

EXHIBIT “B”

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P. O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

October 21, 1999

Via Facsimile (915) 684-4508

Raptor Resources, Inc.
414 W. Texas, Suite 202
Midland, TX 79701

Attn: Bill R. Keathly
Regulatory Agent

Via Facsimile (505) 827-8177

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Attn: Lori Wrotenbery, Director
Michael Stogner, Chief Hearing Officer

Re: Application for Unorthodox Gas Well Locations and Simultaneous Dedication

State "A" A/C 2 Well No. 30
1980' FNL and 660' FWL
Section 9, T-22-S, R-36-E
Lea County, New Mexico

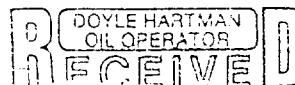
State "A" A/C 2 Well No. 48
660' FNL and 1980' FEL
Section 9, T-22-S, R-36-E
Lea County, New Mexico

Ladies and Gentlemen:

Reference is made to Raptor Resources, Inc.'s (Raptor's) applications, dated October 4, 1999 and October 5, 1999, received October 12, 1999, for unorthodox well locations and simultaneous dedication of its State "A" A/C 2 Nos. 30 and 48 wells to a previously existing 480-acre Jalmat proration unit.

Since the closest of Raptor's two newly proposed wells is 3300' north of our State "H" lease, but also in recognition of the fact that a proration unit is defined as "...the area in a pool that can be efficiently and economically drained by one well, as determined by the commission (N.M. Stat., 1973 § 70-2-17 (B)) (emphasis added)...", we hereby wave any current objection to the two newly proposed completions, provided:

- (1) In accordance with standard NMOCD regulations, all gas from wells situated on the subject 480-acre non-standard Jalmat proration unit is both separately and accurately metered, on a daily basis, from each individual Jalmat well, so that the source of the multi-well proration unit production can be accurately determined, and



OCT 26 1999

- (2) It is understood that Doyle Hartman reserves the right to object to future applications for simultaneous dedication, if and/or when it becomes apparent that Raptor's proposed spacing is more dense than the drainage capability of an efficiently completed Jalmat well, thus (a) violating the correlative rights of offset leases, or (b) promoting waste by requiring the drilling and completion of an excessive number of wells, in order to counter drainage by Raptor.

Please promptly let us know if the conditions of our approval are acceptable to Raptor. If our conditions are not acceptable, this letter shall serve as Doyle Hartman's timely objection to Raptor's application.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

rcp
wp7/corresp.dh/nmocc-raptor-state.h

AGREED AND ACCEPTED BY RAPTOR RESOURCES, INC.

By: Russell Douglass

Title: President

Date: 10/21/99

cc: Via Facsimile (512) 478-4476
Raptor Resources, Inc.
901 Rio Grande (78701)
P.O. Box 160430
Austin, Texas 78716-0430
Attn: Russell Douglass, President
Mike Nell, Vice President
Bill Keathly, Regulatory Agent

New Mexico Oil Conservation Division
October 21, 1999
Page 3

Via Facsimile (505) 986-0741
Gallegos Law Firm
460 St. Michaels Drive, Building 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Midland)

Don Mashburn
Steve Hartman
Sheila Potts
Linda Land
Cindy Brooks

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4427

October 4, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheo
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
1980' FNL and 660' FWL
Section 9, T 22S, R 36E (E)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

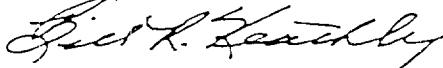
Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 30 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). It is our desire to also simultaneously dedicate the existing 480- acre Proration Unit assigned to our well nos. 1, 29, 38, 40, 57, 63, 67 and 72 to all nine wells. Previously approved orders are R 9073 and NSL 2872 & 2872 A & B.

The offset operator plat shows that Arco Permian, Chevron Inc, OXY USA, Doyle Hartman, Marathon and Finley Resources as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

In order to prevent waste, Raptor Resources, Inc. respectfully requests your approval of this application for an unorthodox location and simultaneous dedication. A copy of this letter and attachments has been furnished by Certified Mail to the offset operators as their notice of this application.

