

# 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  
108 DE 8 AM 8 18

**CERTIFIED MAIL**

November 24, 1993

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

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 but 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 District Office  
 State Lease -- 6 copies  
 Fee Lease -- 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

KEO  
 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

API NO. (assigned by OCD on New Wells)

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, Colorado 80237

4. Well Location  
 Unit Letter A : 1190 Feet From The North Line and 790 Feet From The East Line  
 Section 9 Township 31N Range 13W NMPM San Juan County

7. Lease Name or Unit Agreement Name  
 Wilmerding 9

8. Well No.  
 2

9. Pool name or Wildcat  
 Basin Fruitland Coal

10. Proposed Depth 2,200' 11. Formation Fruitland Coal 12. Rotary or C.T. Rotary

13. Elevations (Show whether DF, RT, GR, etc.) 5811' GR 14. Kind & Status Plug. Bond Blanket B1595231 15. Drilling Contractor not yet determined 16. Approx. Date Work will start 12/3/93

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#	350	250sx	surface
7-7/8"	5-1/2"	15.50#	2,200	300sx	surface
				50sx	

Hallwood Petroleum, Inc. proposes to drill a 12-1/4" hole with native mud to 350' and set 8-5/8", 24#, J-55 casing to 350' cementing to surface with 250 sxs Class "B" cement. Drill 7-7/8" hole out of surface casing to 2,200' with mud. Log well. Set 5-1/2", 15.50#, J-55 production casing to 2,200' cementing from the Fruitland Coal back to surface with 300 sxs lead cement followed by 50 sxs Class "B" tail cement. Test coal interval through perforations at 2,090' to 2,140'. Fracture stimulate with approximately 200,000#, 12/20 sand, flow to clean up well and put on rod pump with beam unit.

Approval for this well location and non-standard spacing unit falls under Order No. R-8768-A, Rule 6., (c). This spacing unit (NE/4 Sec. 9 & NW/4 Sec. 10) was previously approved and created in 1961 by the Wilmerding #1-9 Basin Dakota/Blanco Mesaverde gas well; Reference Division Order R-2067. (See attached copy of order).

NOV 5 1993  
 OIL CON. DIV.  
 DIST. 9

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 Kevin E. O'Connell TITLE Drilling & Prod. Manager DATE 11/2/93  
 TYPE OR PRINT NAME Kevin O'Connell (303) TELEPHONE NO. 850-6303

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 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, Arcoia, NM 88210

