and Bluff formations for additional disposal capacity (as discussed above), Hallwood would like to request that this interval be approved as an open hole interval. This would be a 3.875" diameter open hole and would be difficult to case and cement with 2 7/8" tubing. Leaving this as open hole should not present any problems with concerns pertaining to shallower horizons.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

This well was originally drilled in 1980 by John H. Hall (operator) as a Mesa Verde/Dakota gas well. The well is now depleted and uneconomical to produce as a gas well. The well has been operated for the past several years by Robert R. Click, an independent oil and gas operator in Fort Worth, Texas. Hallwood Petroleum, Inc. purchased this well (USA #1) on 6/1/95 with the principal reason to convert it to a water disposal well due to its proximity to our coal wells and pipeline gathering system.

EXHIBIT III - WELL DATA

USA #1

(4) Give the depths of any other perforated intervals and detail on sacks of cement or bridge plugs used to seal off such perforations.

There are currently open Mesa Verde perforations in the USA #1 from 4606-4696'. These are only 21 perforations though. Hallwood plans to cement squeeze these 21 perforations with an estimated 75 to 100 sacks of cement. The cement will be drilled out inside of the casing and then the cement squeeze will be pressure tested until it withstands pressures and time requirements similar to an MIT (Mechanical Integrity Test). Due to the limited number of perforations, we believe a competent squeeze can be achieved. Also, these squeezed perfs in the Mesa Verde will be isolated by the tubing and packer.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

The next higher oil and gas zone that primarily produces in the are of the USA #1 is the Mesa Verde formation (Blanco Mesa Verde Field). In the USA #1 well the top of the Mesa Verde is 3815'; however, the perforations in this thick interval are at 4606-4696'.

Occasionally there is Gallup formation oil or gas production but at this location it is scarce. The Gallup formation in the USA #1 well is at 4855' but is tight and poorly developed. With regard to next lower oil and gas zones, the only possible zone deeper than the Bluff would be the Entrada formation at an estimated depth of 7800'. Oil and gas production in the basin is very limited from the Entrada formation, especially in this immediate area, and the Entrada is frequently utilized for water disposal.

