

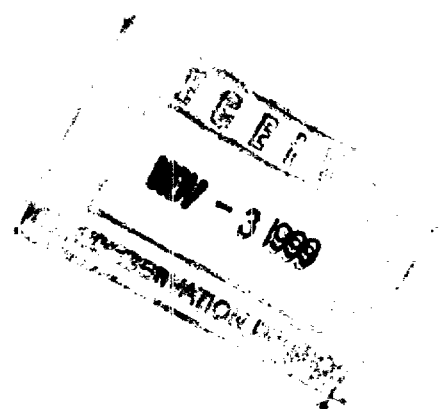
**DOYLE HARTMAN**

*Oil Operator*

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November 1, 1999



**VIA FEDERAL EXPRESS**

**and VIA FACSIMILE (w/o encs.): 505/827-8177**

**4 PAGES**

Lori Wrotenbery, Director  
Michael Stogner, Chief Hearing Examiner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

Re: Raptor's Failure to Give Timely Notice  
State "A" A/C-2 No. 54 Application for  
Simultaneous Dedication and Unorthodox Location

Dear Ms. Wrotenbery and Mr. Stogner:

Reference is made to the Raptor Resources, Inc. ("Raptor") applications to the NMOCD for simultaneous dedication and unorthodox locations for its State "A" A/C-2 Nos. 30 and 48 wells located in E-9-22S-36E and C-9-22S-36E respectively, on Raptor's 480-acre non-standard Jalmat proration unit in Section 9, T-22-S, R-36-E (acreage ownership plat enclosed). Concerning the State "A" A/C-2 Nos. 30 and 48 wells, on October 12, 1999, we received notice, as the owner of the 160-acre State "H" Jalmat lease rights, of Raptor's October 4 and 5, 1999 applications, and provided Raptor with a conditional approval on October 21, 1999.

As to Raptor's October 20, 1999 application, for approval of simultaneous dedication and unorthodox Jalmat location, for its State "A" A/C-2 No. 54 well (O-8-22S-36E), in its application to the NMOCD, Raptor stated:

A copy of this letter and attachments has been furnished by  
Certified Mail to the offset operators as their notice of this  
application.

Contrary to Raptor's erroneous statement in its October 20, 1999 letter to the NMOCD, as the closest offset Jalmat operator to the State "A" A/C-2 No. 54 well, we did not receive notice, from Raptor, of its well No. 54 application until today (November 1, 1999), although, on or about August 19, 1999, Raptor was clearly aware of our ownership of the 160-acre State "H" lease Jalmat rights consisting of the NE/4 Section 17, T-22-S, R-36-E. On or about that date, Mr.

Ms. Lori Wrotenbery and Mr. Michael Stogner  
November 1, 1999  
Page 2

Russell Douglass and Mr. Mike Nell stopped by our Midland, Texas office and requested that we furnish to Raptor a set of well logs for our State "H" No. 5 Jalmat well (A-17-22S-36E). As documentation of their visit to our office, and Raptor's knowledge of our ownership of the State "H" Jalmat rights, a copy of Russell Douglass' and Mike Nell's business cards, which were left at our office, are herein enclosed.

Consequently, before being granted approval for a simultaneous dedication and unorthodox location application, we wish to emphasize that NMOCD rules and New Mexico statute require that an applicant must:

- 1) Make a proper good-faith effort to provide timely and adequate notice, of its application to adversely impacted offset operators; and
- 2) If requested, provide for each application sufficient technical documentation including but not limited to overall proration unit development plans, total productive acreage, reservoir pressure, porosity, net feet of pay, well deliverability coefficients, and well drainage capabilities, so that the NMOCD, in order to both prevent waste and protect correlative rights, can reasonably render findings as to the amount of recoverable gas under an applicant's tract and the ability of a well or wells to recover the gas in place.

Since Raptor failed to promptly provide Hartman with proper and timely notice of its State "A" A/C-2 No. 54 applications, and because Raptor's administrative applications to the NMOCD contain no technical justification for its applications, we respectfully request that Raptor be required to appear before the NMOCD, at a public hearing, and explain why Raptor has failed to give prompt notice of its State "A" A/C-2 No. 54 applications (including an explanation as to why Hartman's State "H" lease Jalmat ownership information was deleted by Raptor from the ownership plat that was included with Raptor's applications), and also be required to make a substantial showing as to why its applications should be approved, and as to why its applications, in conjunction with its overall Jalmat development plans for Sections 8 and 9, T-22-S, R-36-E, will not result in waste and negatively impact upon the correlative rights of offset Jalmat producers.

As for the historical production performance of the State "A" A/C-2 No. 54 well, please find enclosed herewith a 29-year production plot that reveals a recent Eunice South production rate of 4 BOPD and 7 MCFPD. Assuming that the reported production performance for the State "A" A/C-2 No. 54 is reasonably correct, we would also like to know why there is a strong appearance, that the proposed State "A" A/C-2 No. 54 work, for which Raptor has just requested and received C-101 approval, has already been performed, especially since Raptor's well No. 54 Form C-101 was dated October 20, 1999, and approved October 26, 1999, and discusses Raptor's proposed

Ms. Lori Wrotenbery and Mr. Michael Stogner  
November 1, 1999  
Page 3

recompletion to the Jalmat in the future tense. If the work proposed for the No. 54 well had already been performed at the time that Raptor filed its C-101, as we suspect, it is difficult for us, as an offset operator, not to believe that our rights are being completely disregarded, and not to believe that Raptor possesses an unexplainable overly-confident attitude concerning the approval of a set of applications that otherwise appear to possess a difficult fact situation.

Finally, please find enclosed herewith an applicable excerpt (McDonald State No. 6 well) from the NMOCD's Stratigraphic Nomenclature Committee Cross-sections, for the Jalmat and Eumont Pools, as well as a correlation of Raptor's State "A" A/C-2 Nos. 30, 48, and 54 wells to the Marathon-operated McDonald State No. 6 well located in the SE/4 SW/4 Section 16, T-22-S, R-36-E (N-16-22S-36E).

Very truly yours,



Doyle Hartman

DH/ao  
Enclosures

cc w/ encs.:

**VIA FEDERAL EXPRESS**

Raptor Resources, Inc.  
901 Rio Grande (78701)  
P.O. Box 160430  
Austin, TX 78716-0430  
Attn: Russell Douglass, President  
Mike Nell, Vice President

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Raptor Resources, Inc.  
414 W. Texas, Suite 202  
Midland, TX 79701  
Attn: Bill R. Keathly, Regulatory Agent

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NMOCD  
1625 N. French Drive  
Hobbs, NM 88240  
Attn: Chris Williams, Supervisor and Oil & Gas Inspector

Ms. Lori Wrotenbery and Mr. Michael Stogner  
November 1, 1999  
Page 4

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