

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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 015694 & 009171
		API Number 30-015-25237
Property Code 004915	Property Name Fort 18 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
E	18	24S	29E		1980	North	895	West	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 Maraga Atoka Pierre Crossing; Bone Spring	Proposed Pool 2
-------------------------------------------------------------------------	-----------------

Work Type Code P	Well Type Code G	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 2955.8
Multiple No	Proposed Depth 13,058' TD	Formation Bone Spring	Contractor	Start Date 5/98

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"	61#	600'	550 sks	surface
12 1/4"	9 5/8"	36#	2610'	1550 sxs Class C	surface
8 1/2"	7"	23#	10,650'	1400 sxs Class H	surface

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 plans to temporarily abandon the Atoka zones at 11,922-30' and 11,970-76' due to uneconomical production. Then Hallwood plans to perforate and test a prospective looking 2nd Bone Spring zone at 8806-8850'.

Please see attached procedures.

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

Signature:

Printed name:

Nonya K. Durham

Title:

Production Reporting Supervisor

Date:

12/15/98

Phone:

(303) 850-6257

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

6-1-98

Expiration Date:

6-1-99

Conditions of Approval:

Attached ☐

FORT "18" COM #1
Malaga Field
SE NW Section 18-T24S-R29E
Eddy County, New Mexico

Procedure

1. MIRUSU, blow down tubing and load with 2% KCL water, ND tree and NU BOP.
2. Release Guiberson UNI-6 packer at 11,836' and TOH.
3. Set a wireline set tubing retrievable RBP inside the 7", 23# casing at approximately 10,000' (NOTE: Top of 4 1/2" liner is at 10,306'). Dump 3-4 sxs of sand in casing to protect RBP.
4. Load hole with 2% KCL water and pressure test casing/plug to 750 psig for 15 minutes.
5. RIH w/CBL and log from 9300' back to top of cement. Note planned zone to perforate is 8806-8850' (2nd Bone Spring). Future zones to look at for cement bonding are:

1 st Bone Spring	7400-7550'
Delaware	4800-4900'
Delaware	2700-2800'

Note: Surface casing shoe is at 2610'.

6. If CBL looks good across 2nd Bone Spring, proceed to perforate. Perforate 8806-8850' (44') with 4" casing guns, 4 spf, 90° phasing with maximum charges. Correlate to the 4/19/98 Schlumberger Dual Laterolog/Micro-SFL or the new CBL if on depth with Dual Laterolog.
7. TIH with a 7" 23# treating packer and 2 3/8" tubing. Set packer at approximately 8700' and acidize perms with 4000 gallons of acid per forthcoming procedure.
8. Swab test zone for 1-1/2 days before determining whether or not to fracture stimulate. If we elect to frac, TOH with packer and RIH with just 2 3/8" tubing and seating nipple to 8700' for a dead string frac down 7" x 2 3/8" annulus. NOTE: Top out 2 3/8" string with a heavy walled joint of blast pipe (can be 2 7/8" or 3 1/2" if necessary).
9. Frac Bone Spring per forthcoming procedure.
10. Flow back frac and/or swab down tubing to determine productivity.
11. Report swab tests to Denver and we will determine the optimum way to "set-up" and produce this well.

MEXICO OIL CONSERVATION COM
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

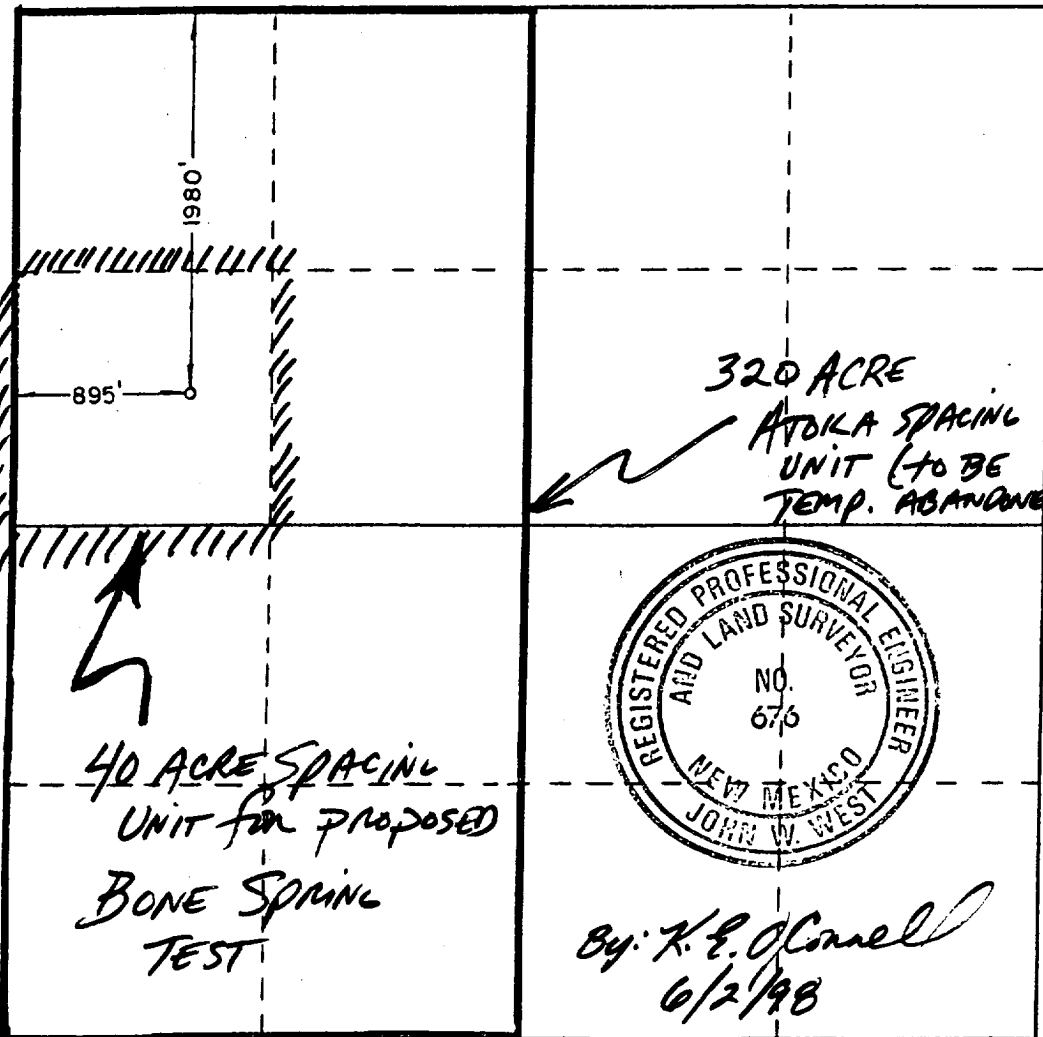
Operator Hallwood Petroleum Inc. H.N.G. OIL CO.		Lease FORT 18 COM		Well No. 1
Unit Letter E	Section 18	Township 24S	Range 29E	County EDDY
Actual Footage Location of Well: 895 feet from the WEST line and 1980 feet from the NORTH line				
Ground Level Elev. 2955.8	Producing Formation Morrow	Pool Undesignated	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Betty Gildon

Name

Betty Gildon

Position

Regulatory Analyst

Company

HNG OIL COMPANY

Date

3/12/85

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

3/7/85

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239