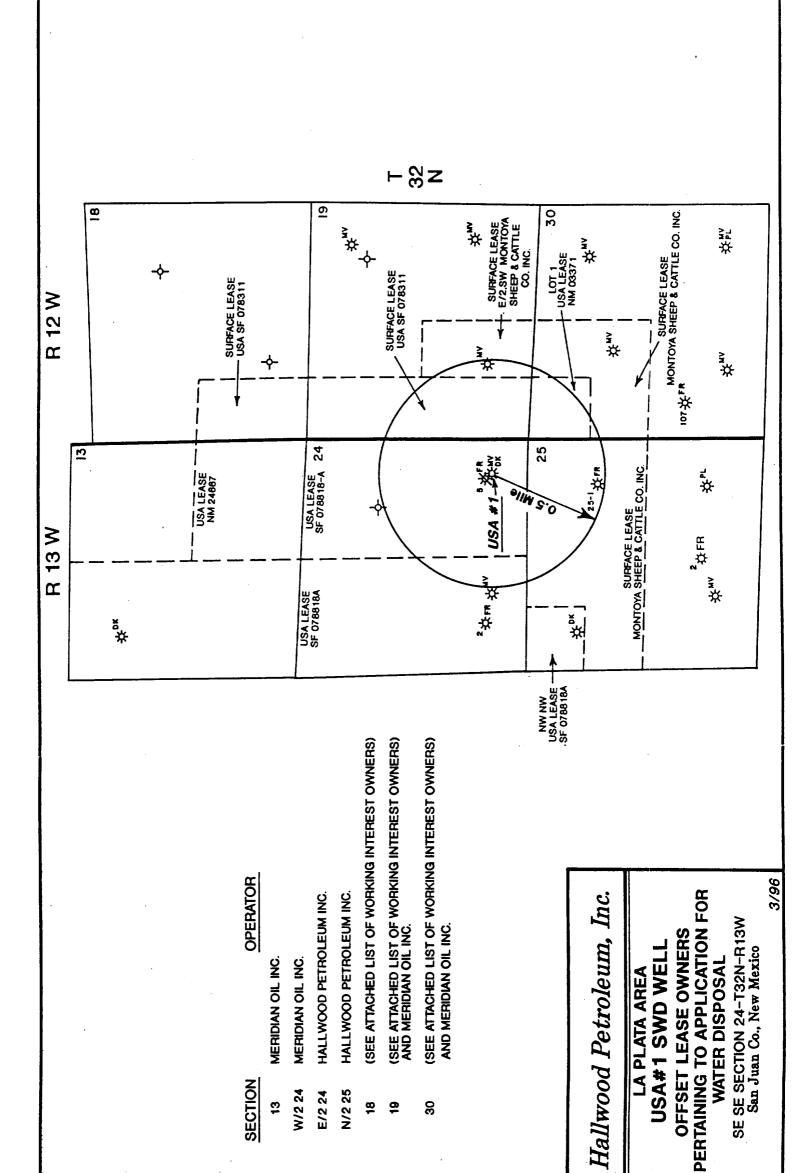
INJECTION WELL DATA SHEET

10ASE NO. SF-078818-A)	HP I	Well Construction Data	Cemented with 335 sx. feet determined by CIRCU INTIW	Cemented with sx. feet determined by	Cemented with 1695 sx. feet determined by $CIRCULATTW$	6975 ieei, Pininhman, DAKOM av. dicate which) 7800 feet, Opan-Hole, Bluff zones
) <i>PS</i>	SECTION TO		Size 8.625 TOC SURFACE Hole Size (3.25"	Size TOC Hole Size		Total Depth
HALLWOOD PETROLEUM INC	812'FSL X 804' FEL FOOTAGE LOCATION	Professo New 276" 6.50# J-55 unway Trysine & Cougaisan PACKIR MT 6775' Schematic	SURFACE CS. 50/50 POE 4 6% CENTRE OF 50/50 POE X 140 SVS 50/50 POE X 140 SVS 50/50 POE 4 6% CENT CIRCUMPTED TO SURFACE TO SURFACE TO SURFACE	CEMENT AND STAGE OF 41/2" CASING W/ 434 SXS 50/50 POE. CACCULATED CMT TOP @ 2849'	CEMENT 1ST STREE OF 41/2" CASING W/ 437 STS 41/2" CASING W/ 437 STS 50/50 POR FOLLOWED BY	CMT TOP @ WILL 10.5 # LONG PROPOSED PHASE Hole Deepening 6995 - 7800
OPERATOR HAI/WOOD	WELL NO. #/	Ö	\$ 0,1 & \$\(\)\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	A Proposition of the second	(((((((((((((((((((DAKOMA 400 6810' EST. 7005 MARISAN 7060' BLUFF 7600' SCAMMAUNITY 7750'

Hallwood Energy Companies

Well History Record

Surface 85/8 . 23.56 # Gr	WELL: USA # 1 LOCATION: 812 FSL X 804 FEL (SESE) SECTION 24-T32N-R14W, SANJUNCO SPUD DATE: 6/20/80
TOC @ SUNANG	COMPL. DATE: 7/10/80 T.D.: 7000' PBTD: 6970'
Max Mud Wt#	FIELD: BASIN DAKOTA
),	ZONES: DAKOTA A MESA VENDE
FDV 700/ MT 2404	PERFS: 6814-6970 9 MSS \ 4606-4696
11 FORMATION TOPS	15 Holes 11 21 Holes
Kirchand 400'	ELEVATIONS: 5936'KB , 5925'GL
MEST FRUITAND 1620' WHOSE PICTURE of CLIFFS 2120'	STIMULATION:
The source of the court of the	DAKOTA: 1500 GALLOWS 15%HCL
Besovering.	55,230 GAllons Mini-MAX
FILM MESAVERDE 3815	III-30 \$ 81,288#20/40 SAND
GALLUP 7833	Mesavende: 2300 GALLONS 15% HCL
DAKOTA 6810'	128,352 gals. 2% KCL
Production (A)	WATER \$ 20/40 SANO.
4/2 . 10.5	
ETT DAKOTH Gr @ 6995	NOTE: PRODUCTION CASING CEMENTED
6814'- Cmi.wi 1645 Sxs.	VIA 3-STAGE JOB.
100 @ 30000	15T STAGE: 437 5x 50/50 POZ \$ 50 SX CLASS B. EST TOP 5058'
6995' Hole Size 77/8"	
Max Mud Wt# 4/2" 10.5 #CS6.	2 ^{NL} STAGE: DV TOOL@ 4844 CAT W/ 434 SYS 50/50 ROF CALC.
ID = 4.052"	434 SXS 50/50 POZ. CALC. FILL 4844 TO 2849
DRIFF = 3.927"	3rd STAGE: DV TOOL @ 2404', CMT W/ 634 5X5 50/50 POZ X 140 5X5 50/50 POY W/ 6% GEZ, 1086/5 CIRC.
	50/50 POY W/ 6% GET, 1086/5 CIRC.
PROPOSED 37/8" ho	le to 7800'
EST. TOPS: MC	DRRISON 7060'
1/2/ 4/1 // (uff 7600'
ZOVE /	nmarville 7750'
DAKOTA MORUSON/BLUFF. SUP	MMCICVILLE 1/20



FINNEY LAND CO.

