

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 South First, Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-10  
 Revised October 18, 199  
 Instructions on bac  
 Submit to Appropriate District Office  
 State Lease - 6 Copie  
 Fee Lease - 5 Copie

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. Hallwood Petroleum, Inc., P. O. Box 378111, Denver, CO 80237 (303) 850-7373		<sup>2</sup> OGRID Number 009812
		<sup>3</sup> API Number 30 - 025 - 34550
<sup>4</sup> Property Code 15330	<sup>5</sup> Property Name Bass	<sup>6</sup> Well No. 5

<sup>7</sup> Surface Location

POTASH AREA

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	30	20S	33E		660	South	2080	West	Lea

<sup>8</sup> \* 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
<sup>9</sup> Proposed Pool 1 Hat Mesa - Delaware					<sup>10</sup> Proposed Pool 2				

\* (straight hole - N/A)

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3593'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8300'	<sup>18</sup> Formation Delaware	<sup>19</sup> Contractor Not yet selected	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.50"	13 3/8" K-55	54.50#	1200'	600 sxs	Surface
11"	8 5/8" K-55	24 x 32#	3100'	1000sxs	Surface
7.875"	5 1/2" N-80	15.5 x 17#	8300'	1 <sup>st</sup> 550 sxs	3000'
	& J-55			2 <sup>nd</sup> 540 sxs	

<sup>22</sup> 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 Petroleum, Inc. proposes to drill this well with conventional rotary tools and mud systems to 8300'. Surface and intermediate (8 5/8") casing will be cemented to surface. The production casing will be 2-stage cemented back to approximately 3000'. The well will be perforated and fracture stimulated in the Upper and Lower Delaware zones and put on conventional beam pump. See attached plats and supporting information.

A 3000 psi BOP system will be utilized below 3100'.

Permit Expires 1 Year From Approval  
 Date Unless Drilling Underway

*Casing OK  
 for Potash  
 [Signature]*

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kevin E. O'Connell*  
 Printed name: Kevin E. O'Connell  
 Title: Drilling & Production Manager  
 Date: 7/14/98  
 Phone: (303) 850-6303

OIL C	
Approved by: <i>[Signature]</i>	
Title: <i>[Signature]</i>	
Approval Date: DEC 15 1998	Expiration Date:
Conditions of Approval: Attached <input type="checkbox"/>	

512

*512  
 myP*