

ENERGY MINERAL AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
310 OLD PECCS TRAIL
SANTA FE, NEW MEXICO 87503
FEBRUARY 26, 1991

* * * SHUT IN NOTICE * * *

HALLWOOD PETROLEUM INC.
P. O. BOX 378111
DENVER CO 80237

GENTLEMEN :

THE GPU DESCRIBED BELOW HAS EXCEEDED THE OVERPRODUCTION LIMIT PROVIDED IN RULE 11(B)-1 OR 11(B)-2, WHICHEVER IS APPLICABLE, OF THE RULES AND REGULATIONS FOR PRORATED GAS POOLS CONTAINED IN ORDER R-8170, AS AMENDED. AS PROVIDED BY SAID RULE THE GPU IS TO BE SHUT-IN IMMEDIATELY AND LEFT SHUT-IN UNTIL IT IS OVERPRODUCED LESS THAN THE OVERPRODUCTION LIMIT (6 TIMES IN THE SOUTHEAST POOLS, 12 TIMES IN THE NORTHWEST POOLS). THE DATA SHOWN BELOW, ALSO SHOWN IN THE CURRENT PRORATION SCHEDULE, INDICATES THE OVERPRODUCTION LIMIT AS WELL AS THE CURRENT OVERPRODUCED STATUS.

IF SHUT-IN WILL JEOPARDIZE YOUR LEASE OR CAUSE OTHER HARDSHIP, AUTHORITY CAN BE GRANTED TO MAKE UP THE OVERPRODUCTION AT LESS THAN COMPLETE SHUT-IN (NOT TO EXCEED 250 MCF PER MONTH) BY WRITTEN AUTHORIZATION OF THE DIRECTOR.

IT IS CALLED TO YOUR ATTENTION THAT THE EXCESSIVE OVERPRODUCTION CONSTITUTES "ILLEGAL GAS" AS DEFINED IN 70-2-16E NMSA AND CONTINUING VIOLATIONS ARE SUBJECT TO PENALTIES AS PROVIDED IN SECTION 70-2-31A AND B. SUCH PENALTIES MAY APPLY TO BOTH WELL OPERATOR AND THE TRANSPORTER.

POOL: CATCLAW DRAW MORROW (PRORATED GAS)
TRANSPORTER: QUINOCO
LEASE: CATCLAW DRAW UNIT
WELL-ID: Y 1 F 26 21S 25E MWU
WELL-ID: 13 O 26 21S 25E MWU
WELL-ID: 0 45S 1E N 1.00
SHUT-IN DATE = 1/91 OVERPRODUCTION ALLOWABLE LIMIT = 135352 JANUARY O/U = 138802-

QUINOCO IS HEREBY DIRECTED TO CEASE TAKES FROM THIS WELL UNTIL IT IS RELEASED FROM SHUT-IN BY THE DIVISION AS WILL BE INDICATED IN THE GAS PRORATION SCHEDULE.

JIM MORROW,
CHIEF PETROLEUM ENGINEER,
ENGINEERING BUREAU,

C: TRANSPORTER
OCD FILE