

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF RAPTOR
RESOURCES, INC., FOR
UNORTHODOX INFILL GAS
WELL LOCATIONS, LEA
COUNTY, NEW MEXICO.**

**CASE NOS. 12303, 12304
AND 12363**

OIL CONSERVATION DIV.
MAR - 9 PM 3:24

**APPLICATION OF DOYLE HARTMAN,
OIL OPERATOR FOR RESCISSION
AND RECONSIDERATION OF PORTIONS
OF DIVISION ORDER NO. R-9073,
AS AMENDED, LEA COUNTY, NEW MEXICO.**

CASE NO. 12360

SUBPOENA DUCES TECUM

TO: Doyle Hartman, Oil Operator
c/o J.E. Gallegos and Michael J. Condon, Esq.
Gallegos Law Firm, P.C.
460 St. Michael's Drive, Bldg. 300
Santa Fe, New Mexico 87501

Pursuant to NMSA (1978), Section 70-2-8, and Rule 1211 of the New Mexico Oil Conservation Division's Rules of Procedure, you are hereby ORDERED to appear at 9:00 a.m., March 17, 2000, at the offices of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 and to produce the documents and items specified in attached Exhibit A and to make available to Raptor Resources, Inc., and their attorneys, William F. Carr and Michael H. Feldewert, for copying, all of said documents.

This subpoena is issued on application of Raptor Resources, Inc., through their attorneys, Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208, Santa Fe, New Mexico 87504.

Dated this 9th day of March, 2000

NEW MEXICO OIL CONSERVATION DIVISION

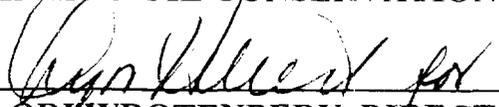
BY: 
LORI WROTENBERY, DIRECTOR

EXHIBIT "A"
TO SUBPOENA DUCES TECUM TO DOYLE HARTMAN, OPERATOR
IN NEW MEXICO OIL CONSERVATION DIVISION
CASE NOS. 12303, 12304, 12360 AND 12363

INSTRUCTIONS AND DEFINITIONS

This Subpoena Duces Tecum seeks all information available to you or in your possession, custody or control from any source, wherever situated, including but not limited to information from any files, records, computers, employees, former employees, consultants, counsel and former counsel.

Any document which contains any comment, notation, addition, or marking of any kind which is not part of the original shall be treated as two or more responsive documents.

Label all documents produced to correspond to each numbered document request.

"You" or "your" refers to the person or entity to whom this Subpoena Duces Tecum is addressed to including all of his or its attorneys, officers, agents, consultants, employees, directors, representatives, officials, departments, divisions, subdivisions, subsidiaries, or predecessors.

"Document" means every writing and record of every type and description in your possession, custody or control, whether prepared by you or otherwise, which is in your possession or control or known by you to exist, including but not limited to all drafts, papers, books, writings, records, letters, photographs, computer files or disks, tangible things, correspondence, communications, telegrams, cables, telex messages, memoranda, notes, notations, work papers, transcripts, minutes, reports and recordings of telephone or other conversations or of interviews, conferences, or meetings. It also includes diary entries, affidavits, statements, summaries, opinions, reports, studies, analyses, evaluations, contracts, agreements, jottings, agenda, bulletins, notices, announcements, plans, specifications, sketches, instructions charts, manuals, brochures, publications, schedules, price lists, client lists, journals, statistical records, desk calendars, appointment books, lists, tabulations sound recordings, computer printouts, books of accounts, checks, accounting records, vouchers, and invoices reflecting business operations, financial statements, and any notice or drafts relating to the foregoing, without regard to whether marked confidential or proprietary. It also includes duplicate copies if the original is unavailable or if the duplicate is different in any way, including marginal notations, from the original.

"Hartman Wells" means all wells drilled, recompleted or operated by Hartman which penetrate the Yates formation, the Seven Rivers formation and/or the Queen formation located in the S/2 S/2 of Section 2, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico and the NE/4 of Section 17, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico which include but is not limited to the following wells:

Hartman State H Well No. 5 (API No. 30-025-34529), located 330 feet from the North line and 660 feet from the East line of Section 17, Township 22 South, Range

36 East, NMPM, Lea County, New Mexico.

Hartman State H Well No. 3 (API No. 30-025-29961), located 1980 feet from the North and East lines of Section 17, Township 22 South, Range 36 East, NMPM, Lea County New Mexico.

