

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

0158
MAR 1998
RECEIVED
OCD - ARTESIA

AMENDED REPORT

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

¹ Operator Name and Address. Hallwood Petroleum, Inc. P.O. Box 378111 Denver, CO 80237		² OGRID Number 009812
		³ API Number 30 - 015-21573
⁴ Property Code 004193	⁵ Property Name Ocotillo Hills	⁶ Well No. 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	21	21S	26E		2310	North	1980	East	Eddy

⁸ 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
⁹ Proposed Pool 1 Strawn					¹⁰ Proposed Pool 2				

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3255'
¹⁶ Multiple N	¹⁷ Proposed Depth 11,148' TD	¹⁸ Formation Strawn	¹⁹ Contractor N/A	²⁰ Start Spud Date 4/98 Start

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
	16"	65# H40	275'	275	0
11"	8 5/8"	24# K55	2500'	1380	0
7 7/8"	5 1/2"	17# N80	11148'	700	8200

²² 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.

Hallwood Petroleum, Inc. plans an uphole recompletion to test the Strawn formation (9776-9790), during April 1998

Please see attached for procedures.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Nonya K. Durham*

Printed name: Nonya K. Durham

Title: Production Reporting Supervisor

Date: 3/26/98 Phone: 303-850-6257

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date:

4-20-98

Expiration Date:

4-20-99

Conditions of Approval

Attached ☐

NEED TO 50 CANYON PERITS
(9355-9400)

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- | | |
|---|---|
| <p>1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.</p> <p>2 Operator's name and address</p> <p>3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.</p> <p>4 Property code. If this is a new property the OCD will assign the number and fill it in.</p> <p>5 Property name that used to be called 'well name'</p> <p>6 The number of this well on the property.</p> <p>7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.</p> <p>8 The proposed bottom hole location of this well at TD</p> <p>9 and 10 The proposed pool(s) to which this well is beeing drilled.</p> <p>11 Work type code from the following table:
N New well
E Re-entry
D Drill deeper
P Plugback
A Add a zone</p> <p>12 Well type code from the following table:
O Single oil completion
G Single gas completion
M Mutiple completion
I Injection well
S SWD well
W Water supply well
C Carbon dioxide well</p> <p>13 Cable or rotary drilling code
C Propose to cable tool drill
R Propose to rotary drill</p> <p>14 Lease type code from the following table:
S State
P Private</p> <p>15 Ground level elevation above sea level</p> <p>16 Intend to mutiple complete? Yes or No</p> <p>17 Proposed total depth of this well</p> <p>18 Geologic formation at TD</p> <p>19 Name of the intended drilling company if known.</p> <p>20 Anticipated spud date.</p> <p>21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement</p> | <p>22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.</p> <p>23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.</p> |
|---|---|

OCOTILLO HILLS COM #2

AFE #81403021

Strawn Test

General Procedure

1. MIRUSU and slickline.
2. RIH with a 1.875" blanking plug and set in the "F" profile above the Guiberson packer at 10,780'. This will shut off the Morrow zone below.
3. Blow down tubing and casing, load both with 2% KCl water, ND tree and NU BOP's.
4. Release from on/off tool and TOH with tubing, sliding sleeve and upper portion of on/off tool.
5. RU wireline and perforate the Strawn zone at 9776-9790' (14'). Correlate to the 7/31/95 Schlumberger Compensated Neutron Formation Density open hole log. Perforate with 4" casing guns, 4 spf with 90° or 120° phasing.
6. After perforating, POOH with guns and monitor for flow. If well is stable proceed with TIH with packer, on/off tool and tubing, hydrotesting to 7000-8000 psi. Set packer at 9700'.
7. If well kicks or flows after perforating lubricate packer in hole with a plug in the profile and set at 9700'.

NOTE: We plan to leave the Canyon perms at 9355-9420' open and isolated by the tubing and packer. This should not be a problem, except for it will not be possible to "back-up" any stimulation (Strawn) work with applied annulus pressure.

8. Set packer, space out tubing and ND tree, NU BOP.
9. Swab tubing down (pull blanking plug first if necessary) and prep to treat.
10. Treat well down tubing with acid job and/or frac job per forthcoming recommended procedure. Tentative plans are for a 50,000-60,000# proppant frac, possible spearheaded with 1500-2000 gallons of 15% acid, or a separate acid job a day or two prior to the frac.
11. Flow/swab test. Well until it cleans up and stabilizes.
12. Depending on the production level obtained from the Strawn, we plan to produce it for several months and evaluate the feasibility of adding the Morrow zone back in.