

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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APR 13 10 30 AM '95

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88210
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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 Well ☒ Gas Well ☐ Other

2. Name of Operator

Hallwood Petroleum, Inc.

3. Address and Telephone No.

P. O. Box 378111
4582 S. Ulster St. Parkway, Suite 1700, 303-850-6257

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit O, 660' FSL & 2310' FEL
Section 7-T24S-R29E

5. Lease Designation and Serial No.

LC 065970C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NM 82104

8. Well Name and No.

Fort "7" Com #1

9. API Well No.

30-015-25658

10. Field and Pool, or Exploratory Area

Malaga-Atoka

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

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

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other off-lease gas measurement
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water
(Note: Report results of multiple completion or recompletion or recompletion report and log.)

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.)

Hallwood Petroleum, Inc. requests approval for off-lease gas measurement from the Fort "7" Com #1 well location in the SWSE of Section 7-T24S-R29E to the SENW of Section 6-T24S-R29E at Texaco's Malaga Harroun 6 - Well No. 1. To recap the situation, gas has been transported and metered via the approved 4 1/2" pipeline (see attached plat) from the Fort "7" Com #1 since 1987. This was initiated by the original operator - HNG Oil Company and original purchaser - El Paso Natural Gas. We believe from a 3/2/87 that El Paso originally sought approval for the off-lease gas measurement but have been unable to locate this in our files (see Attachment #2).

The off-lease gas measurement was originally required because El Paso would not lay a pipeline to the Fort "7" Com #1 well and the original operator (HNG) laid the line in order to sell gas. Hallwood Petroleum, Inc. owns this 8636' pipeline and custody transfer of the gas normally occurs where ownership of the line switches from one party to another. This is the situation on the Fort "7" Com #1 and the meter location in the SENW of Section 6-T24S-R29E is the change of ownership from Hallwood Petroleum to Pinnacle Natural Gas (formerly El Paso's meter tie-in point and gathering line).

Approval of this off-lease gas measurement method is also requested to allow for continued monthly gas sales from the Fort "7" Com #1. The well now produces at a low enough volume that incurring substantial costs to possibly move or purchase a new meter would severely impact the well.

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

Signed [Signature]

Title Production Technician

Date 4/13/95

(This space for Federal or State office use)

Approved by [Signature]
Conditions of approval, if any:

Title Petroleum Engineer

Date 6/7/95