

Hallwood Energy Companies

4582 South Ulster Street Parkway • Stanford Place III • Suite 1700 • Post Office Box 378111
Denver, Colorado 80237 • (303) 850-7373

OIL CONSERVATION DIVISION
RECEIVED
91 FEB 26 AM 11 07

FEDERAL EXPRESS

February 25, 1991

Mr. Mike Stogner
New Mexico Oil Conservation Division
310 Old Santa Fe Trail
State Land Office Building, Room 206
Santa Fe, NM 87501

Re: Harroun #1
Application for Permit To Drill
Exception Location

Dear Mr. Stogner:

Hallwood hereby requests administrative approval for the above exception location. Regarding this application, enclosed please find the following:

1. Form C101 - APD
2. Form C102 - Plat
3. Topography map
4. Proposed pad, location layout
5. Land map
6. Copies of certified return receipts

This exception location is due to a cement lined irrigation canal, a high pressure gas line and topography. The proposed location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not affect any offset operators' correlative rights. Hallwood did not receive return receipts from two individuals who have operating rights with Texaco in the E/2 of the SE/4 of Section 7. However, all other offset operators were contacted.

If you have any questions, please give me a call.

Sincerely,

HALLWOOD PETROLEUM, INC.



Steve Bausch
Petroleum Engineer
Western Region

Enclosures
SB/#16.jp

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

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

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

APPROVED BY _____
 RECEIVED
 91 FEB 26 AM 11:07
 5. Indicate Type of Lease STATE FEE
 6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL RE-ENTER DEEPEN PLUG BACK
 b. Type of Well: OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE
 2. Name of Operator: Hallwood Petroleum, Inc.
 3. Address of Operator: P. O. Box 378111, Denver, CO 80237
 4. Well Location: Unit Letter 0 : 787 Feet From The South Line and 2530 Feet From The East Line
 Section 7 Township 24S Range 29E NMPM Eddy County
 7. Lease Name or Unit Agreement Name: Harroun
 8. Well No.: 1
 9. Pool name or Wildcat: Malaga Delaware

10. Proposed Depth: 3200'
 11. Formation: Delaware
 12. Rotary or C.T.: Rotary

13. Elevations (Show whether DF, RT, GR, etc.): 2946.1' GL
 14. Kind & Status Plug. Bond: National Blanket
 15. Drilling Contractor: --
 16. Approx. Date Work will start: March 20, 1991

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24#	400'	240 sx	Surf.
7-7/8"	4-1/2"	11.6#	3200'	310 sx	2450'

Hallwood Petroleum, Inc. wishes to advise that we intend to drill a 12-1/4" hole with spud mud to 400' and set 8-5/8", 24#, J-55 ST&C casing to 400', cementing to surface with 240 sx (350 cu ft) Class "H" cement. Wait on cement 12 hours, nipple up and test BOP. Drill 7-7/8" hole out of surface to 3200' with brine water and sweeps. Log well. Set 4-1/2", 11.6#, K-55 LT&C production casing to 3200' cementing up to 2450' with 310 sx (340 cu ft) of Class "H" cement.

Perforate pay section in the Delaware, acidize perforations and frac with approximately 4000 gallons of crosslinked gelled KCl water and 12,000 lbs of 20/40 Ottawa sand. Clean up well and install standard production equipment. Test well for a period not to exceed 30 days. (3000 psi-rated BOP's will be utilized)

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Holly S. Richardson TITLE Sr. Ops. Eng. Tech. DATE 2/19/91
 TYPE OR PRINT NAME Holly S. Richardson (303) 850-6322 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