OIL & GAS CONSULTING

P.O. BOX 2471 DURANGO, CO 81302 PHONE: (970) 259-5691 • FAX (970) 259-4279

February 21, 1996

Connie Heath
District Land Manager
Rocky Mountain/Mid-Continent District
Hallwood Petroleum, Inc.
P.O. Box 378111
Denver, CO 80237

Re: Lease Check 24 T32N-R13W

Dear Ms. Heath:

Per your request of February 5, 1996, the following are the names and addresses of the owners of surface and workingt interest as to the Dakota formation, within a 2 mile radius of the USA 1 well located in the SESE of Section 24 T32N-R13W; with the exception of the B. Montoya 25 #1M well located in the NWNW of Section 25 and operated by Hallwood Petroleum, Inc., there are no other Dakota formation wells in this area.

Township 32 North - Range 13 West

Description	Surface	Working Interest
13: Lots 5,6,11, 12, (aka SE)	USA Lease NM 24667	Marshall & Winston, Inc. 10 Desta Drive Midland, TX 79705
		Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499
· · · · · · · · · · · · · · · · · · ·	USA Lease SF 078818A	Meridian Oil Inc.
25: NWNW	USA Lease SF 078818A	Hallwood Petroleum, Inc. et al
25: NE, E2NW, SWNW	Montoya Sheep & Cattle Co., Inc. 1610 Highway 170 La Plata, NM 87418	Hallwood Petroleum, Inc. et al

Connie Heath 21 February 96 Page Two

Township 32 North-Range 12 West

Description	Surface	Working Interest
18: Lots 3,4, E2SW	USA Lease SF 078311	C.W. Murchison Estate 1201 Main St. Dallas, TX 75202
		Frank Schultz, Trustee 500 N. Akard Dallas, TX 75201
		James Glenn Turner, Jr. 500 Trammel Crow Center Dallas, TX 75206
		Wm. G. Webb 1704 Main St. Dallas, TX 75206
19: Lots 1-4, E2N₩	USA Lease SF 078311	Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499
		Frank Schultz, Trustee 500 N. Akard Dallas, TX 75201
		James Glenn Turner, Jr. 500 Trammel Crow Center Dallas, TX 75206
		Wm. G. Webb 1704 Main St. Dallas, TX 75206
		Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499
		C.W. Murchison Estate 1201 Main St. Dallas, TX 75202

Connie Heath 21 February 96 Page Three

Description	Surface	Working Interest
19: E2SW	Montoya Sheep & Cattle Co., Inc. 1610 Highway 170 La Plata, NM 87418	Meridian Oil Inc.
30: E2NW, SWNW	Montoya Sheep & Cattle Co., Inc. 1610 Highway 170 La Plata, NM 87418	Meridian Oil Inc.
30: Lot 1	USA Lease NM 03371	Meridian Oil Inc. P.O. Box 4289 Farmington, NM 87499
		Frank Schultz, Trustee 500 N. Akard Dallas, TX 75201
		James Glenn Turner, Jr. 500 Trammel Crow Center Dallas, TX 75206
		Frederick E. Turner 4925 Greenville Ave. Dallas, TX 75206
		Elizabeth J. Turner Calloway 4801 St. Johns Dallas, TX 75205
		John Lee Turner 8585 N. Stemmons #925 Dallas, TX 75247
		M. Trust Corp., NA, Dallas, Trustee for Mary Frances Turner Jr. Trust Box 2320 Dallas, TX 75202

Connie Heath 21 February 96 Page Four

Description

Surface

Working Interest

30: Lot 1 (continued)

Wm. G. Webb 1704 Main St. Dallas, TX 75206

C.W. Murchison Estate 1201 Main St. Dallas, TX 75202

Attached is a listing of Dakota formation wells as obtained from the New Mexico Oil and Gas Commission, within a two mile radius of the USA #1 well.

Sincerely,

FINNEY LAND CO.

D.M. Sims, Broker

EXHIBIT VI

Data on wells of Public Record within the area of review which penetrate the proposed injection zone.

NOTE:

There are five (5) wellbores besides the USA #1 within the 1/2 mile "area of review". However, only one (1) wellbore, Hallwood's B. Montoya #25-1 in the NE/4 of Section 25-T32N-R13W, penetrated the Dakota zone. This well has since been plugged back, see information below and attached wellbore diagram. For the benefit of interested parties, we are also providing information on the remaining wells in the area of review.