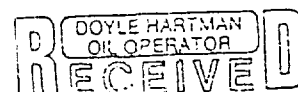
If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,



Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs



OCT 12 1999

State "A" A/C 2 # 30
Section 9, T-22S, R-36E, (E)
API # 30-025-08855
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

Arco Permian
P.O. Box 1610
Midland, TX 79702

Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

OXY USA Inc
P.O. Box 50250
Midland, TX 79710

Finley Resources
1308 Lake St., Ste 200
Ft. Worth, TX 76102

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Marathon Oil Co.
P.O. Box 552
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

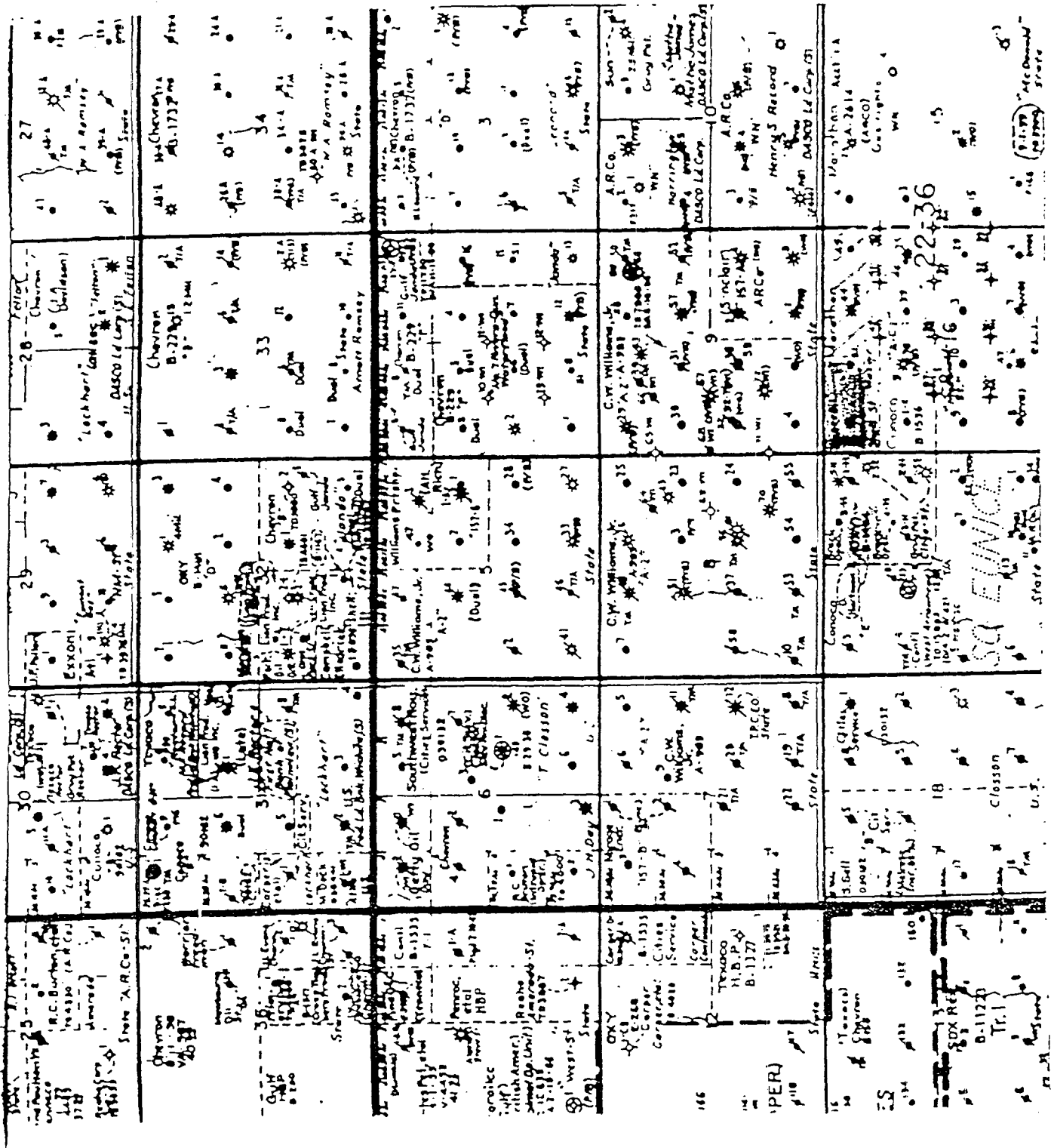
Arco Permian

Doyle Hartman

Chevron

Oxy

Finley Resources



District I
PO Box 1980, Hobbs, NM 88241 1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		OGRID No. 162791
Property Code 24671		API Number 30-0025-08855
Property Name State 'A' A/C 2		Well No. 30

