FORM 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

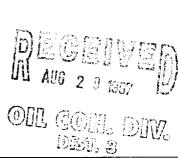
5. Lease Designation and Serial No. SF-078818-A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir. L 6. If Indian, Allottee or Tribe Name Use "APPLICATION FOR PERMIT -" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil 8. Well Name and No. Gas **USA #1** Well Well 9. API Well No. 30-045-24023 2. Name of Operator Hallwood Petroleum, Inc. 10. Field and Pool, or Exploratory Area Blanco-Mesa Verde 3. Address and Telephone No. P. O. Box 378111, Denver, CO 80237 (303) 850-6257 11. County or Parish, State 4. Location of Well (Footage, Sec., T., R., m., or Survey Description) San Juan, NM (SE SE) 812' FSL & 804' FEL, Section 24-T32N-R13W

2.	CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA				
	TYPE OF SUBMISSION	TYPE OF ACTION			
	Notice of Intent		Abandonment	Change of Plans	
			Recompletion	New Construction	
	X Subsequent Report		Plugging Back	Non-Routine Fracturig	
			Casing Repair	Water Shut-Off	
	Final Abandonment Notice		Altering Casing	Conversion to Injection	
		X	Other Plugging back variance	Dispose Water	
				(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

Hallwood Petroleum, Inc. respectfully requests a variance to the "typical" plugging back procedure in the area for the USA #1 well. Specifically requesting that a plug currently set at 4450' and capped with 50' cement can serve as the Gallup and Mesa Verde plug. A Dakota plug also is in the well at 6714' (capped with 50' cement). An additional plug is set at 2850' (capped with 50' cement) that is requested to serve as the Upper Mesa Verde plug.



14. I hereby certify that the foregoing is true and correct Signed 2011 CM	Kevin E. O'Connell Title Drilling & Production Manager	Date_7/17/97
(This space for Federal or State office use) Approved by /S/Dunne W. Spence Conditions of approval, if any:	Title	Date MIG 27 1997

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.

^{13.} Describe Proposed or Completed Operations (Clearly state all pertinent details, and gibe pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

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 COMPL. DATE: 7/10/80 I.D.: 7000 PBTO: 6970' FIELD: BASIN DAKOTA ZONES: DAKOTA # MESA VONGE PERFS: 6814-6970' 97655 4606-4696' 15 HOLES 2 HOLES ELEVATIONS: 5936' KB, 5925'6L STIMULATION: DAKOTA: 1500 GAILGUS 15% HCL 55,230 GAILGUS MINI-MAX III-30 \$ 81,288 \$ 20/40 SAND MESA VENDE: 2300 GAILGUS 15% HCL 128,352 9415. 296 KCL WARD \$ 20/40 SAND. MOTE: PRODUCTION CASING CEMENTO VIA 3-STAGE TOB. 15T STAGE: 437 5X 50/50 POZ \$ 50 SX CLASS B. EST TOP 5058' 2NU STAGE: NITTHE OR HEALT! C /
TOC @ SUNFACE,	1ST STAGE: 437 5x 50/50 POZ \$
	30 SX CLASS B. EST 70P3058 24 STAGE: DV TOOL® 4844' CAT W/ 434 SXS 50/50 POZ. CALC. FILL 4844 TO 2849' 312 STAGE: DV TOOL® 2404', CMT W/ 634 SXS 50/50 POZ X /40 SXS 50/50 POY W/ 6% GEL, 1086/5 CIAC.