SECTION 7, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,

EDDY COUNTY

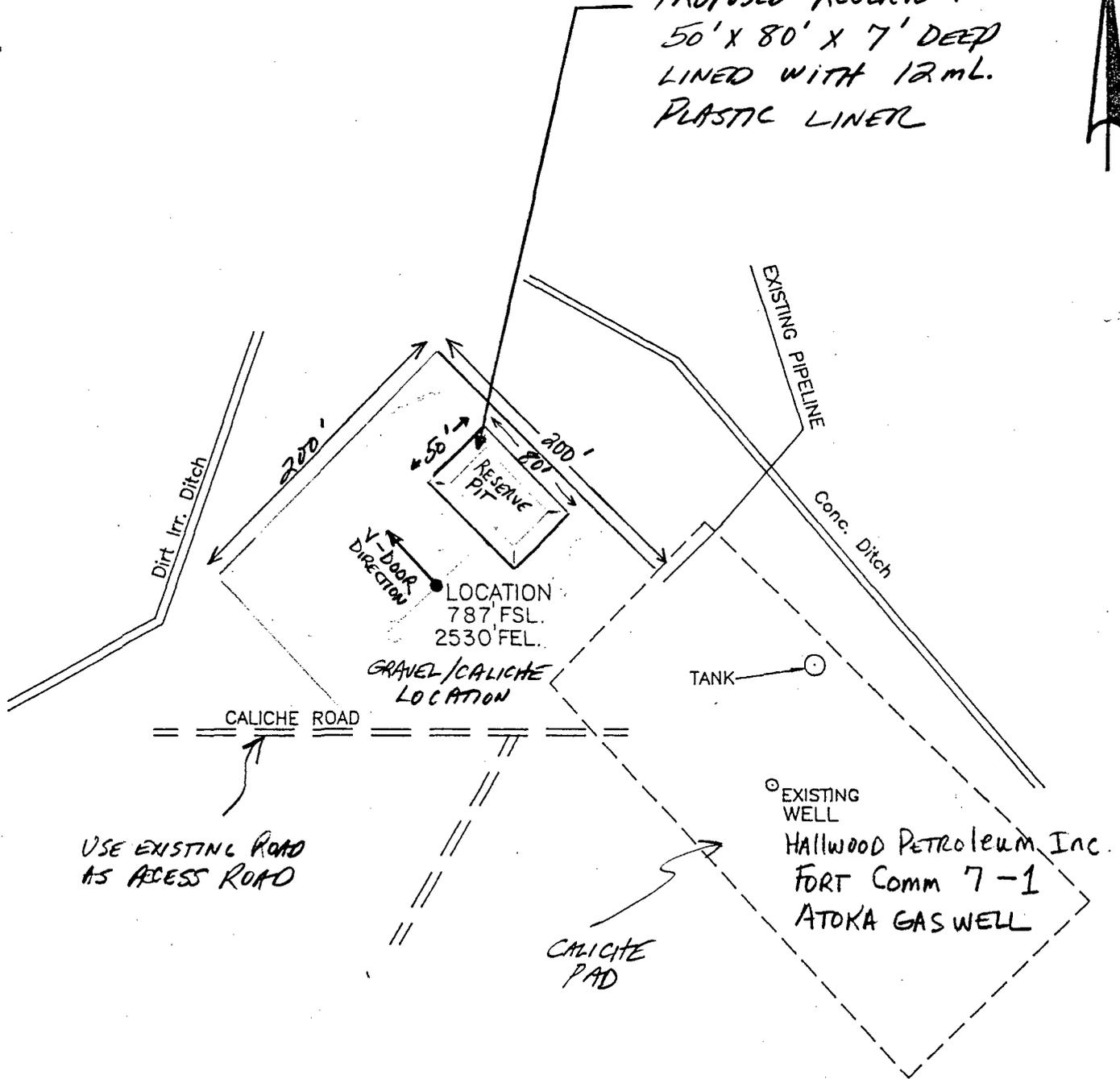
NEW MEXICO

HALLWOOD PETROLEUM
HARROUN # 1

PROPOSED PAD & LOCATION LAYOUT



PROPOSED RESERVE PIT
50' x 80' x 7' DEEP
LINED WITH 12 ML.
PLASTIC LINER



USE EXISTING ROAD
AS ACCESS ROAD

ADDITIONS TO LOCATION
PLAT MADE BY:

Kevin E. O'Connell 4/22/91
KEVIN E. O'CONNELL
Hallwood Petroleum Inc.
WESTERN DISTRICT DRILLING
& PRODUCTION SUPERVISOR



I HEREBY CERTIFY THAT THIS PLAT WAS MADE
FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE
SURVEY MADE UNDER MY SUPERVISION, AND THAT
THE SAME IS TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE AND BELIEF.