B. Montoya #25-1

This former Dakota/Mesa Verde well was plugged back in 1989. The Mesa Verde & Dakota zones were cement squeezed with approximately 790 cubic feet of cement, due to a fish in the well. This calculates 188% of casing capacity, so there should be adequate amounts of cement in the zones to insure satisfactory zone isolation. This plugback procedure was approved by Frank Chavez and Ernie Busch in the NMOCO-Aztec Office on September 13, 1989.

A second plug exists from 2900' to 3000' in the wellbore, along with a cement retainer. Please see the attached wellbore diagram.

E096.01

EXHIBIT VI

Tabulation of Well Data

Hallwood Petroleum, Inc.	John H. Hill, et al	Meridian Oil	Meridian Oil	Hallwood Petroleum, Inc.	Operator
USA #5	USA #1-M	Culpepper- Martin #8	USA #1	B. Montoya #25-1	Well Name
SE Sec. 24- T32N-R13W	NE Sec. 24- T32N-R 13W	Unit N, SE SW Sec. 19- T32N-R12W	SE SW Sec. 24- T32N-R13W	NE Sec. 25- T32N-R13W	<u>Location</u>
ያ ድ አ	Р & В	Active Mesa Verde gas well	Inactive SI	Fruitland Coal Gas	Type Well
1992	1981	1958	1981	1979	Date Drilled
2150′	5971′	4899′	4750′	7059′	Total Depth
FC:	. NA	. AM	. AM	Orig MV: DK: Curr	0
2057-2143′	4136-4188′	4614-4696′	4484-4526′	Original MV: 4018-4842' DK: 6796-6992' Current FR: 2106-2156'	Completion <u>Interval</u>
P&A'd 1994 with 334 sxs of cement	P&A'd 1981, btm 4 1/2" csg at 4474', five (5) plugs set from 0-4125'	Producing MV gas well	Mesa Verde last produced in 1991.	Plugged back to 2900' in 1989 (see schematic)	Remarks

Hallwood Energy Companies

Well History Record

			Surface	WELL: B. MONTOYA #25-1
			95/8 . 36	LOCATION: SE NE SECTION 25 (UNIT H)
(; [7]		۶ بر	Gr K-55 @ 262'	(1850' FNL x 790' FEL) T32N-RI3W
9		CALE. TOC	Cmt.w/ <u>250</u> Sxs.	SPUD DATE: 02-14-79
}		500	TOC @ SUNFACE	COMPL. DATE: 3/79
}	-	E)	Hole Size	т.о.: 7059' РВТО: 2900'
\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		ن ا ا	Max Mud Wt#	ORIG. BLANCO MV & BASIN DAYOTH FIELD: CURRAT FIELD: BASIN FRUITLAND
ار ا				ZONES: BASIN FRUITLAND COAL
\:\frac{1}{2}		17 FR	4174NO COAL PERFS 2106 - 2136	PERFS: 2106-2136
1	.	:.\	ABA	MOINED: MESA VERDE: 4018 - 4842
4		CEM	ENT RETAINER @ 2900°	DAKOTA: POLYS: 6796-6992"
بنيا		• _ 1	eze Hoves @ 3000°	STIMULATION:
			1695x LITE &	9/14/89: VIA TB6 XPKR AT 3746,
) - Sa	VEETE WITH 2575 CEMENT	CMT SQUEETED MV XDAKOTA WITH
<i>,</i>		-		240 SXS HALLIBURTON LITE \$
10				375 SXS CLASS B NEAT CMT.
),	, , '	d	INTERMEDIATE	INITIAL PRESS = 1/00 # FINAL = 2000#
\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	3770		Production	THE CMT & 3770' W/ WINELINE.
برا خرال رو		1700 OF	Gr K-55 @ 5001	NOTE: CMT VOLUME CALCULATES
ents (1 65HC 4440	2-	AT 791 ft 3
1847				7 4 cs6 = (4892-3770) = 1122 x 0.2273
		5001'	TOC @	= 255 £ 3
	队机	2007	Max Mud Wt#	4/2" CSG = (6796-4892) = 1904 x D.0872
			.4	= 166 fe 3
1	X Z A	PACKER 5919	5 .	421 fe 3
I	/ · <u>, </u>	DAKOTA	gr' PRODUCTION LINER	SO VOLUME PUMPED WAS 188% OF CASING CAPACITY
		6196-09		188% OF CASING CAPACITY
1	1		41/2" 11.6#	
{			K-55 € 4892'-70	
`	And the same	•	CMT W/ 270 5x5 50 FOLLOWED BY 150 5x	50 PUZMIX
61	4"hole		Follower By 150 SX	ove LINER TOP \$ 20 3/14/96
An	r prille	o' .	CIRCULATE CMT ABO	ove liner top 100 11