Hartman State H Well No. 2 (API No. 30-025-08934), located 1980 feet from the North line and 660 feet from the East line of Section 17, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

PRODUCE THE FOLLOWING:

1. For each of the Hartman Wells please the following documents:
 - A. All AFE's;
 - B. All documents showing the actual costs incurred in drilling and completion of each well;
 - C. All well completion reports;
 - D. All logs for each well;
 - E. All core data and/or side wall core data;
 - F. All bottomhole pressure data;
 - G. All documents which contain data concerning the stimulation treatments on each well including, but not limited to, all fracture treating reports from any service company utilized in the acidizing or fracturing of any Hartman Wells;
 - H. All well stimulation designs and other records and documents which show the fracture length and/or height of the fractures on each of the Hartman Wells;
 - I. All documents identifying perforations or referencing the perforated intervals in the Hartman Wells;
 - J. All documents referencing post fracture stimulation tracer surveys conducted on the Hartman Wells;
 - K. All well files, including all well files in your possession from prior operators, for each of the Hartman Wells.

2. All exhibits which Hartman will present at the Examiner Hearings in Oil Conservation Division Cases 12303, 12304, 12363 and 12363.

Enclosed please find an additional subpoena that we have prepared for service on SDX given developments in the case since December, 1999. I would appreciate it if you would have the subpoena issued, and contact me so that I can pick it up for immediate service on SDX. By copy of this letter, I would ask that Mr. Kellahin advise as to whether he will accept service of the subpoena on behalf of SDX.

Finally, I would request that the Division schedule a hearing on the SDX Motion to Quash at the earliest possible time so that we can resolve these discovery issues and have production of the SDX documents in sufficient time to allow us to review them prior to the March 29-30 hearing dates. We do not want to continue these matters due to failure by SDX to respond to legitimate discovery requests.

If you have any questions, please feel free to contact me.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By


MICHAEL J. CONDON

MJC:sa

fxc: William F. Carr
Tom Kellahin
Doyle Hartman
ioc: J. E. Gallegos

GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

MICHAEL J. CONDON

March 1, 2000
(Our File No. 99-1.81)

00 MAR - 1 AM 11:08
OIL CONSERVATION DIV

VIA HAND-DELIVERY

Lyn Hebert
David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCD Cases No. 12301, 12302, 12303 and 12304

Dear Lyn and David:

We have learned that these cases, as well as the other matters at issue between the parties as reflected in the letters attached hereto, have been scheduled for hearing on March 29-30, 2000 before Examiner David Catanach. Back in December, we had a hearing before Messrs. Carroll and Stogner on subpoenas the Division had issued at Hartman's request, and which we then served on SDX and Raptor. Both Raptor and SDX filed Motions to Quash all or parts of the subpoenas. Consideration of the subpoenas and Motions to Quash were stayed in light of the Division's letter rulings of December 22, 1999 and January 5, 2000.

At this point, we are hopeful and confident that we can work out discovery issues with Raptor. Raptor has already produced a number of documents responsive to the subpoena, and we are working with Mr. Carr to secure additional documents. Unless the Division hears otherwise with respect to document discovery, the Division can assume that those matters will be worked out between the parties.

Problems with SDX, however, continue. SDX has yet to produce a single document responsive to the subpoena. A number of informal follow up requests for documents have gone unanswered by SDX and its counsel. While SDX representatives indicated during the operators' meetings which took place in January and February of this year that it had well studies, core analysis, and other data which purportedly support the SDX infill drilling program, SDX has yet to produce any documents which bear on the issues which are to be addressed at hearing on March 29 and 30, 2000.

Enclosed please find an additional subpoena that we have prepared for service on SDX given developments in the case since December, 1999. I would appreciate it if you would have the subpoena issued, and contact me so that I can pick it up for immediate service on SDX. By copy of this letter, I would ask that Mr. Kellahin advise as to whether he will accept service of the subpoena on behalf of SDX.

Finally, I would request that the Division schedule a hearing on the SDX Motion to Quash at the earliest possible time so that we can resolve these discovery issues and have production of the SDX documents in sufficient time to allow us to review them prior to the March 29-30 hearing dates. We do not want to continue these matters due to failure by SDX to respond to legitimate discovery requests.

If you have any questions, please feel free to contact me.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By


MICHAEL J. CONDON

MJC:sa

fxc: William F. Carr
Tom Kellahin
Doyle Hartman
ioc: J. E. Gallegos

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460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

December 23, 1999
(Our File No. 99-1.80)

J.E. GALLEGOS *

VIA TELECOPY

Mr. Bill Carr
Campbell, Carr, Berge
& Sheridan P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Re: Applications of Raptor for Administrative Approval of Jalmat Wells

Dear Bill:

The attached list represents my reckoning of the orders and wells of Raptor Resources that we believe are the subject of the NMOCD rescission order. I have not included the block-back and recompletion of State "A" A/C-2 Nos. 30 and 48 (Case 12303) and the block-back and recompletion of State "A" A/C-2 No. 54 (Case 12304) since the applications for those were set for hearing, but they should be included in the event Raptor has proceeded with the work.