John W. West

JOHN W. WEST, N.M. P.E. & L.S. No. 676
TEXAS R.P.S. No. 1138

NOTE: LITTLE OR NO CONTOUR
VARIATION ACROSS PROPOSED
LOCATION, SEE ATTACHED
CONTOUR MAP. EXISTING SITE
IS LEVEL WITH NO RELIEF

HALLWOOD PETROLEUM, INC.

TOPO AROUND THE HARROUN WELL No. 1,
LOCATED IN SECTION 7, TOWNSHIP 24 SOUTH,
RANGE 29 EAST, N.M.P.M., EDDY COUNTY,
NEW MEXICO.

JOHN W. WEST ENGINEERING COMPANY

CONSULTING ENGINEERS HOBBS, NEW MEXICO

Scale 1"=100' Drawn By: PRESLEY Disk: JLP-1

Date: 1/25/91 CK. Sheet 1 of 1 Sheets

Project Number 91-01-045 File Name HPIHAW1

1" = 2000'

MALAGA QU
NEW MEXICO
7.5 MINUTE SERIES (

E
O.
GRAPHIC)

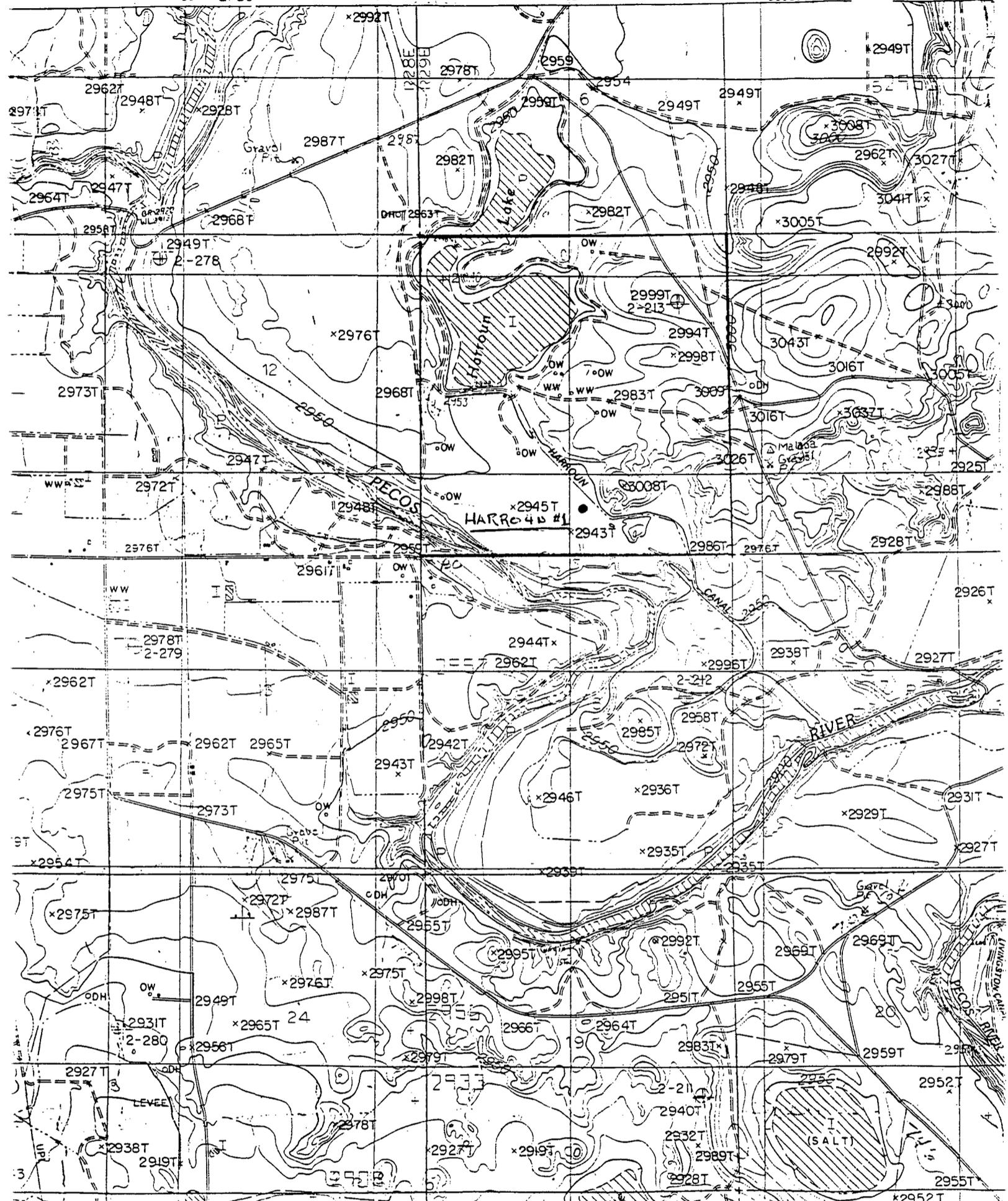
890 2' 30"