EXHIBIT VII

USA #1 SWD

Data on the proposed operation:

- 1) Average Daily Injection Rate: 550 BWPD Maximum Daily Injection Rate: 1200 BWPD
- The proposed system will be an open system from water trucked and piped to Hallwood's water evaporation disposal pond located in Section 25-T32N-R13W. However, from that evaporation pond we intend to pump to the USA #1 via an existing pipeline.
- 3) Average Injection Pressure: 750 psig
 Maximum Injection Pressure: 2000 psig
- 4) The source of the injection fluid is Hallwood's 20 surrounding Fruitland Basin Coal Field wells. An analysis of this composite water from our evaporation pond is attached as Exhibit No. VII. A.

No compatibility problems are anticipated between the produced water being disposed and the receiving zone water (being Dakota/Morrison/Bluff). The Dakota zone is depleted in the immediate 1/2 mile area of the proposed USA #1 SWD. Exhibit No. VIII. B. is a list of Dakota wells within the 2-mile area.

The Morrison/Bluff formations are not oil and gas productive but are widely accepted zones for water disposal; thus, no compatibility problem is anticipated.

KE096.015



General Water Quality Hallwood Petroleum, Inc.

Project ID:

Hallwood Evaporation Pond

Date Reported:

08/29/95

Sample ID:

Top

Date Sampled:

08/24/95

Laboratory ID:

1349

Time Sampled:

11:10

Sample Matrix: \

Water

Date Received:

08/24/95

Parameter		Analytical Result	Units
General	Lab pH	9.0	s.u.
	Lab Conductivity @ 25° C	31,500	μ mhos/cm
	Total Dissolved Solids @ 180°C	21,100	mg/L
	Total Dissolved Solids (Calc)	19,900	mg/L
	Specific Gravity	1.021	
Anions	Total Alkalinity as CaCO ₃	12,600	mg/L
	Bicarbonate Alkalinity as CaCO₃	8,460	mg/L
	Carbonate Alkalinity as CaCO ₃	4,100	mg/L
	Hydroxide Alkalinity as CaCO ₃	N A	mg/L
	Chloride	4,250	mg/L
	Sulfate	< 10	mg/L
	Nitrate + Nitrite - N	. NA	
	Nitrate - N	NA	
	Nitrite - N	NA	
Cations	Total Hardness as CaCO ₃	437	mg/L
	Calcium	28.3	mg/L
	Magnesium	89.0	mg/L
	Potassium	45.0	mg/L
	Sodium	8,000	mg/L
	Total Iron	1.52	mg/L
Data Validation		4	Acceptance Lev
	Cation/Anion Difference	1.80	+/- 5 %
	TDS (180):TDS (calculated)	1.06	1.0 - 1.2
	LLC E.D.A. 600/4 70 020 Methode for Chemica	I Amelyain of Mator of	nd Monton 109

Reference

U.S.E.P.A. 600/4-79-020, Methods for Chemical Analysis of Water and Wastes, 1983.

Standard Methods For The Examination Of Water And Wastewater, 18th ed., 1992.

Paviaw

Danie Pol



General Water Quality Hallwood Petroleum, Inc.

Project ID:

Hallwood Evaporation Pond

Date Reported:

08/29/95

Sample ID:

Bottom

Date Sampled:

08/24/95

Laboratory ID:

1348

Time Sampled:

11:15

Sample Matrix:

Water

Date Received:

08/24/95

Parameter		Analytical Result	Units
General	Lab pH	9.0	s.u.
	Lab Conductivity @ 25° C	31,400	μ mhos/cm
	Total Dissolved Solids @ 180°C	20,900	mg/L
	Total Dissolved Solids (Calc)	20,700	mg/L
	Specific Gravity	1.020	
Anions	Total Alkalinity as CaCO ₃	13,100	mg/L
	Bicarbonate Alkalinity as CaCO ₃	9,090	mg/L
	Carbonate Alkalinity as CaCO ₃	4,050	mg/L
	Hydroxide Alkalinity as CaCO ₃	NA	mg/L
	Chloride	4,250	mg/L
	Sulfate	14.0	mg/L
	Nitrate + Nitrite - N.,	NA	
	Nitrate - N	NA	
	Nitrite - N	NA	
Cations	Total Hardness as CaCO ₃	462	mg/L
	Calcium	32.4	mg/L
	Magnesium	92.6	mg/L
	Potassium	46.0	mg/L
	Sodium	8,400	mg/L
	Total Iron	1.55	mg/L
Data Validation			Acceptance Leve
	Cation/Anion Difference	0.94	+/- 5 %
	TDS (180):TDS (calculated)	1.01	1.0 - 1.2

Reference

U.S.E.P.A. 600/4-79-020, <u>Methods for Chemical Analysis of Water and Wastes</u>, 1983. <u>Standard Methods For The Examination Of Water And Wastewater</u>, 18th ed., 1992.

