

Submit 3 Copies
to Appropriate
District Office

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240
DISTRICT II
P. O. Drawer DD, Artesia, NM 88210-2834
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505

Form C-103
Revised 1-1-89

WELL API NO.
30-015-21573

5. Indicate Type of Lease
STATE

6. State Oil & Gas Lease No.
K-4193

7. Lease Name or Unit Agreement Name
OCOTILLO HILLS

8. Well No.
2

9. Pool name or Wildcat
STRAWN

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3271' KB 3255' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator
HALLWOOD PETROLEUM, INC

3. Address of Operator
P.O.BOX 378111 DENVER, CO 80237

4. Well Location
Unit Letter **G** : **2310** Feet From The **NORTH** Line and **1980** Feet From The **EAST** Line
Section **21** Township **21S** Range **26E** NMPM **SW NE** **EDDY** County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Commingle Morrow, Strawn & Upper Penn <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103.

Hallwood plans to commingle the Morrow, Strawn and Upper Penn zones. In August 1999, Hallwood applied for approval to commingle all three zones with the OCD. This approval was obtained on September 7, 1999. Please see attached for a copy of the approval letter and the procedures. We plan on doing this work in December 1999.



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

SIGNATURE

Nonya K. Durham

TITLE

Production Reporting Supervisor

DATE

11/22/99

TYPE OR PRINT NAME

Nonya K. Durham

TELEPHONE NO.

303-850-6257

(This space for State Use)

**ORIGINAL SIGNED BY TIM W. GUM
DISTRICT H SUPERVISOR**

APPROVED BY

TITLE

DATE

12-1-99

CONDITIONS OF APPROVAL, IF ANY:



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2450

Hallwood Petroleum, Inc.
P.O. Box 378111
Denver, Colorado 80237

Attention: Mr. Kevin E. O'Connell

RECEIVED

SEP 10 1999

DRILL & PROD.

*Ocotillo Hills Com No. 2
API No. 30-015-21573
Unit G, Section 21, Township 21 South, Range 26 East, NMPM,
Eddy County, New Mexico.
Avalon Upper-Penn (Gas - 71000),
Avalon-Strawn (Gas - 71080), and
Avalon-Morrow (Gas - 70920) Pools*

Dear Mr. O'Connell:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:



Avalon Upper-Penn Gas Pool	Oil-15%	Gas-3%
Avalon-Strawn Gas Pool	Oil-78%	Gas-46%
Avalon-Morrow Gas Pool	Oil-7%	Gas-51%

REMARKS/: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 7th day of September, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery

LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Artesia
Bureau of Land Management-Carlsbad
State Land Office-Oil & Gas Division



OCOTILLO HILLS COM #2

AFE #91401105

General Procedure to Commingle

1. MIRUSU, ND tree x NU BOP.
2. Release Guiberson UNI-6 packer at 9710' and TOH.
3. Pick up upper half of on/off tool to latch on to assembly over Morrow zones at 10,780'. TIH to 10,500' ±.
4. Rig up foam air unit to clean out well, frac sand was tagged at 10,610' on 6/1/98.
5. Break circulation with foam and clean out fill down to lower packer. Clean up well thoroughly before shutting off air/foam.
6. Latch lower packer.
7. RU slickline and pull blanking plug which is a 1.875" plug set in "F" nipple at 10,780' (10,827' SLM).
8. Flow test Morrow zone until it cleans up and stabilizes.
9. Release from lower packer assembly, pull tubing 5-10 joints uphole and ND BOP x NU tree.
10. Kick well off and get it flowing to clean up.
Note: Perforations are at:

9355-9420'	Upper Penn
9776-9790'	Strawn
10850-10965'	Morrow
11. RD service unit and release.
12. Report production each morning for 7-10 days.