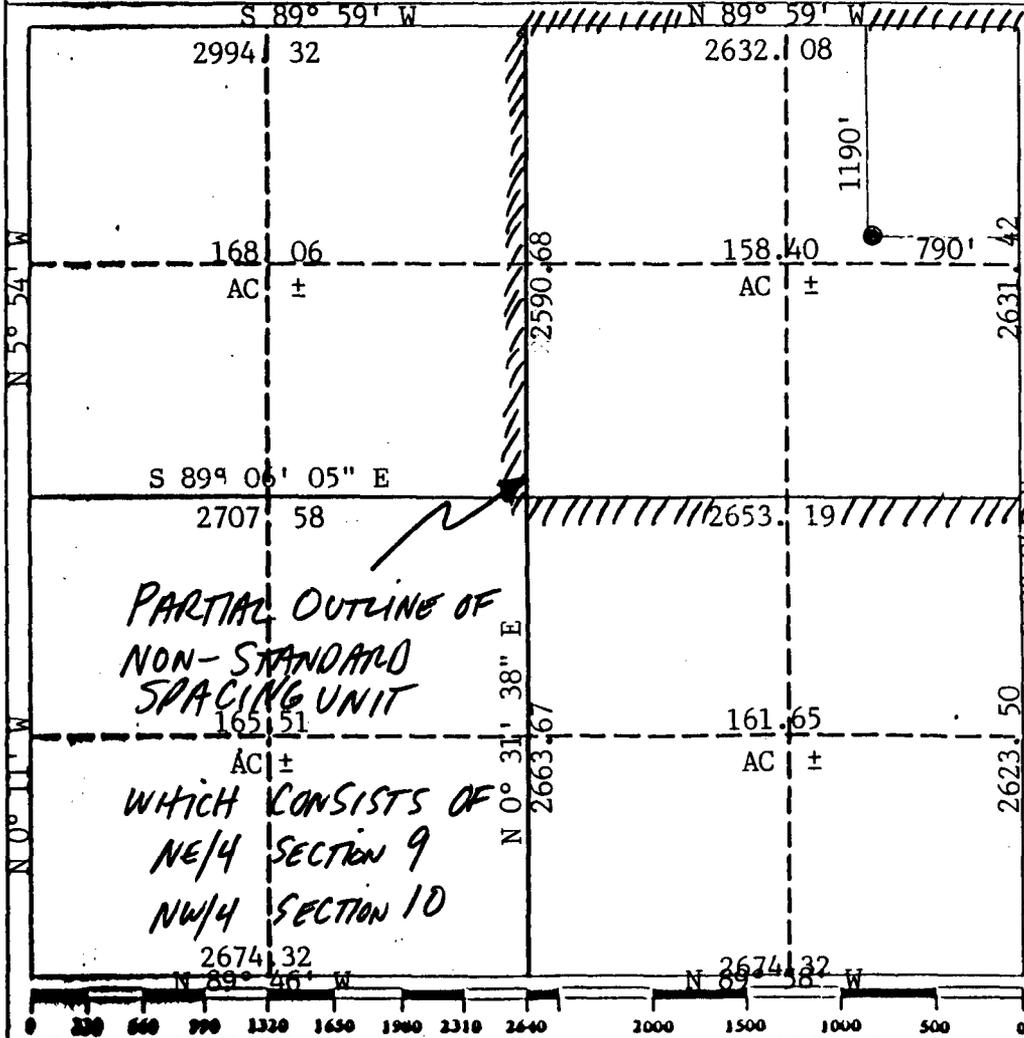
DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>HALLWOOD PETROLEUM, INC.</b>			Lease <b>WILMERDING 9</b>		Well No. <b>2</b>
Unit Letter <b>A</b>	Section <b>9</b>	Township <b>31N</b>	Range <b>13W NM1PM</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>1190</b> feet from the <b>North</b> line and <b>790</b> feet from the <b>East</b> line					
Ground level Elev. <b>5811</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Basin Fruitland</b>	Dedicated Acreage: <b>+320 ACRES</b>	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes  No If answer is "yes" type of consolidation \_\_\_\_\_  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Kevin E. O'Connell*  
 Printed Name: **KEVIN E. O'CONNELL**  
 Position: **DRILLING & PROD. MANAGER**  
 Company: **HALLWOOD PETROLEUM INC.**  
 Date: **11/23/93**

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **November 18, 1993**  
 Signature & Seal: *Cecilia B. Tully*  
 Professional Surveyor  
 Certificate No.: **9672**

HALLWOOD PETROLEUM, INC.