Review

Domis PhD

General Water Quality Quality Control Report

Hallwood Petroleum, Inc.

Report Date:

08/29/95

Parameter	Analytical Result	Acceptance Range ⊯≕	Units
Laboratory pH	6.03	5.90 - 6.09	s.u.
Conductivity	1020	257 - 297	μmhos/cm
Total Dissolved Solids	754	634 - 824	mg/L
Total Alkalinity	132	117 - 146	mg/L
Chloride	121	113 - 131	mg/L
Sulfate	86.8	76.0 - 101	mg/L
Total Hardness	239	205 - 276	mg/L
Calcium	70.8	57.8 - 76.6	mg/L
Magnesium	NA	NA	mg/L
Potassium	92.0	78.1 - 106	mg/L
Sodium	140	125 - 169	mg/L
Total Iron	0.125	0.087 - 0.144	mg/L

Reference:

U.S.E.P.A. 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Standard Methods For The Examination Of Water And Wastewater, 18th ed., 1992.

Comments:

Peviewed

EXHIBIT VIII

USA #1 SWD

Part 1

The proposed injection zones are:

Name: Dakota Morrison Bluff

Lithological

Detail: Medium to fine Reddish oxidized fluvial grained sandstones; mudstones & sandstone

imbedded with dark sandstones gray carbonacious mudstones/coals

Geological

Name: Lower Cretaceous Upper Jurassic Upper Jurassic

Thickness: 250' 540' 150'

Depth: 6810' 7060' 7600'

NOTE: Also reference attached (Exhibit VIII. B.) list of Dakota wells

within 2-mile area.

Part 2

Underground sources of drinking water or aquifers containing total dissolved solids of 10,000 mg/l or less:

The potential zones for aquifers in the area of this well (USA #1) are the Nacimiento (estimated at 500-600') and OJO Alamo (at 1090'). However, they are not utilized as water sources in the immediate area, and no fresh water wells exist within one mile of the USA #1 (see Exhibit XI).

According to the New Mexico Bureau of Mines Hydrologic Report #6, many of the "traditional" water zones or aquifers are truncated or not present near this USA #1 location. "The Nacimiento grades into the Animas Formation. The Animas Formation is exposed only in a narrow belt around the Northeast part of the study area and along the LaPlata River Valley near the Colorado Border." (pg. 30). Any potential aquifers are adequately separated by casing, cement and distance (over 5000') in the USA #1 well bore.

DAKOTA FORMATION WELLS

The following is a listing of Dakota formation wells located within a two mile radius of the E2 Section 24, Township 32 North, Range 13 West, which is the spacing unit for the USA $\sharp 1$ well located in the SESE of said unit.

Township 32 North, Range 12 West

Section Section Section Section	18: 19:	All All	No Dakota No Dakota	formation wells formation wells formation wells formation wells
Section	20:	S2		Culpepper Martin #12 Meridian Oil Inc.
Section	29:	W2	_	Culpepper Martin #13 Meridian Oil Inc.
Section	31:	W2	Well: Operator:	Culpepper Martin #5 Meridian Oil Inc.
Section	31:	E2		Culpepper Martin #1A Meridian Oil Inc.
Section	31:	W2	Well: Operator:	Culpepper Martin #5M Meridian Oil Inc.
Section	31:	E2	_	Culpepper Martin #1E Meridian Oil Inc.
Section	32:	W2		Culpepper Martin #10 Meridian Oil Inc.

Township 32 North, Range 13 West

Section 13: N2	Well: State Line #1 Operator: Meridian Oil Inc.	
Section 14: E2	Well: State Line #2 Operator: Meridian Oil Inc.	
Section 23: All	No Dakota formation wells	

Dakota Wells Page Two

Township 32 North, Range 13 West

Section 24: W2 Well: USA #2 (Zone Abandoned)
Operator: Meridian Oil Inc Well:

Section 24: E2 Well: USA #1

Operator: Hallwood Petroleum Inc.

