

Hallwood Energy Companies

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

December 9, 1993

OIL CONSERVATION DIVISION
RECEIVED
'93 DEC 14 AM 8 57

State of New Mexico
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504
Attn: Michael E. Stogner

**RE: Non-Standard Spacing Unit
Wilmerding 9 Well No. 2
Sec. 9-T31N-R13W
San Juan County, New Mexico**

Dear Mr. Stogner:

This letter is in reply to your December 2, 1993 letter (attached) requesting additional information for the non-standard spacing unit.

The operator of the affected quarter-section (SE/4 Section 9) is Benson-Montin-Greer Drilling Corporation. They were notified as evidenced by an attached copy of the certified letter. A copy of the letter we sent to them was attached in my November 24, 1993 letter to you.

Since we cannot wait the 30 day period provided for under Section (e) of Rule 6, we have secured a waiver from Benson-Montin-Greer which is attached.

With regard to your final question about the offset operators to this unit; Hallwood is the operator of (Fruitland Coal) the Baird, O'Shea, Alberding, Kline and of course the Wilmerding wells as shown on the attached map. These units are all North and East of the Wilmerding. Benson-Montin-Greer is the operator to the South and West with the Segal and A. Gross wells - deeper horizons, but those wells are either inactive or plugged.

December 9, 1993
State of New Mexico
Oil Conservation Division
Page 2

The only other possible unit is the W/2 of Section 4 to the Northwest. To our knowledge this is unleased and is unspaced for Fruitland Coal thus there is no operator of this tract. We do not have access to the owner of this land without the added time and expense of a costly title opinion. Also, it is not directly affected by the formation of the Wilmerding non-standard unit, as any future spacing unit formation would most likely have to be the W/2 of Section 4.

We hope this information is satisfactory to you with regard to our non-standard application request. If not, please contact me at (303) 850-6303 or 1-800-382-4833.

Sincerely,

HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell 12-8-93

Kevin E. O'Connell
Drilling & Production Manager
Western District

Attachments

cc: Aztec Office
Kathleen Volk
Betty Dieter
Well File

KEO\#177.pp

Hallwood Energy Companies

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Denver, Colorado 80237 • (303) 850-7373

CERTIFIED MAIL

November 24, 1993

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

RE: Notification of Offset Well
Section 9-T31N-R13W
San Juan County, New Mexico

Gentlemen:

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

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

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

Sincerely,
HALLWOOD PETROLEUM, INC.



Kevin E. O'Connell
Drilling & Production Manager
Western District

FROM: HALLWOOD DEN OPERATIONS

TO:

5053279207

DEC 8, 1993 4:20PM #762 P.04

Hallwood Energy Companies

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

December 8, 1993

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

RE: Waiver Request
Non-Standard Spacing Unit
Section 9-T31N-R13W
San Juan County, New Mexico
Wilmerding 9 #2

Dear Mr. Greer:

Hallwood Petroleum, Inc. is applying for administrative approval for a non-standard spacing unit (NE/4 Section 9 and NW/4 Section 10-T31N-R13W) associated with the above referenced well which is at a standard location for Fruitland Coal wells. If you as an offset operator have no objection to the proposed spacing unit please sign the waiver at the bottom of this page and return one copy to our fax number (303) 850-6530.

Thank you for your cooperation.

Sincerely,
HALLWOOD PETROLEUM, INC.

Kevin E. O'Connell 12-8-93
Kevin E. O'Connell
Drilling & Production Manager
Western District

Attachment

W A I V E R

WE HEREBY WAIVE ANY OBJECTIONS TO HALLWOOD PETROLEUM, INC.'S APPLICATION TO A NON-STANDARD SPACING UNIT AS SET FORTH ABOVE.