891

892

600000 FEET

894 10"



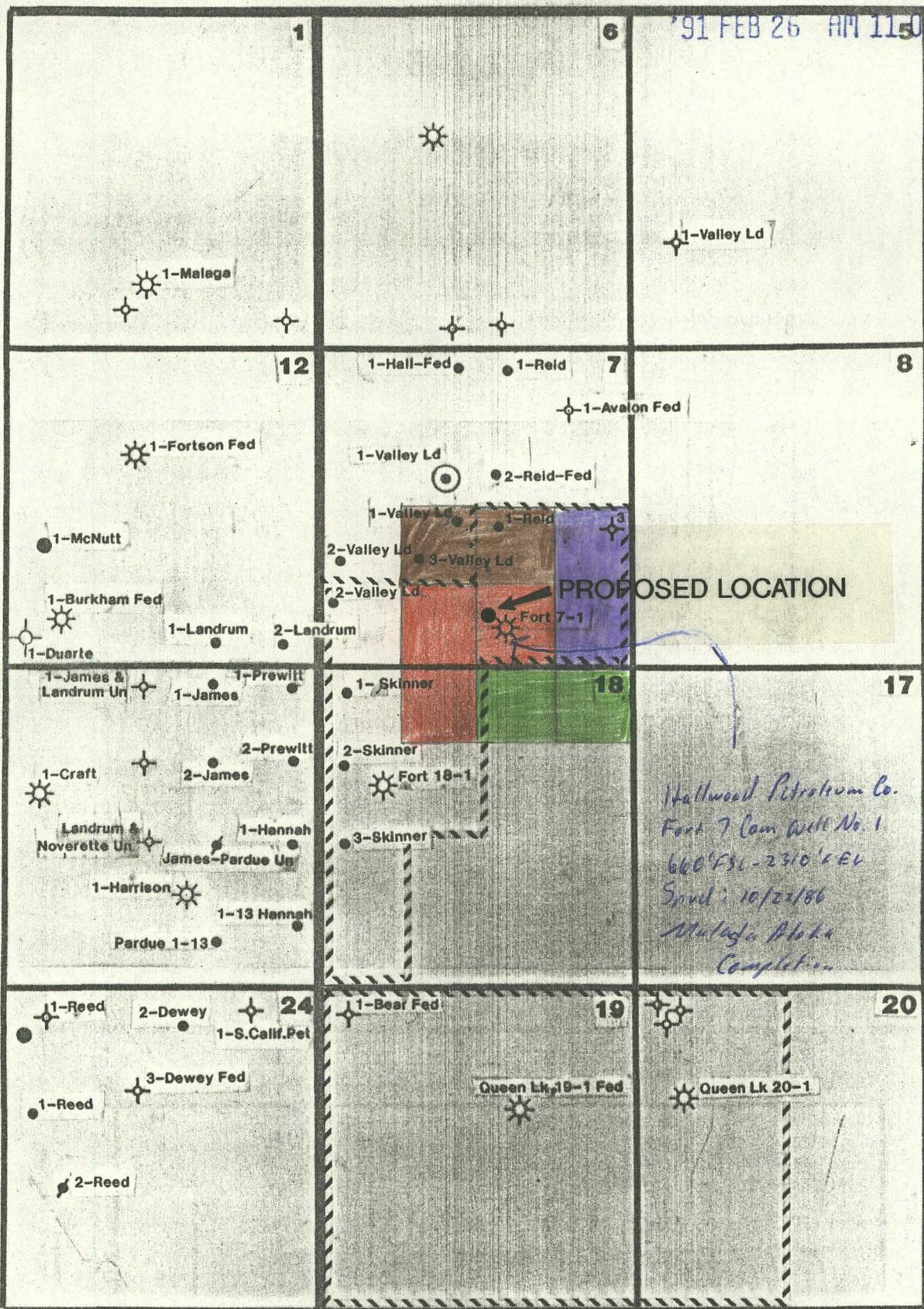
Harroun #1 Well
 Sec. 7, T24S-R29E
 Eddy Co., NM
 Hallwood Petroleum, Inc.