Section 25: N2 B. Montoya 25 #1M Well:

Operator: Hallwood Petroleum Inc.

Section 26: E2 Well: Ripley #2A

Operator: Meridian Oil Inc.

Section 35: E2 Well: Montoya #1M

Operator: Snyder Oil Corporation

Section 36: E2 Well: Wright State Com #1 and #1E Operator: Meridian Oil Inc. Well:

EXHIBIT IX

USA #1 SWD

Proposed Stimulation

Hallwood proposes to reperforate the Dakota formation zones as follows:

6810 - 6840' 6890 - 6894' 6900 - 6905' 6915 - 6925' 6935 - 6940' 6955 - 6965' 6970 - 6975'

These Dakota perfs would then be fracture stimulated with 150,000 gallons of "slickwater" and 180,000 pounds of 20/40 size sand.

In the event the well is deepened to the Morrison and Bluff formations, Hallwood requests approval to fracture stimulate these zones via 3 7/8" open hole and leave the proposed open hole interval from 6995 - 7800' open hole due to the small tubulars that would be required.

According to Rule 702, injection wells shall be cased with safe and adequate casing or tubing so as to prevent leakage, and such casing or tubing shall be so set and cemented as to prevent the movement of formation or injected fluid from the injection zone into any other zone or to the surface around the outside of any casing string.

Because of the depth of these three disposal zones (6810-7800') and the existence of competent cemented casing from 0-6995', Hallwood believes that simultaneous disposal into a cased and cemented Dakota zone and "open-hole" Morrison/Bluff zone would not cause any movement of fluids to other zones or in any way affect the surface lands.

EXHIBIT XI

USA #1 SWD

Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing the location of wells and dates samples were taken:

A check with Mr. Paul Cervatra of the State Engineer's office on February 27, 1996 revealed that no fresh water wells exist within one (1) mile of the USA #1 wellbore. Thus, no samples or analysis are being submitted.

EXHIBIT XII

USA #1 8WD

Affirmative Statement

I, Kevin E. O'Connell, as a Registered Professional Engineer in the State of Colorado, have examined all available engineering data in conjunction with the USA #1 disposal well application, and have found no evidence of open faults or other hydrological connection between the disposal zone and any underground source of drinking water.

Signed: Flat E Line S

Kevin E. O Connell

Drilling & Production Manager

Date: Manager 15 1990

I, Dan Spancers, as a Professional Geologist in the State of Wyoming, have examined all available geological data in conjunction with the USA #1 disposal well application, and have found no evidence of open faults or other hydrological connection between the disposal zone and any underground source of drinking water.

Signed: Dan Spancers
Dan Spancers
Senior Staff Geologist

Date: Mar. 15 1996

EXHIBIT XIV

USA #1 SWD

List of Landowner and Leasehold Owner/Operators Within One-Half Mile Radius for Proof of Notice

Description	Surface	<u>Leasehold Owner</u>
Surface Land E/2 Sec. 24-T32N-R13W USA #1 Location	USA Lease SF 078818A	 Federal Government C/O Bureau of Land Management Farmington District Office 1235 LaPlata Highway Farmington, NM 87401
Sec. 24-T32N-R13W Lots 1-4 & SW (aka W/2)	USA Lease SF 078818A	2) Meridian Oil, Inc. P. O. Box 4289 Farmington, NM 87499
Sec. 25-T32N-R13W NE, E2NW, SWNW	Montoya Sheep & Cattle Co., Inc. 1610 Hwy 170 Laplata, NM 87416	P. O. Box 378111 Denver, CO 80237 Meridian Oil, Inc. P. O. Box 4289
		Farmington, NM 87499
Sec. 19-T32N-R12W Lots 1-4, E2NW	USA Lease SF 078311	Meridian Oil, Inc. P. O. Box 4289 Farmington, NM 87499
		3) Frank Schultz, Trustee 500 N. Akard Dallas, TX 75201
		4) James Glenn Turner, Jr. 500 Trammel Crow Center Dallas. TX 75206
		5) Wm. G. Webb 1704 Main St. Dallas, TX 75206
		6) C. W. Murchison Estate 1201 Main St. Dallas, TX 75202