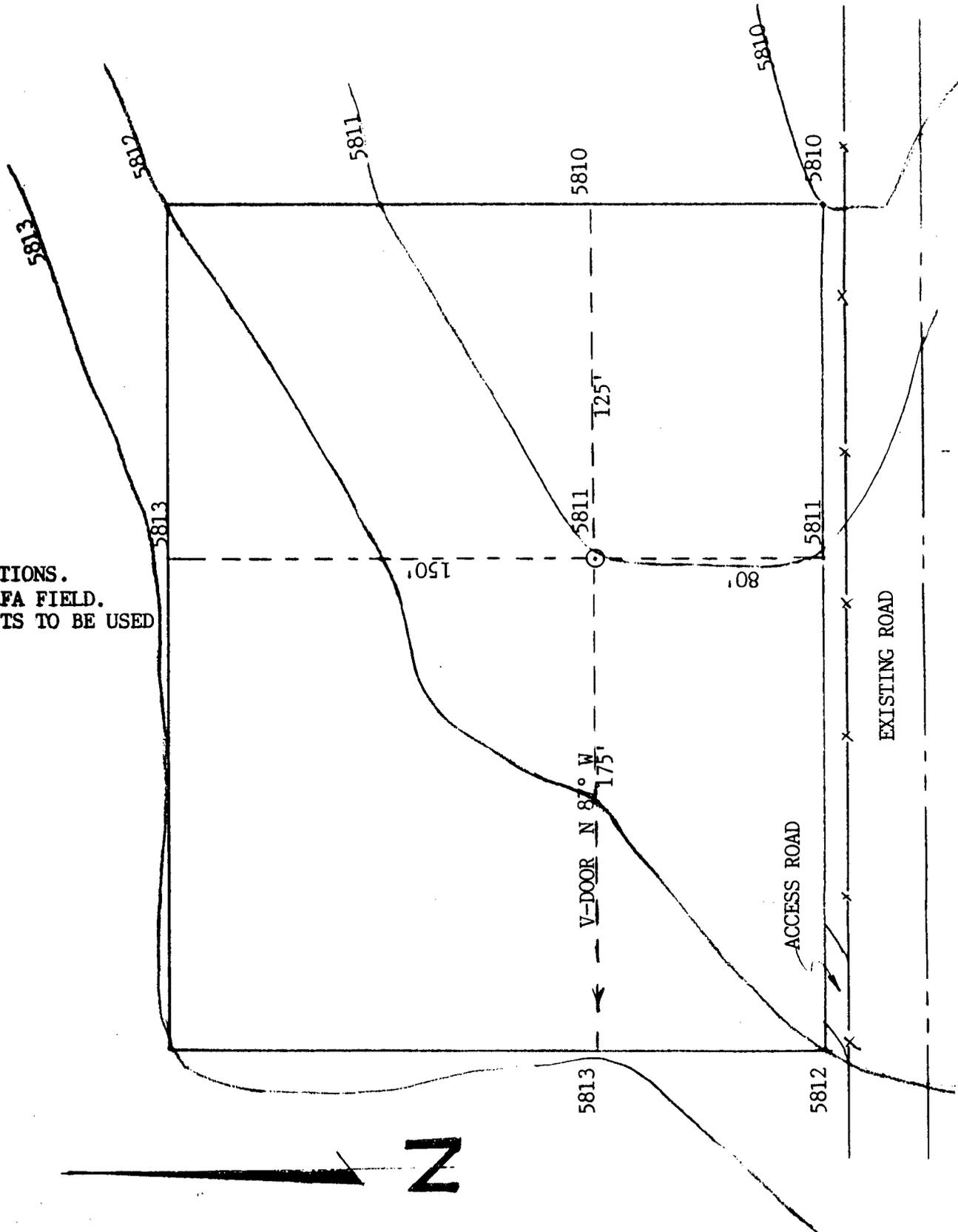
Scale: 1" 50'

