

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-045-27642

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No. LG-3876

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.)

7. Lease Name or Unit Agreement Name Quinoco State N

1. Type of Well: OIL WELL [ ] GAS WELL [X] OTHER [ ]

8. Well No. 4

2. Name of Operator Hallwood Petroleum, Inc.

9. Pool name or Wildcat Basin Fruitland Coal

3. Address of Operator P. O. Box 378111, Denver, CO 80237

4. Well Location Unit Letter N : 965 Feet From The South Line and 2165 Feet From The West Line Section 2 Township 31N Range 7W NMPM San Juan County

10. Elevation (Show whether LF, RKB, RT, GR, etc.) 6529 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data. NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [ ], PLUG AND ABANDON [ ], TEMPORARILY ABANDON [ ], PULL OR ALTER CASING [ ], OTHER: Pull liner & re-cavitate [X]. SUBSEQUENT REPORT OF: REMEDIAL WORK [ ], ALTERING CASING [ ], COMMENCE DRILLING OPNS. [ ], PLUG AND ABANDONMENT [ ], CASING TEST AND CEMENT JOB [ ], OTHER: [ ]

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.

Gas production from the Quinoco State N-4 Fruitland Coal gas well has declined steadily over the past year. Hallwood suspects the well may have a hole in the tubing string too. In conjunction with this well workover, Hallwood plans to pull the uncemented 5 1/2" liner (set from 2995-3308'), then clean out and re-cavitate the open hole interval from 3078' (bottom of 7" intermediate casing) to 3308' total depth.

After sufficiently re-cavitating and cleaning up of the Basin Fruitland Coal zone, we plan to put the well back on production. We have not decided at this time whether or not we plan to re-run the 5 1/2" liner and will determine that based on how the well cleans up and responds.

Production casing (2 7/8") will be run back in this well.

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 Technician DATE 3/6/96

(This space for State Use) APPROVED BY TITLE DATE TELEPHONE NO. CONDITIONS OF APPROVAL, IF ANY: MAR 11 1996