USA #1 SWD

	Desc	ription	Surface	Leasehold Owner
Sec.	19:	E2SW	Montoya Sheep & Cattle Co., Inc. 1610 Hwy 170 LaPlata, NM 87418	Meridian Oil, Inc.
Sec.	30:	E2NW, SWNW	Montoya Sheep & Cattle Co., Inc. 1610 Hwy 170 LaPlata, NM 87418	Meridian Oil, Inc.
Sec.	30:	Lot 1	USA Lease NM 03371	Meridian Oil, Inc. P. O. Box 4289 Farmington, NM 87499 Frank Schultz, Trustee 500 N. Akard Dallas, TX 75201
				James Glenn Turner, Jr. 500 Trammel Crow Center Dallas, TX 75206

- 7) Frederick E. Turner 4925 Greenville Ave. Dallas, TX 75208
- 8) Elizabeth J. Turner Calloway 4801 St. Johns Dallas, TX 75205
- 9) John Lee Turner 8585 N. Stemmons, #925 Dallas, TX 75247
- 10) M. Trust Corp., NA, Dallas, Trustee for Mary Frances Turner, Jr. Trust Box 2320 Dallas, TX 75202

Wm. G. Webb 1704 W. Main St. Dallas, TX 75206

USA #1 SWD

<u>Description</u> <u>Surface</u> <u>Leasehold Owner</u>

Sec. 30: Lot 1 USA C. W. Murchison Estate Lease NM 03371 1201 Main St.

Dallas, TX 75202

NOTE: Proof of Notice to be mailed to parties 1-10 as noted above.

KEO96.021

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

Denver, Colorado 80237 • (303) 850-7373

March 15, 1996

CERTIFIED MAIL NO. P 468 649 946 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Federal Government, C/O Bureau of Land Management

USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is providing you notice, via this letter and a copy of our enclosed application, of plans to seek administrative approval for authorization to dispose of produced water from Hallwood coal gas wells into the captioned well.

We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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Denver, Colorado 80237 • (303) 850-7373

March 15, 1996

CERTIFIED MAIL NO. P 468 649 947 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Meridian Oil, Inc. USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

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Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Hevin E. Olinnel

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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P 468 649 947

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 948 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Frank Schultz, Trustee

USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is providing you notice, via this letter and a copy of our enclosed application, of plans to seek administrative approval for authorization to dispose of produced water from Hallwood coal gas wells into the captioned well.

We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

HALLWOOD PETROLEUM, INC.

Flvin E. Olarnell

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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P 468 649 948

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Denver, Colorado 80237 • (303) 850-7373

March 15, 1996

CERTIFIED MAIL NO. P 468 649 949 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

James Glenn Turner, Jr.

USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is providing you notice, via this letter and a copy of our enclosed application, of plans to seek administrative approval for authorization to dispose of produced water from Hallwood coal gas wells into the captioned well.

We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

P 468 649 949

HALLWOOD	PETROLEUM,	INC.

Vousing /// Dunoll

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 950 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Wm. G. Webb USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

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We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

P 468 649 950

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 951 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

C. W. Murchison Estate

USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

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Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 952 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Frederick E. Turner USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is providing you notice, via this letter and a copy of our enclosed application, of plans to seek administrative approval for authorization to dispose of produced water from Hallwood coal gas wells into the captioned well.

We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

HALLWOOD PETROLEUM, INC.

Klein E. O'Connell
Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 954 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

John Lee Turner USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

Gentlemen:

Hallwood Petroleum, Inc. is providing you notice, via this letter and a copy of our enclosed application, of plans to seek administrative approval for authorization to dispose of produced water from Hallwood coal gas wells into the captioned well.

We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

Zuin E.V

P 468 649 954

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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March 15, 1996

CERTIFIED MAIL NO. P 468 649 955 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

M. Trust Corp., NA, Dallas

USA #1 SWD Well

Proof of Notice RE:

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc.
Proposed USA #1 SWD Well
Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

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We are proposing to dispose into the Dakota formation and also the Morrison and Bluff zones.

Sincerely,

P 468 649 955

HALLWOOD	PETROLEUM,	INC.
,		_

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

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Denver, Colorado 80237 • (303) 850-7373

March 15, 1996

CERTIFIED MAIL NO. P 468 649 953 RETURN RECEIPT REQUESTED

TO: Surface Owner and Offset Parties

Elizabeth J. Turner Calloway

USA #1 SWD Well

RE: Proof of Notice

Form C-108, Application for Authorization to Inject

Hallwood Petroleum, Inc. Proposed USA #1 SWD Well

Unit P, SE SE, 812' FSL & 804' FEL

Section 24-T32N-R13W

San Juan County, New Mexico

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Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell

Drilling & Production Manager

Rocky Mountain & Mid-Continent District

KEO/jea

Enclosures

cc: State of New Mexico

Oil Conservation Division

P. O. Box 2088

Santa Fe, NM 87504-2088

KE096.019

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