



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 19, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
c/o William F. Carr
Holland & Hart L.L.P. and Campbell & Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

Administrative Order SD-01-09

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") dated November 28, 2001 (*application reference No. pKRV0-133340581*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, and NSL-4371 (SD) and Division Cases No. 9775 (which resulted in the issuance of Division Orders No. R-9073 and R-9073-B) and No. 12623 (which resulted in the issuance of Division Order No. R-11591): all concerning Raptor's requests for an additional infill gas well within an existing non-standard 520-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (79240) comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4
Section 10: W/2.

This 520-acre GPU was established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"].

The rules and procedures governing the Jalmat Gas Pool at the time this application was submitted include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Rule 1207.A (2); and
- (v) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11,

2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

By the authority granted me under the provisions of these rules, regulations, and directives, Raptor is hereby authorized to simultaneously dedicate gas production from the Jalmat Gas Pool to the above-described 520-acre GPU from the following ten wells:

- (1) the existing State "A" A/C-1 Well No. 37 (**API No. 30-025-09290**), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10, which was the subject of Division Orders No. R-9073 and R-9073-B;
- (2) the existing State "A" A/C-1 Well No. 38 (**API No. 30-025-09291**), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 10, which also was the subject of Division Orders No. R-9073 and R-9073-B;
- (3) the existing State "A" A/C-1 Well No. 49 (**API No. 30-025-09292**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991) 660 feet from the North and West lines (Unit D) of Section 10;
- (4) the existing State "A" A/C-1 Well No. 55 (**API No. 30-025-09293**), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
- (5) the existing State "A" A/C-1 Well No. 81 (**API No. 30-025-09295**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-4371, dated October 25, 1999) 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 9;
- (6) the existing State "A" A/C-1 Well No. 88 (**API No. 30-025-09297**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991) 1980 feet from the South and West lines (Unit K) of Section 10;
- (7) the existing State "A" A/C-1 Well No. 89 (**API No. 30-025-09298**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991) 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10;
- (8) the proposed State "A" A/C-1 Well No. 130 (**API No. 30-025-**

35552), yet to be drilled at an unorthodox gas well location (approved by Division Order No. R-11591, dated May 31, 2001) 660 feet from the South and East lines (Unit P) of Section 9;

(9) the proposed State "A" A/C-1 Well No. 131 (**API No. 30-025-35556**), yet to be drilled at an unorthodox gas well location (also approved by Division Order No. R-11591) 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 9; and

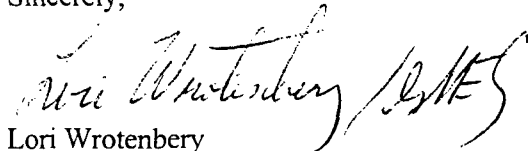
(10) the previously plugged and abandoned Clayton W. Williams, Jr., Inc. State "A" A/C-1 Well No. 56 (**API No. 30-025-09294**), to be re-entered and completed to the Jalmat Gas Pool at a standard infill gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10.

Raptor is hereby permitted to produce the allowable assigned the subject 520-acre GPU from all ten of the aforementioned wells in any proportion.

All provisions applicable to the subject 520-acre GPU in Division Orders No. R-9073 and R9073-B and Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, and NSL-4371, not in conflict with this order, shall remain in full force and affect until further notice

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2727
NSL-2729
NSL-2731 /
NSL-4371 (SD)