

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
1993 DEC 1 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

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

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

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 ☐

7. Lease Name or Unit Agreement Name

Wilmerding 9

2. Name of Operator

Hallwood Petroleum, Inc.

8. Well No.

2

3. Address of Operator

P. O. Box 378111, Denver, Colorado 80237

9. Pool name or Wildcat

Basin Fruitland Coal

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

10. Proposed Depth

2,200'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary²

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).

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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

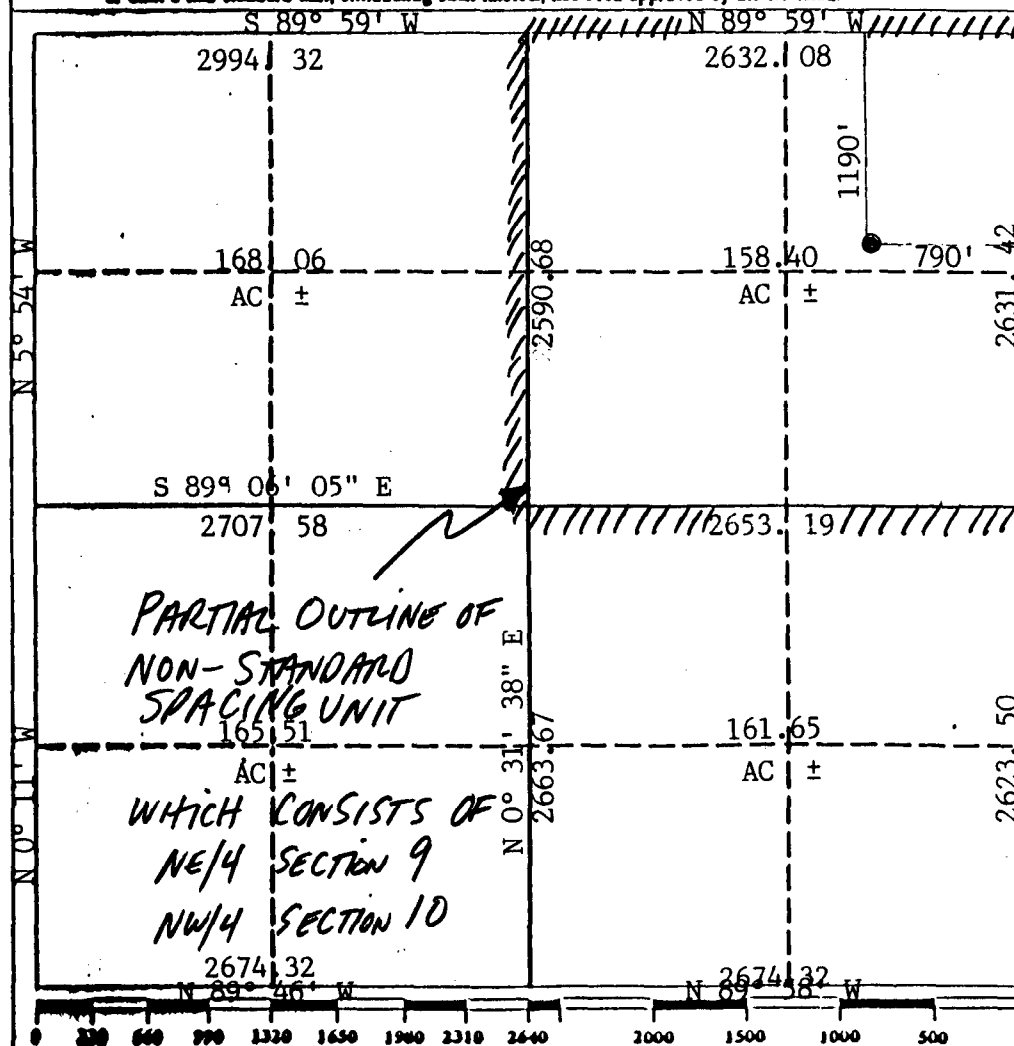
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.?

☐ 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.