R 28 E

R 29 E

OIL CONSERVATION DIVISION
RECEIVED

'91 FEB 26 AM 11:07



T
24
S

*Hallwood Petroleum Co.
Fort 7 Cam Well No. 1
660' FSL - 2310' KLV
Spud: 10/23/86
Malaga Probe
Completion*

LEGEND

- ⊙ DELAWARE DISCOVERY
- DELAWARE PRODUCER
- ⊕ DELAWARE DRY HOLE
- ⊕ DELAWARE TEMPORARILY ABANDONED
- BONE SPRING
- ⊕ BONE SPRING DRY HOLE
- ☀ DEEP GAS WELL

HALLWOOD PETROLEUM, INC.

Revisions		
No.	Date	By
1		
2		
3		
4		
5		

MALAGA (DELAWARE) FIELD

EDDY CO., NEW MEXICO

LAND MAP

Designed By AK | By: SB | Scale 1:2000' | Date 10/90

HALLWOOD

TEXACO

EASTLAND

ENRON

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
RETURN RECEIPT REQUESTED

January 31, 1991

Eastland Oil Company
Attn: Robin Donnelly
P. O. Box 3488
Midland, TX 79702

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Gentlemen:

Upon receipt of this letter, you are notified that Hallwood Petroleum is applying for administrative approval of the exception location described above to drill a Delaware test. This exception location is due to: 1) a cement lined irrigation canal, 2) a high pressure gas line, and 3) topography (please see attached plat). This location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not effect any offset operators' correlative rights.

If you have any questions, please call the (303)850-6237 or Mike Boling at (505)746-

Very truly yours,

HALLWOOD PETROLEUM, INC.

Steve Bausch

Steve Bausch
Petroleum Engineer
Western Region

Attachment

SB/#14.jp

P 358 775 470
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address (Extra charge)	2. <input type="checkbox"/> Restricted Delivery (Extra charge)
3. Article Addressed to: Eastland Oil Co. P. O. Box 3488 Midland, TX 79702	4. Article Number P 358 775 470
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <i>[Signature]</i>	
7. Date of Delivery 2-4-91	

Hallwood Energy Companies

4582 South Ulster Street Parkway - Stamford Place III - Suite 1700 - Post Office Box 37811
Denver, Colorado 80237 (303) 850-7373

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 31, 1991

TEXACO
Attn: R. S. Lane
P. O. Box 3109
Midland, TX 79702

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Gentlemen:

Upon receipt of this letter, you are notified that Hallwood Petroleum is applying for administrative approval of the exception location described above to drill a Delaware test. This exception location is due to: 1) a cement lined irrigation canal, 2) a high pressure gas line, and 3) topography (please see attached plat). This location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not effect any offset operators' correlative rights.

If you have any questions, please call t
(303)850-6237 or Mike Boling at (505)746

Very truly yours,

HALLWOOD PETRO



Steve Bausch
Petroleum Engin
Western Region

Attachment

SB/#14.jp

P 358 775 484

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)	
3. Article Addressed to: <i>Delaco Attn: R.S. Lane P.O. Box 3109 Midland, TX 79702</i>	4. Article Number <i>P 358 775 484</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee: <i>X</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent: <i>X</i> 	
7. Date of Delivery: <i>FEB 5 1991</i>	

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
RETURN RECEIPT REQUESTED

January 31, 1991

Enron Oil and Gas
Attn: Patrick J. Tower
P. O. Box 2267
Midland, TX 79702

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Gentlemen:

Upon receipt of this letter, you are notified that Hallwood Petroleum is applying for administrative approval of the exception location described above to drill a Delaware test. This exception location is due to: 1) a cement lined irrigation canal, 2) a high pressure gas line, and 3) topography (please see attached plat). This location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not offset operators' correlative rights.