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	22S	36E		1980	North	660	West	Lea

s 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

Proposed Pool 1 Jalmat, Tns1, Yts, 7-Rivers (Pro Gas) (79240)	Proposed Pool 2
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Work Type Code P 16 Multiple	Well Type Code G 17 Proposed Depth	Cable/Rotary R 18 Formation Tns1/Yates/7 Rvrs	Lease type Code S 19 Contractor	14 Ground Level Elevation 20 Spud Date
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21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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.

Current Status: Producing in the Eunice: Seven Rivers-Queen, South

PROPOSED OPERATIONS

1. Set CIBP above the Eunice: Seven Rivers-Queen
2. Perf the Tns1 @ 2956-3121; Yates @ 3121-3306; 7 Rvrs @ 3306-3679.
3. Acidize
4. Frac
5. POP

22 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Bill R. Keathly</i>		OIL CONSERVATION DIVISION	
Printed name: Bill R. Keathly		Approved by:	
Title: Regulatory Agent for Raptor		Title:	
Date: 10-4-99	Phone: (915) 697-1609	Approval Date:	Expiration Date:
		Conditions of Approval: --- Attached: ---	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-1

Revised February 21, 19

Instructions on b:

Submit to Appropriate District Off

State Lease - 4 Cop

Fee Lease - 3 Cop

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08855	2 Pool Code 79240	3 Pool Name Jalmat, TnsI, Yts, 7-Rivers (Pro Gas)
4 Property Code 24671	5 Property Name State 'A' A/C 2	6 Well Number 50
7 OGRID No. 162791	8 Operator Name Raptor Resources, Inc.	9 Elevation

10 Surface Location

UL or lot no. E	Section 9	Township 22S	Range 36E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 660	East/West line West	County Lea
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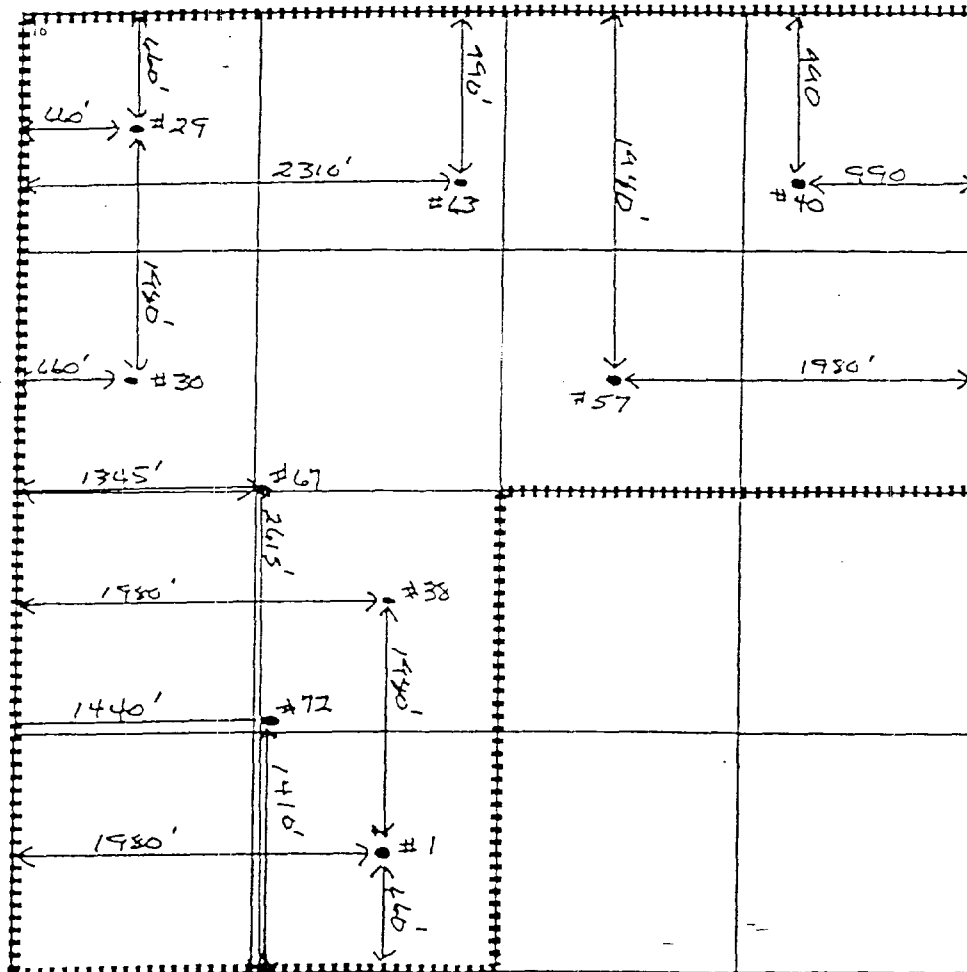
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 480	13 Joint or Infill	14 Consolidation Code	15 Order No.
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Applied For