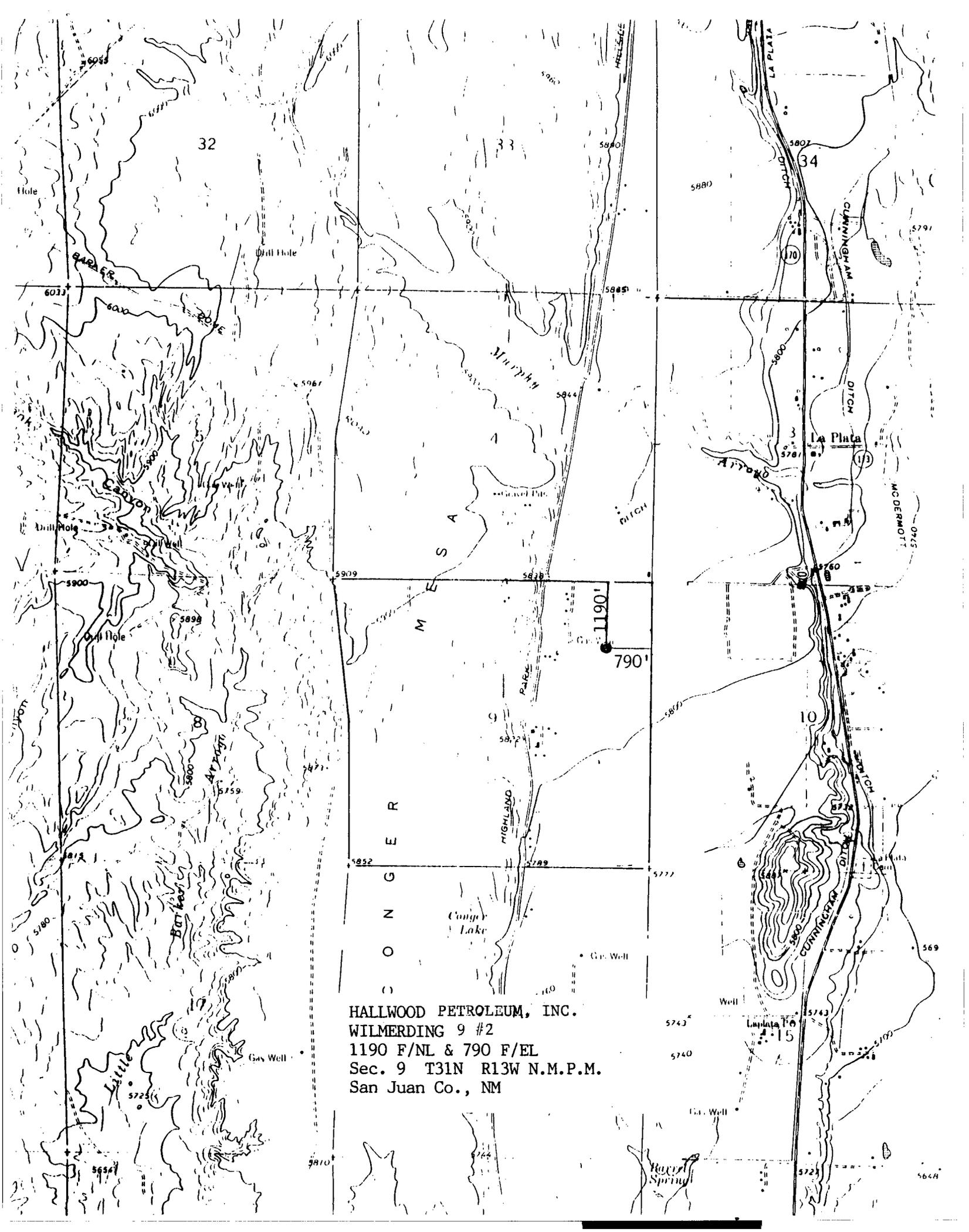
Contour Int. = 1'

WILMERDING 9 #2  
1190 F/NL & 790 F/EL  
Sec. 9 T31N R13W N.M.P.M.  
San Juan Co., NM

NOTE:

NO X-SECTIONS.  
IN ALFALFA FIELD.  
STEEL PITS TO BE USED  
NO CUT  
NO FILL





HALLWOOD PETROLEUM, INC.  
 WILMERDING 9 #2  
 1190 F/NL & 790 F/EL  
 Sec. 9 T31N R13W N.M.P.M.  
 San Juan Co., NM

(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 hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