NAME *Mark J. Greer*

TITLE *Owner*

DATE *12-9-93*

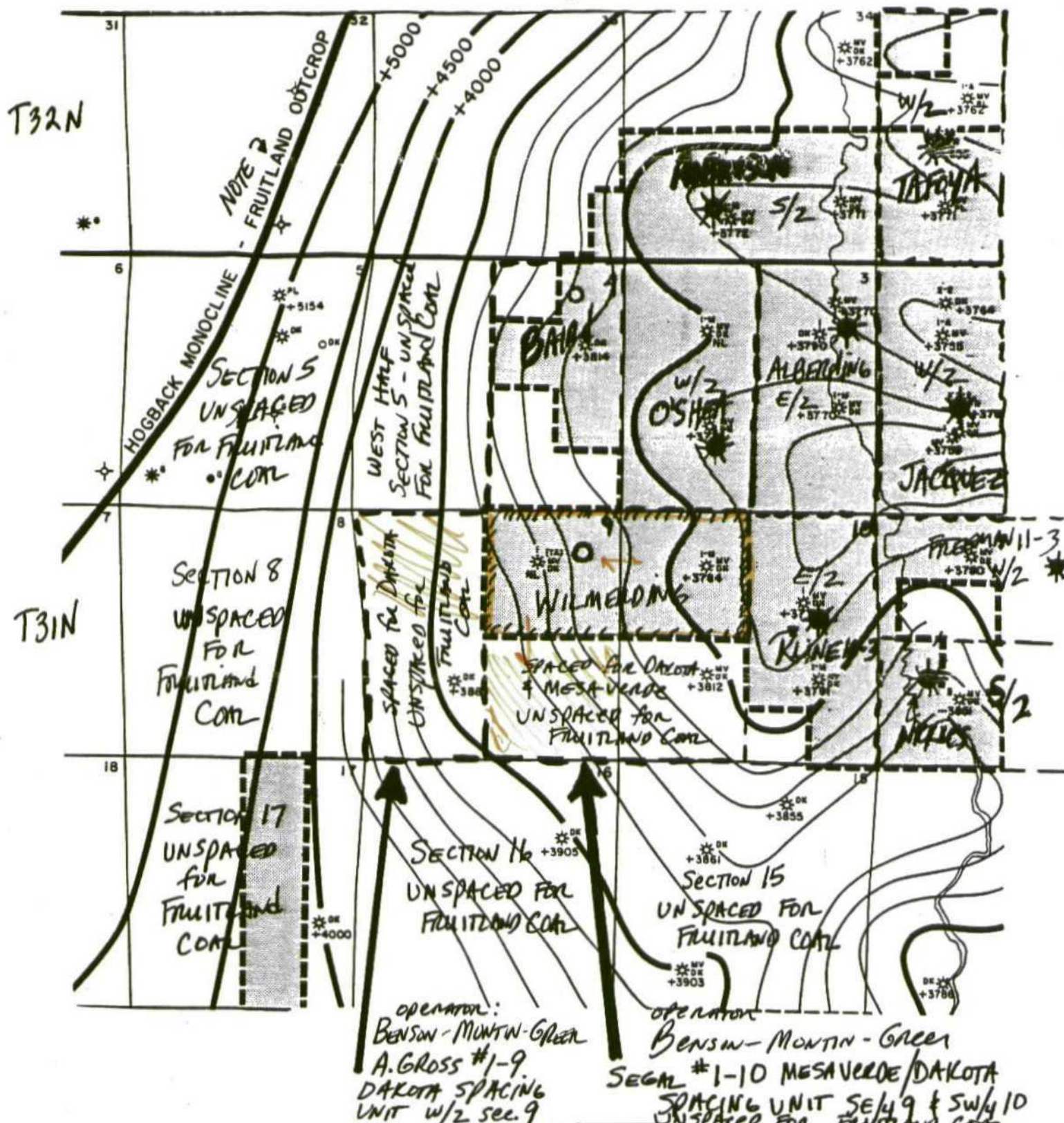
SKETCH OF ADJACENT FRUITLAND COAL SPACING UNITS - WILMERDING 9#2

FRUITLAND COAL WELL & SPACING UNIT

WILMERDING 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
 TATAYA 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



