CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I P. O. Box 1980, Hobbs, NM 88240	2040 S. Pacheco Santa Fe, New Mexico 875	WELL API NO. 30-045-23196
DISTRICT II 811 S. First St., Artesia, NM 88210-2834 DISTRICT III		5. Indicate Type of Lease STATE FEE X
1000 Rio Brazos Rd, Aztec, NM 87410		6. State Oil & Gas Lease No. 1344
(FORM C-101) FOR 1. Type of Well: OIL GAS WELL WELL X OTH	O DRILL OR TO DEEPEN OR PLUG BACK "APPLICATION FOR PERMIT" SUCH PROPOSALS.) DECEMBER MAY 1 4 1997	7. Lease Name or Unit Agreement Name B. Montoya 25 8. Well No.
2. Name of Operator Hallwood Petroleum, Inc.		9. Pool name or Wildcat
3. Address of Operator P. O. Box 378111, Denver,		Basin Fruitland Coal
4. Well Location Unit Letter H: 1850	Feet From TheNorth Line	and790 Feet From TheEast Line
Section 25 Township		NMPM San Juan County
10. Elevation (Show whether DF, RKB, RI, GR, etc.) 5866' GL 5878' KB 11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data		
NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF:		
TEMPORARILY ABANDON CHAPULL OR ALTER CASING CHAPULL OR ALTER CASING CHAPULL OTHER:	CASING TE	E DRILLING OPNS. PLUG AND ABANDONMENT EST AND CEMENT JOB Re-frac
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 worked this well over and it appears to have little if any fluid entry into wellbore due to low fluid levels observed. Hallwood re-frac'd Fruitland Coal at 2106-2136', spearhead frac w/1000 gals 7 1/2% HCl acid, did not see a break, followed w/12,000# 40/70 & 107,500# frac w/1000 gals 7 1/2% HCl acid, did not see a break, followed by 12,000# 40/70 & 107,500# 12/20 total sand in formation. Re-frac was unsuccessful. Well produced 58 MCF and 156 BW on 3/26/97. We plan to monitor offsetting wells to see if water production increases or stays the same.		
Type or Print Name Nonya K. Durham I hereby certify that the information above is true and complete to the best of my knowledge and belief. Production Reporting Supervisor TELEPHONE NO. 303-850-6257		
TYPE OR PRINT NAME NORVA K. (This space for State Use)		MAY 1 6 1997
APPROVED BY ORIGINAL SIGNED BY ERN	IE BUSCH TITLE DEPART OF	A & GAS HISPHORM, DIGH, SS DATE MAIL G 1994