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New Mexico Oil Conservation Division
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the Jalmat Pool, not the Eunice South Pool. For the proposed State "A" A/C-2 No. 54 recompletion, the Jalmat Pool includes within its vertical limits the depths from 3331' to approximately 3650'. Consequently, if the No. 54 well is completed from 3331'-3650', any approval for the No. 54 well as a Eunice South well should be withdrawn, and Raptor should be required to appear before the Division to explain the need for yet another Jalmat well in the SE/4 of Section 8. See Exhibit "A".

To date, no known Special Pool Rule 2(a)(3) filing has been made for any part of the SE/4 Section 8 or the remainder of Raptor's 640-acre Section 8 Jalmat proration unit. The presently existing or proposed Jalmat wells in the SE/4 of Section 8 appear to be the No. 24, No. 54, No. 70 and No. 77. Although the proposed No. 77 well has been filed as a Eunice South well, it will most likely be completed in the same interval as the No. 54, since the nearby No. 70 (20-acre offset), before recompletion as a Jalmat gas well, was a Eunice South water injection well, and has watered out much of the Eunice South interval, as to the SE/4 of Section 8.

4. **State "A" A/C-2 Wells No. 30 and No. 48:** These wells were the subject of a Raptor application for which Hartman actually received notice. By letter dated October 21, 1999, Exhibit "B", Hartman informed Raptor that it would not oppose Raptor's application for wells No. 30 and No. 48, providing that the gas wells on Raptor's 480-acre non-standard Jalmat gas proration unit situated in Section 9, T-22-S, R-36-E, were both separately and accurately metered, and also providing that Raptor recognize that Hartman reserved the right to object to future applications for simultaneous dedication, if or when it became apparent that Raptor's proposed Jalmat spacing is more dense than the drainage capability of an efficiently completed Jalmat well. Raptor acknowledged Hartman's right to object by its signature on Exhibit "B".

Consequently, it could be argued that Hartman's approval may have been secured by deceit, since Raptor never informed Hartman of the true extent of its proposed Jalmat infill development plans for Section 9. In this regard, the Division will note, when one considers well Nos. 1, 32-Y, 67, 72 (already apparent Jalmat producers in Section 9), 30, 24, 54, 70 and 77 in Sections 8 and 9, that Raptor is proposing nine Jalmat Pool wells within a limited 220-acre area (Exhibit "H"). This apparent spacing density for Jalmat wells is preposterous. There is no economic or engineering rationale that can be offered for such a dense Jalmat infill drilling and completion program. Raptor has made no showing, nor could a credible engineering showing be made, that dense infill drilling on what equates to 20-acre to 40-acre spacing is necessary in order to efficiently, effectively, and economically drain remaining Jalmat Pool gas reserves.

In light of the foregoing problems and the due process violations, ~~Hartman~~ requests that the ~~Division~~ order Raptor to ~~cease all Jalmat activity in Sections 8 and 9, T-22-S, R-36-E,~~ until such time as