Fruitland Energy Companies

1422 South 14th Street, Suite 100, Santa Fe, NM 87501
 Denver, Colorado 80217 (303) 950-7171

Rev.	Date	By
1	12-25-93	W-6
2		
3		
4		
5		
6		
7		
8		
9		
10		

Drawn By _____ Scale: 1" = 2000 Feet Date _____

NORTHWEST BLANCO AREA
 SAN JUAN COUNTY, NEW MEXICO

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

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

NOTE: REVISED PLAT TO
SHOW NON-STANDARD
SPACING UNIT

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

DISTRICT II
P.O. Drawer 602, Azusa, NM 88210

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

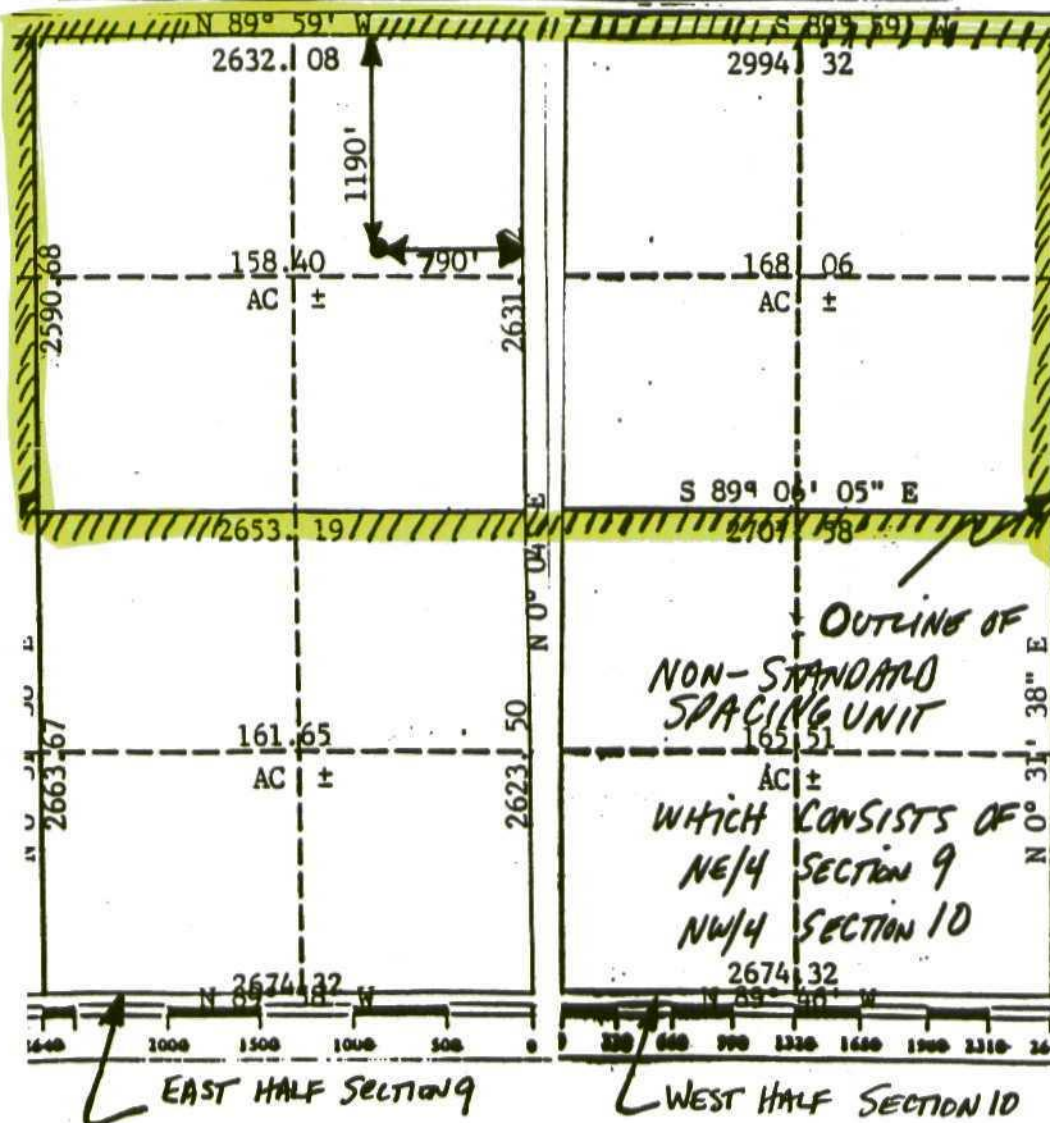
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section.

12-3-93

KEOland

Operator HALLWOOD PETROLEUM, INC.			Lease WILMERDING 9		Well No. 2
Unit Lease A	Section 9	Township 31N	Range 13W	County SAN JUAN	
Actual Spacing Location of Well: 1190 feet from the North line and 790 feet from the East line					
Crowned level Elev. 5811	Producing Formation Fruitland Coal	Pool Basin Fruitland	Dedicated Acreage: +320 acres		
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of communitization _____ 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.</p>					



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Kevin E. O'Connell</i>
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 of State Professional Surveyor	<i>[Signature]</i>
Certificate No.	9672