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Bill R. Keathly
Signature

Bill R. Keathly
Printed Name

Regulatory Agent - Raptor
Title

10-4-99
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

RAPTOR RESOURCES, INC.

901 Rio Grande

Austin, Texas 78701

(512) 478-4427

October 5, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 Pacheco
Santa Fe, New Mexico 87504

RE: Application for Unorthodox Gas Well Locations and Simultaneous Dedication
Jalmat, Tansil Yts 7 Rvrs (Pro Gas)
660' FNL and 1980' FEL
Section 9, T 22S, R 36E (B)
Lea County, New Mexico

Dear Mr. Stogner,

Raptor Resources, Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Raptor Resources, Inc. is planning to re-complete it's State "A" A/C 2 Well No. 48 in the Jalmat Tansil Yates 7-Rivers (Pro Gas Pool). It is our desire to also simultaneously dedicate the existing 480- acre Proration Unit assigned to our well nos. 1, 29, 30, 38, 40, 57, 63, 67 and 72 to all ten wells. Previously approved orders are R 9073 and NSL 2872 & 2872 A & B.

The offset operator plat shows that Arco Permian, Chevron Inc, OXY USA, Doyle Hartman, Marathon and Finley Resources as the offset operators that could be affected by this unorthodox location. Please find enclosed evidence that they have been notified of this application.

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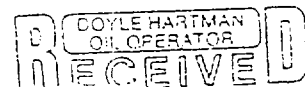
If you have any questions or require any further information concerning this application, please contact me at (915) 697-1609 or e-mail me at BRKeathly@juno.com.

Sincerely,



Bill R. Keathly
Regulatory Agent for Raptor Resources

Cc: Oil Conservation Division - Hobbs



OCT 12 1999

State "A" A/C 2 # 48
Section 9, T-22S, R-36E, (B)
API # 30-025-08845
Lea County, New Mexico

RE: Application for Unorthodox Location

Notification of Offset Operators:

Arco Permian
P.O. Box 1610
Midland, TX 79702

Chevron U S A Inc
Attn: WOJV-Business Unit
P.O. Box 1635
Houston, TX 77251

OXY USA Inc
P.O. Box 50250
Midland, TX 79710

Finley Resources
1308 Lake St., Ste 200
Ft. Worth, TX 76102

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

Marathon Oil Co.
P.O. Box 552
Midland, TX 79702

Please find attached evidence that the above listed companies have been sent copies of the Non-standard location request.

Chevron

 $\partial \times \gamma$

Finley Resources

[illegible]

District I
PO Box 1980, Hobbs, NM 88241 1980

District II

PO Drawer DD, Artesia, NM 88211-0719

District III

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Operator Name and Address: Raptor Resources, Inc. 901 Rio Grande Austin, Tx. 78701		GRID No. 162791
		API Number 30 - 0025-08845
Property Code 24671	Property Name State 'A' A/C 2	Well No. 48

' Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	22S	36E		660	North	1980	East	Lea

s 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
Proposed Pool 1					Proposed Pool 2				
Jalmat, Tnsi, Yts, 7-Rivers (Pro Gas) (79240)									

" Work Type Code	" Well Type Code	" Cable/Rotary	" Lease type Code	14 Ground Level Elevation
P	G	R	S	
16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
Tnsi/Yates/7 Rvrs				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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.