After checking the list with your client, please let me know whether we are in agreement.

Sincerely,

GALLEGOS LAW FIRM, P.C.

BY:


J.E. GALLEGOS

JEG/rjr
Attachment
Fxc: Rand Carroll-Counsel, NMOCD
Tom Kellahin
Doyle Hartman

Raptor Wells To Be Shut-In Or Not Completed Due To Rescission
Of APDs and Administrative Orders¹

Order	G.P.U.	Wells
SD-99-7 6-30-99	Sec. 8, T22S, R36E Existing State "A" A/C-2 Wells Nos. 26, 43 and 70 640 Acres	State "A" A/C-2 No. 3 ²
NSL-2872- C(SD) 7-6-99	N/2 and SW/4 Sec. 9, T22S, R36E Existing State "A" A/C-2 Wells Nos. 1, 29, 38, 40, 57, 63, 67 and 72 480 Acres	State "A" A/C-2 No. 4
NSL-2723- D(SD)	N/2 and SW/4 Sec. 11, T23S, R36E Existing State "A" A/C-1 Wells Nos. 16, 29, 34, 62, 67, 85, 99 and 103 480 Acres	State "A" A/C-1 No. 58
NSL 2723-E 10-8-99	N/2 and SW/4 Sec. 11, T 23S, R36E Existing State "A" A/C-1 Wells Nos. 16, 29, 34, 58, 62, 67, 85, 99 and 103 480 Acres	State "A" A/C-1 Well No. 92
NSL-2816- C(SD) 10-13-99	Sec. 8, T22S, R36E Existing State "A" A/C-2 Wells Nos. 3, 26, 43 and 70 640 Acres	State "A" A/C Wells Nos. 24 and 25

¹ Mr. Carr stated at the conference that Raptor will be shutting-in State "A" A/C -2 Wells Nos. 30,48 and 54 because Hartman had not been given notice on those applications. Those wells, however, are the subject of Cases 12303 and 12304 on which there has been no action. Have the wells been drilled anyway?

² This well would be on 160 acre spacing, but Raptor concedes that Hartman was not accorded notice of the application.

GALLEGOS LAW FIRM

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460 St. Michael's Drive
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Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

December 23, 1999
(Our File No. 99-1.80)

J.E. GALLEGOS *

VIA TELECOPY

Thomas W. Kellahin, Esq.
Kellahin & Kellahin
117 N. Guadalupe
Santa Fe, New Mexico 87501

Re: SDX Resources, Inc.; NMOCD Case Nos. 12301, 12302
Administrative Approval of Jalmat Wells

Dear Tom:

The attached list represents my best reckoning of the orders and SDX wells that are the subject of the NMOCD rescission order. I am assuming that the Jalmat Federal Com. No. 2 (Case 12301) and E. J. Wells No. 25 (Case 12302) have not been drilled and SDX is not going forward with those wells since the applications were set for hearing. If that assumption is incorrect, then those wells should be included.

Please check my list with your clients and let me know whether we are in agreement.

Sincerely,

GALLEGOS LAW FIRM, P.C.

BY:


J.E. GALLEGOS

JEG/rjr

Attachment

Fxc: Rand Carroll-Counsel, NMOCD
Bill Carr
Doyle Hartman

loc: Michael Condon

**SDX Wells To Be Shut-In Or Not Completed Due To Rescission
Of APDs and Administrative Orders**

Order	G.P.U.	Wells
NSL-833-A(SD) 3-31-99	NE/4 Sec. 8, T25S, R37E Existing Langlie Jal Fed. No. 1 160 Acres	Langlie Jal Fed. No. 2 (Drilled)
NSL-4248(SD) 3-31-99	SE/4 SW/4 and SE/4, Sec. 5, T25S, R37E Existing Wells Fed Nos. 1 and 17 200 Acres	Wells Fed Nos. 20 and 21 (No. 20 Drilled)
SD-99-14 10-13-99	NW/4 NW/4 and S/2 NW/4 Sec 32, T24S, R37E Existing State A-32 No. 4 120 Acres	State A-32 Nos. 5 and 6 (No. 5 Drilled)
SD-99-15 11/13/99	NW/4 Sec. 5, T25S, R37E Wells Fed. Nos. 14 and 15 160 Acres	Wells Fed. Nos. 22 and 23