If you have any questions, please call (303)850-6237 or Mike Boling at (505)74

Very truly yours,

HALLWOOD PETRO

Steve Bausch
Steve Bausch
Petroleum Engin
Western Region

Attachment

SB/#14.jp

P 358 775 471
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

555

Sent

M. B. U

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge)	2. <input type="checkbox"/> Restricted Delivery (Extra charge)
3. Article Addressed to: <i>Enron Oil & Gas P. O. Box 2267 Midland, TX 79702</i>	4. Article Number <i>P 358 775 471</i>
5. Signature - Addressee <i>[Signature]</i>	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
6. Signature - Agent <i>[Signature]</i>	Always obtain signature of addressee or agent and DATE DELIVERED
7. Date of Delivery FEB 5 1991	8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

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
RETURN RECEIPT REQUESTED

January 31, 1991

Eastland Oil Company
Attn: Robin Donnelly
P. O. Box 3488
Midland, TX 79702

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Gentlemen:

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If you have any questions, please call the (303)850-6237 or Mike Boling at (505)746-9

Very truly yours,

HALLWOOD PETROLEUM

Steve Bausch

Steve Bausch
Petroleum Engineer
Western Region

Attachment

SB/#14.jp

P 358 775 470
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO". Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.	
1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)	
3. Article Addressed to: <i>Eastland Oil Co. P.O. Box 3488 Midland, TX 79702</i>	4. Article Number: <i>P 358 775 470</i>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Addressee <i>X</i>	8. Addressee's Address (ONLY if requested and fee paid) <i>Midland, TX 79702</i>
6. Signature - Agent <i>[Signature]</i>	
7. Date of Delivery <i>2-4-91</i>	

Hallwood Energy Companies

4582 South Ulster Street Parkway - Stanford Place III - Suite 1701 - Post Office Box 378111
Denver, Colorado 80237 (303) 850-7373

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 31, 1991

J. D. Anderson
420 N. Olive Steet
Dallas, TX 75201

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Dear Mr. Anderson:

Upon receipt of this letter, you are notified that Hallwood Petroleum is applying for administrative approval of the exception location described above to drill a Delaware test. This exception location is due to: 1) a cement lined irrigation canal, 2) a high pressure gas line, and 3) topography (please see attached plat). This location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not effect any offset operators' correlative rights.

If you have any questions, please call
(303)850-6237 or Mike Boling at (505)74

Very truly yours,

HALLWOOD PETROLEUM, INC.



Steve Bausch
Petroleum Engineer
Western Region

Attachment

SB/#14.jp

P 358 775 487

RECEIPT FOR CERTIFIED MAIL

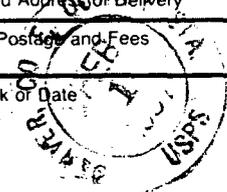
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to	J. D. Anderson
Street and No.	420 N. Olive St.
P.O. State and ZIP Code	Dallas, TX 75201
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark of Date	



Hallwood Energy Companies

4582 South Ulster Street Parkway Stamford, Place III Suite 1700 Post Office Box 378111
Denver, Colorado 80237 (303) 850-7373

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 31, 1991

Glenna Anderson
2329 East Live Oak Drive
Los Angeles, CA 90069

Re: Harroun #1
Exception Location
SW SE Section 7-T24S-R29E
787' FSL, 2530' FEL
Eddy County, New Mexico

Dear Ms. Anderson:

Upon receipt of this letter, you are notified that Hallwood Petroleum is applying for administrative approval of the exception location described above to drill a Delaware test. This exception location is due to: 1) a cement lined irrigation canal, 2) a high pressure gas line, and 3) topography (please see attached plat). This location is 220 feet west of a legal location and is being moved closer to a lease also owned by Hallwood and will not effect any offset operators' correlative rights.

If you have any questions, please call t
(303)850-6237 or Mike Boling at (505)746

Very truly yours,

HALLWOOD PETROLEUM, INC.



Steve Bausch
Petroleum Engineer
Western Region

Attachment

SB/#14.jp

P 358 775 486
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

PS Form 3800, June 1985

U.S. G.P.O. 1989-234-555

Sent to	Glenna Anderson
Street and No.	2329 E. Live Oak Dr
P.O., State and ZIP Code	Los Angeles, CA 90069
Postage	\$.25
Certified Fee	.85
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	.90
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	JAN 31 1991 DENVER CO