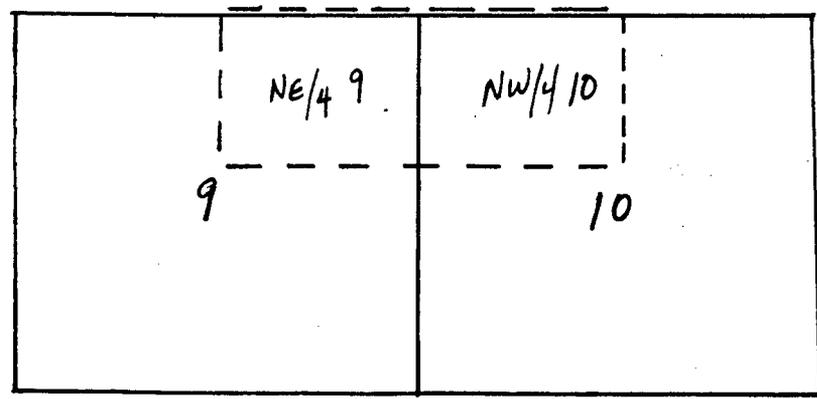
E. S. WALKER, Member

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

*NOTE: IT APPEARS THIS WAS DONE FOR THE SE/4 SPACING UNIT SECTION #1-10 F.E.O. 11/24/97*

S E A L

esr/



T31N

R13W

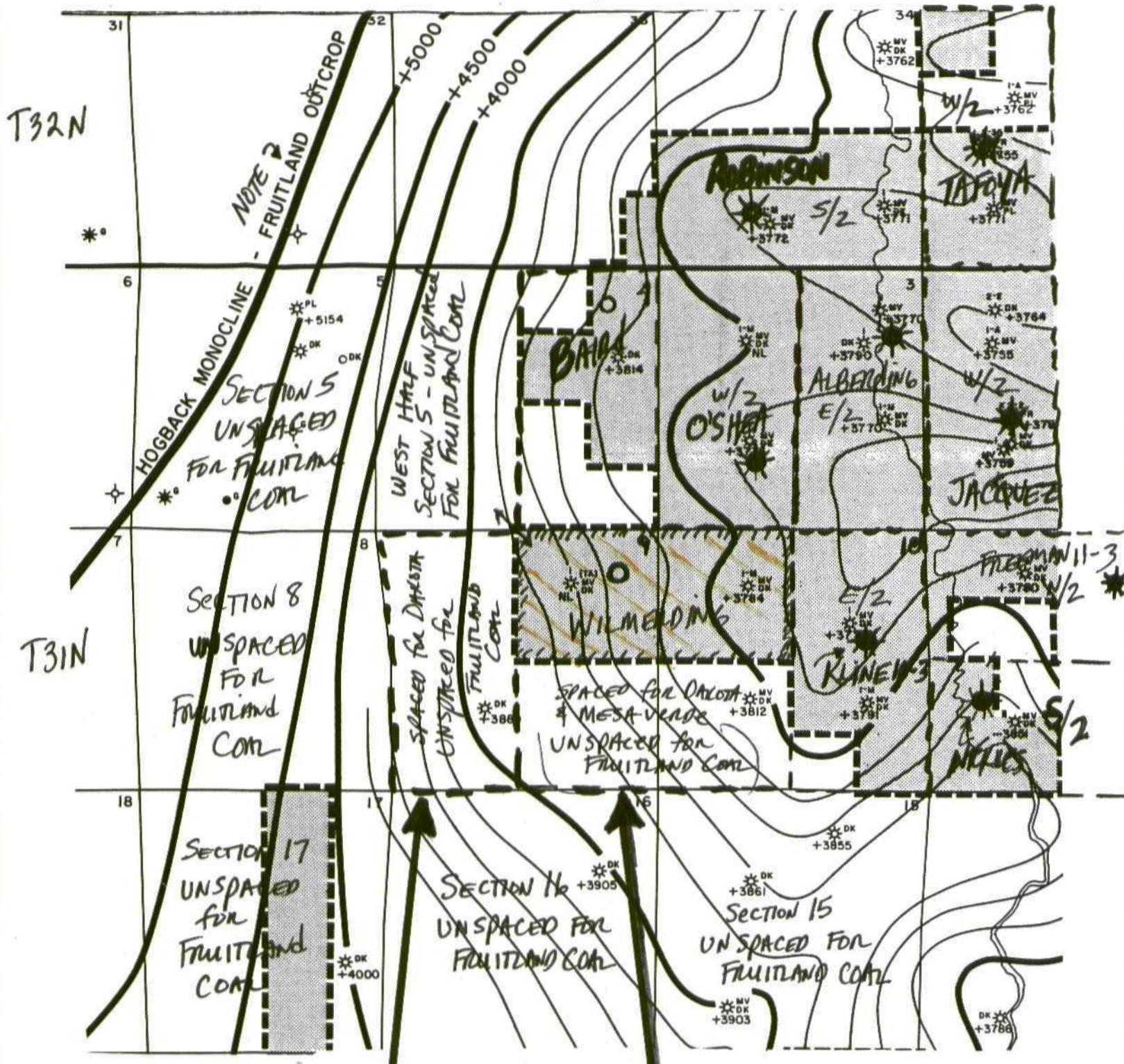
# SKETCH OF ADJACENT FRUITLAND COAL SPACING UNITS - WILMELDING 9#2

## FRUITLAND COAL WELL & SPACING UNIT

WILMELDING 9#2	NE/4 9 & NW/4 10 - T31N-R13W
BAIRD 4#2	E/2 sec. 4 - T31N-R13W
O'SHEA 3#2	W/2 Sec 3 - T31N-R13W
ALBERDING 3#2	E/2 Sec 3 - T31N-R13W
KLINE 10#3	E/2 sec 10 - T31N-R13W

## FRUITLAND COAL WELL & SPACING UNIT

ROBINSON 34#2	S/2 sec 34 - T32N-R13W
TAFAYA L2-36	W/2 sec 35 - T32N-R13W
JACQUEZ K2-2	W/2 sec 3 - T31N-R13W
NICKLES 11-2	S/2 sec 11 - T31N-R13W
FREEMAN 11-3	N/2 sec 11 - T31N-R13W



A. GROSS #1-9  
DAKOTA SPACING  
UNIT W/2 sec. 9

SEGAL #1-10 MESA VERDE/DAKOTA  
SPACING UNIT SE/4 9 & SW/4 10  
UNSPACED FOR FRUITLAND COAL

☀ EXISTING Hallwood Fruitland  
COAL WELLS

○ proposed Fruitland Coal Wells

by: K.E. O'Connell  
11/24/93

**Hallwood Energy Companies**  
4582 South I-25 West Parkway • Stamford Place III • Suite 1701 • Post Office Box 37811  
Denver, Colorado 80217 • (303) 850-7173

Revisions		
No.	Date	By
1	12-25-91	D.G.
2		
3		
4		