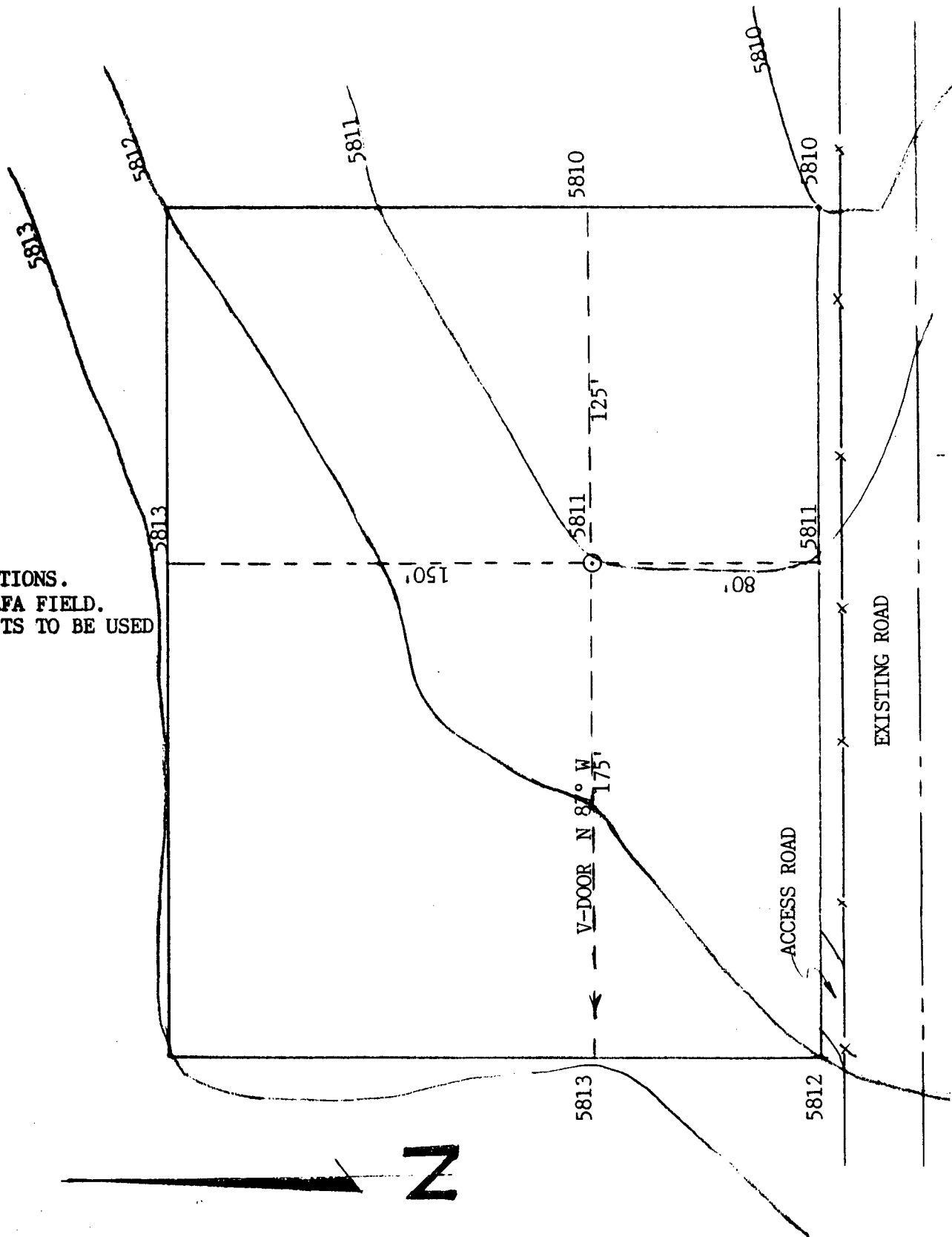
Scale: 1" 50'

