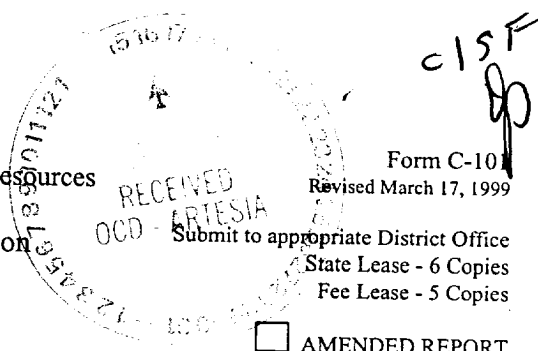


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Hallwood Petroleum, Inc. P.O. Box 378111, Denver, CO 80237		OGRID Number 009812
		API Number 30 - 015-23350
Property Code 004915	Property Name State "B" 14 COM	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	18S	28E	NMPM	660	South	990	East	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Wolfcamp					Proposed Pool 2				

Work Type Code P	Well Type Code O	Cable/Rotary	Lease Type Code S	Ground Level Elevation 3539.5'
Multiple N	Proposed Depth 9,500'	Formation Wolfcamp	Contractor	Spud Date 01/23/01

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	459'	425 sxs	Surface
11"	8-5/8"	32#	3,090'	1,015 sxs	Surface
7-7/8"	5-1/2"	17# & 20#	11,307'	875 sxs	6,610'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Subject well is currently completed in the Travis-Upper Penn (9,653'-9,804') and the South Empire Morrow (10,690'-10,743'). Hallwood proposes to Plug Back back this well to 9,500' and recompleate in the Wolf Camp (9,000'-9,111') as soon as approval is received.

Please see attached procedure.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Chris R. Williams</i> Printed name: Chris R. Williams Title: Environmental/Safety Manager Date: 01/12/01		OIL CONSERVATION DIVISION Approved by: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR Title: Approval Date: FEB 15 2001 Expiration Date: FEB 15 2002 Conditions of Approval: Attached <input type="checkbox"/>	
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