Current Status: Producing in the Eunice: Seven Rivers-Queen

PROPOSED OPERATIONS

1. Set CIBP above the Eunice: Seven Rivers-Queen
2. Perf the Tnsi @ 2971-3150; Yates @ 3150-3347; 7 Rvrs @ 3347-3660
3. Acidize
4. Frac
5. POP

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

Signature:

Printed name

Bill R. Keathly

Title:

R regulatory Agent for Raptor

Date:

10-5-99

Phone

(915) 697-1609

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

District II
PO Drawer CD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd. Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

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API Number 30-025-08845	2 Pool Code 79240	3 Pool Name Jalmat, Tnsi, Yts, 7-Rivers (Pro Gas)
4 Property Code 24671	5 Property Name State 'A' A/C 2	6 Well Number 48
7 OGRID No. -- 162791	8 Operator Name Raptor Resources, Inc,	9 Elevation

10 Surface Location

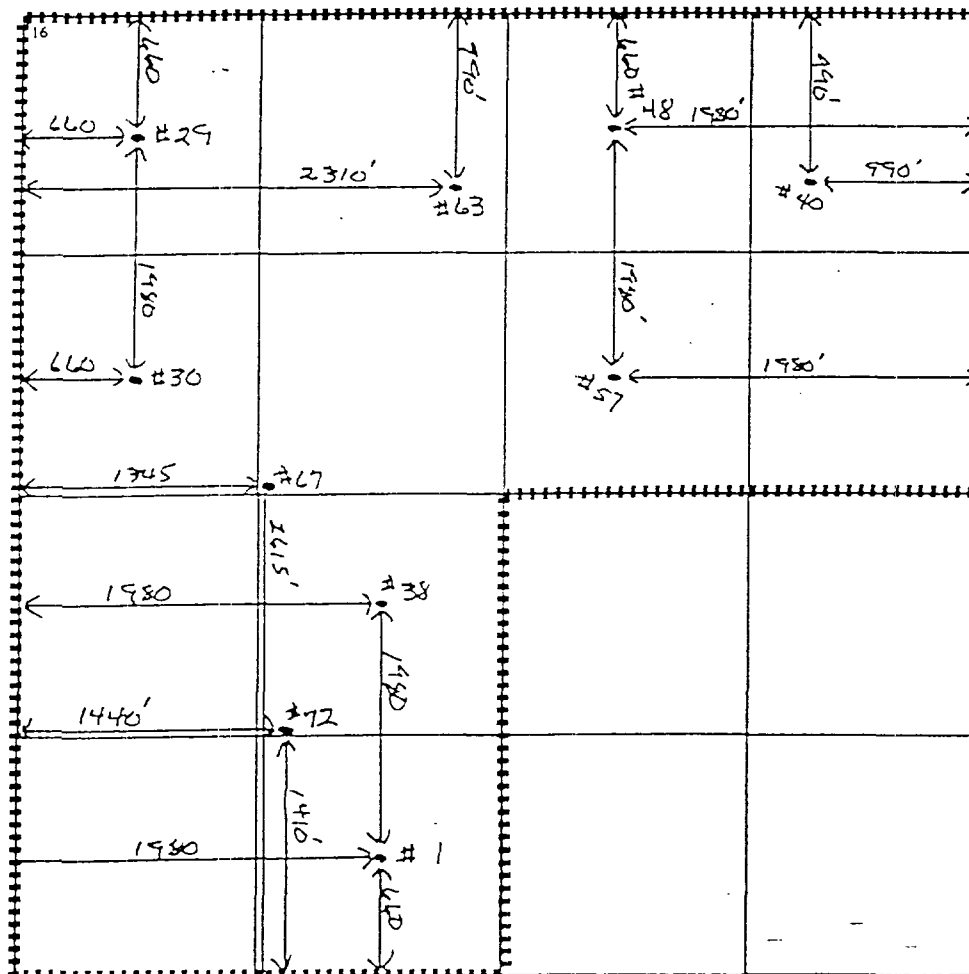
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	22S	36E		660	North	1980	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres	13 Joint or Infil	14 Consolidation Code	15 Order No.
480			Applied For

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Bill R. Keachiv

Printed Name _____

Regulatory Agent - Raptor

Time

10-5-99

Date _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number