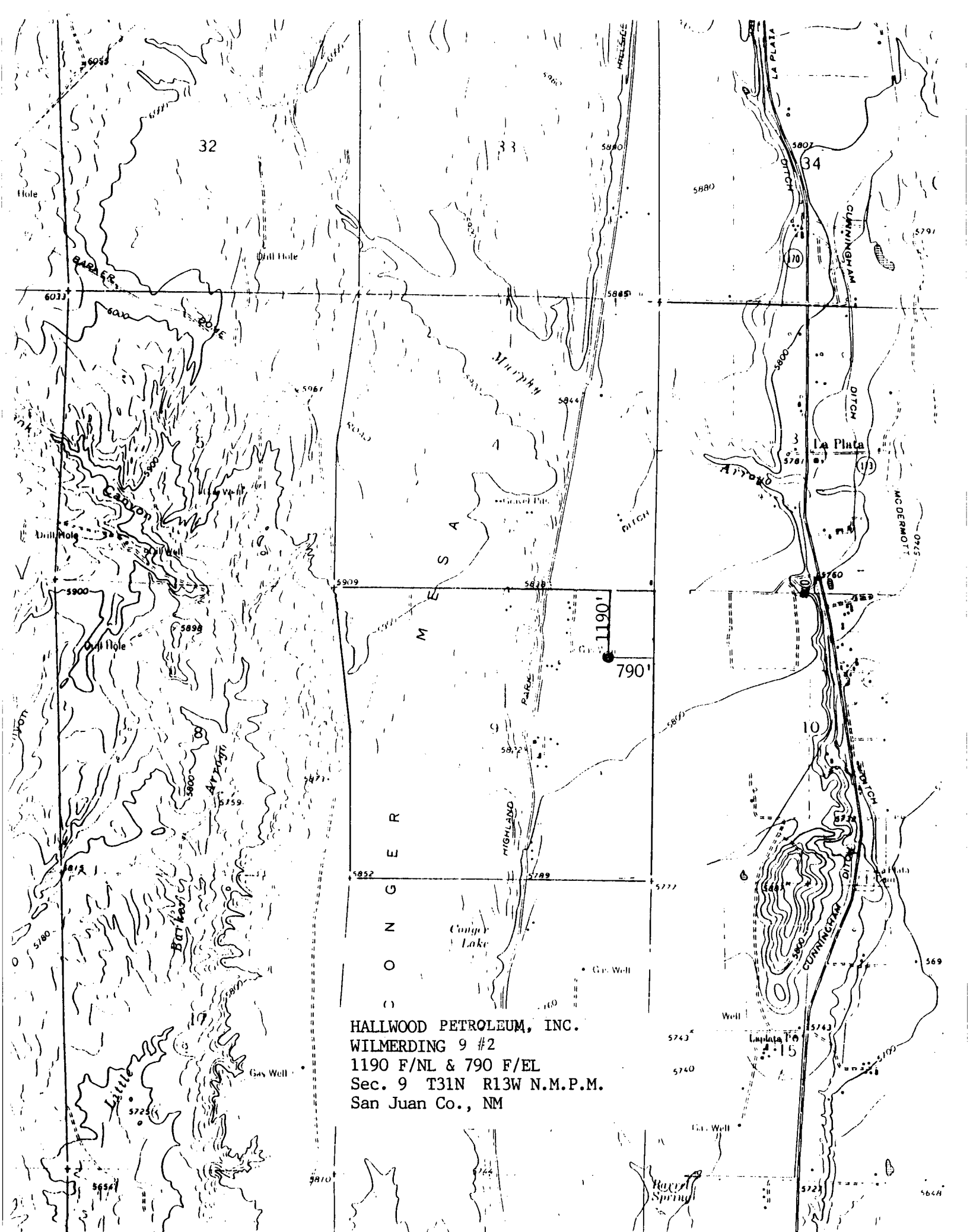
Contour Int. = 1'

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





(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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

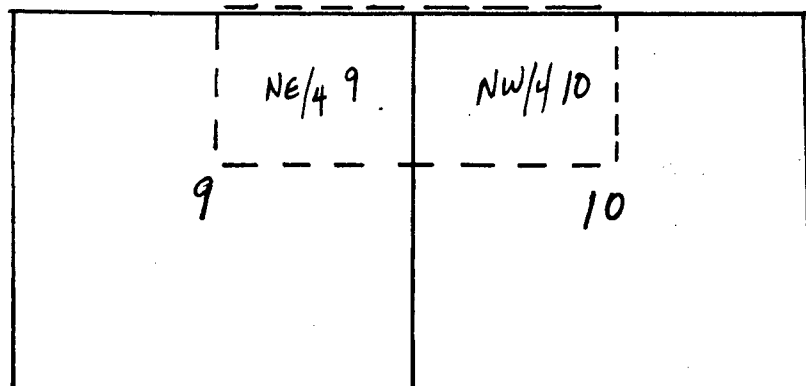
EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