5		
6		
7		
8		
9		
10		

NORTHWEST BLANCO AREA  
SAN JUAN COUNTY, NEW MEXICO

COALBED METHANE PROJECT  
STRUCTURE TOP PC (BASE COAL)  
C.I. = 20'

Drafted By: \_\_\_\_\_ Scale: 1" = 2000 Feet Date: \_\_\_\_\_

# 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

**CERTIFIED MAIL**

'93 DEC 1 AM 8 18

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

# 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



STATE OF NEW MEXICO  
 ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION  
 AZTEC DISTRICT OFFICE

OIL CONSERVATION DIVISION RECEIVED  
 '93 DEC 15 AM 8 39

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

Date: 12-13-93

*Attn: Mike Fogner*

Oil Conservation Division  
 P.O. Box 2088  
 Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
 Proposed NSL \_\_\_\_\_  
 Proposed WFX \_\_\_\_\_  
 Proposed NSP X \_\_\_\_\_

Proposed DHC \_\_\_\_\_  
 Proposed SWD \_\_\_\_\_  
 Proposed PMX \_\_\_\_\_  
 Proposed DD \_\_\_\_\_

Gentlemen:

I have examined the application received on \_\_\_\_\_

for the HALLWOOD ENERGY CO. OPERATOR WILMURDING 9#2 LEASE & WELL NO.

A-9-31W-13W and my recommendations are as follows:  
 UL-S-T-R

Approve

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Yours truly,

*Ernie Busch*