

N.M. Oil Conservation Division  
811 S. 1st Street  
Artesia, NM 88210-2834

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well Oil <input type="checkbox"/> Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. multiple leases
2. Name of Operator Hallwood Petroleum, Inc.	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P. O. Box 378111, Denver, CO 80237	7. If Unit or CA, Agreement Designation 8910115880 SW 704, SW 703 & SW 650
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SW NW Sec, 19-T21S-R26E Sections 13, 14, 23, 24, 25, 26, 35 & 36 of T21S-R25E	8. Well Name and No. various #6
	9. API Well No. various 30-015-20734
	10. Field and Pool, or Exploratory Area Catclaw Draw (Morrow)
	11. County or Parish, State Eddy County, NM

12. CHECK APPROPRIATE BOX (s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Surface commingling & off-lease measurement

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water  
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) \*

Attached for your review and approval is Hallwood's request for approval of the Catclaw Draw Gas Gathering System in Eddy County, New Mexico



RECEIVED  
2000 APR - 31 P 2: 20  
BUREAU OF LAND MGMT.  
OIL & GAS RESOURCE AREA

14. I hereby certify that the foregoing is true and correct

Signed

*Kevin E. O'Connell*

Title

Kevin E. O'Connell  
Drilling & Production Manager

Date

3/31/00

(This space for Federal or State office use)

Approved by

(ORIG. SGD.) GARY GOURLEY

PETROLEUM ENGINEER

Date

APR 07 2000

Conditions of approval, if any:

# Hallwood Petroleum, Inc.

4610 S. Ulster Street • Suite 200 • P.O. Box 378111  
Denver, Colorado 80237 • (303) 850-7373

## CRA BLM FORMAT

### This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management  
Attn: Mr. Jim Amos  
P. O. Box 1778  
Carlsbad, New Mexico 88221-1778

RE: APPLICATION FOR SURFACE COMMINGLING,  
OFF LEASE MEASUREMENT APPROVAL

Hallwood Petroleum, Inc. is requesting approval for surface commingling and off-lease measurement of natural gas hydrocarbon production from the following formation(s) and well(s) on Federal Units associated with the Catclaw Draw Federal Unit (see Attachment No.1).

<u>Well</u> <u>No.</u> (see Attachment No. 1)	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

With hydrocarbon production from the following formation(s) and well(s) on Federal Agreement No. SW 650; Lease Name: Nan Bet Com #1.

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
Nan Bet Com #1	SWNW	19	21S	26E	Morrow
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Production from the wells involved is shown in Attachment No. 1

Continued . . .

Continued:

The proposed operation is described in detail on the attached diagrams, maps and exhibit.

A map (sheet 1 of 3) is enclosed showing the unit agreement numbers and location of all wells that will contribute production to the proposed commingling/common storage facility. A list of the Federal leases is included in the attached copy of Hallwood's 2000 Plan of Development Operations. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized (see Sheet 3 of 3).

The measuring facility is located at NW of SE ¼, Sec. 14, T21S, R25E, adjacent to the Catclaw Draw Unit No. 7 well in Eddy County New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method of allocating production to contributing sources is as follows:

Hallwood's Catclaw Draw Gas Gathering System is now a 10- well gathering system with a central L-36 Waukasha (500 HP) and Ariel 4-throw, 2-stage compressor. The 10 individual wells are metered at each well location via Hallwood meters. These charts are mailed to Charts, Ltd. in Midland, Texas on a regular basis and integrated gas volumes are determined by Charts, Ltd.

The individual meter volumes (integrated) are totaled, then an allocation factor is determined from each well's volume divided by the total wellhead volume. This allocation factor is applied to the amount sales volume gas from GPM's central delivery point to determine the individual well sales volume. The difference between GPM's total central delivery point volume of gas and the total wellhead volume of gas is fuel gas used in the process of operating separators, the compressor and dehydrator. The previously mentioned allocation factor is also used to allocate fuel gas proportionately to each well.

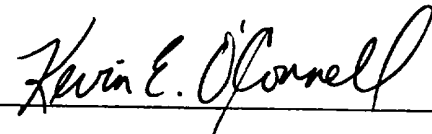
The working interest owners will be notified of the proposal by copy of this letter.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases. With the exception of the Nan-Bet Com #1 commingling and off-lease gas measurement has been occurring in this unit since 1989.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals. Please contact Kevin E. O'Connell at 303-850-6403 in Hallwood's Denver, Colorado office should you have any additional questions.

Signature:   
Name: Kevin E. O'Connell  
Title: Drilling & Production Manager  
Date: March 31, 2000

Enclosures

cc: Lois Hall  
Nonya Durham  
Sonia Prien  
Unit File  
Working Interest Owners

KEO.00.011

ATTACHMENT #1

Well Status List

Well	Status	Unit Well	Pool	Agreement No.	Qtr.	Sec.	Twp.	Rng.	MCED	BOPD	OIL GRA\
Catclaw Draw Unit # 1Y	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	SE NW	26	21S	25E	890	0	49.8
Catclaw Draw Unit # 4	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	SW NE	24	21S	25E	71	0	49.8
Catclaw Draw Unit # 6	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	NW SE	13	21S	25E	306	1.5	49.5
Catclaw Draw Unit # 7	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	NW SE	14	21S	25E	213	0	49.8
Catclaw Draw Unit # 13	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	SW SE	26	21S	25E	189	1	49.8
Catclaw Draw Unit # 14	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	SW SE	23	21S	25E	1212	3	49.8
Catclaw Draw Unit # 15	Prod.	Yes	Catclaw Draw (Morrow)	8910115880	NW SW	25	21S	25E	265	0	49.8
Catclaw Draw # 16 *	Prod.	No	Catclaw Draw (Morrow)	SW 703	SW NW	13	21S	25E	393	0	49.5
Catclaw Draw Unit #17 *	Prod.	No	Catclaw Draw (Morrow)	SW 704	NW NE	14	21S	25E	290	0	49.8
Nan Bet Corn #1 *	Prod.	No	Catclaw Draw (Morrow)	SW 650	SW NW	19	21S	26E	170	0	49.8

\* NOTE: Non-unit wells, but communitized wells.