S E A L

esr/



T31N

R13W

NOTE: IT APPEARS
THIS WAS DONE
FOR THE SE/4
SPACING UNIT
F.E.O. 11/24/97

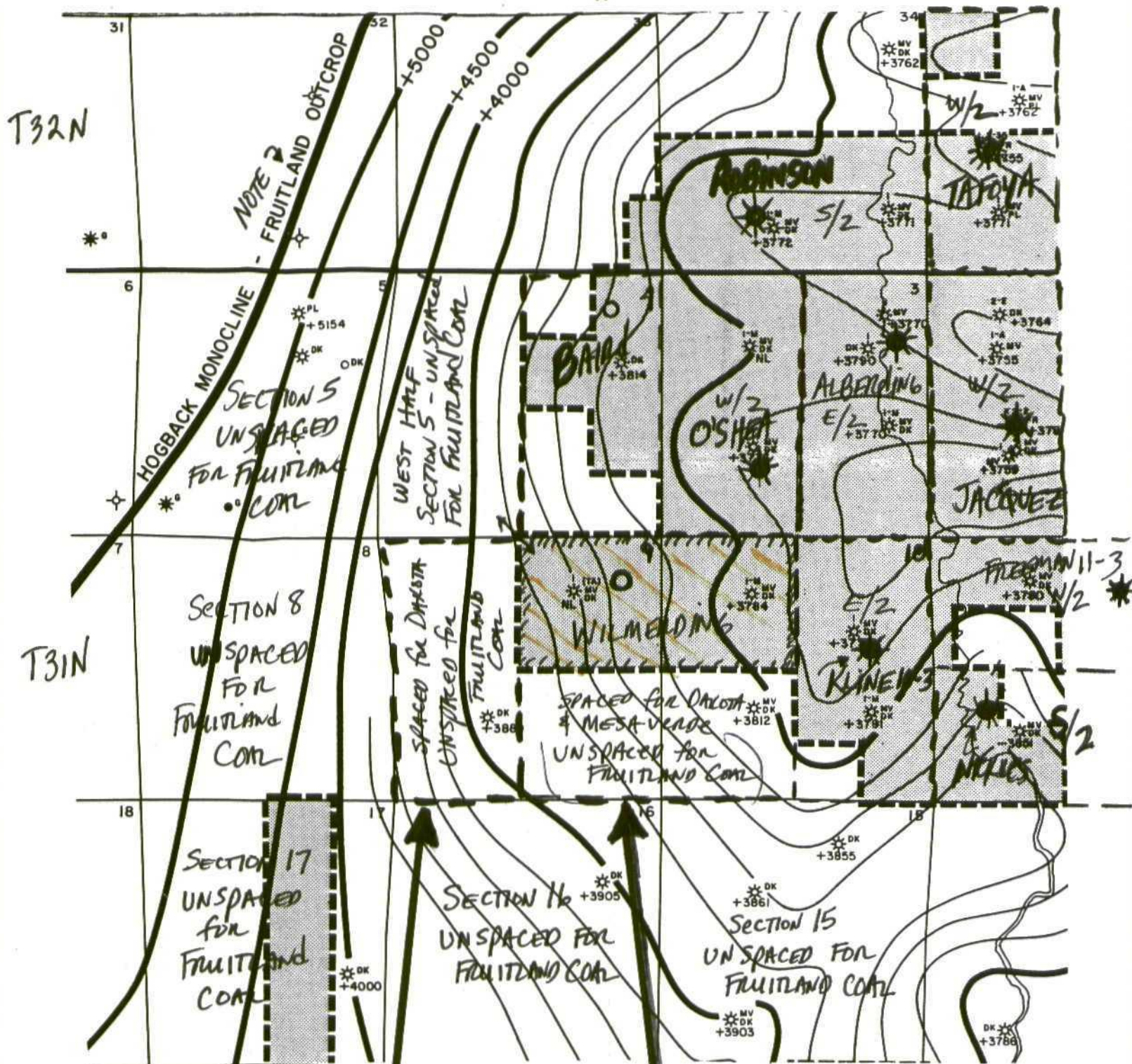
SKETCH OF ADJACENT FRUITLAND COAL SPACING UNITS - WILMERDING 9 #2

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
 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

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

Hallwood Energy Companies
 4582 South 11th Street Parkway • Stanford Place B1 • Suite 1700 • Post Office Box 37811
 Denver, Colorado 80217 • (303) 850-7173

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

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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.

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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

'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. WILMERDING 9#2
OPERATOR LEASE & WELL NO.

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

Approve

Yours truly,

Ernie Busch