CASE 12624: Application of Raptor Resources, Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing non-standard 480-acre spacing and proration unit comprised of W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, which is located approximately 9 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-1 Well No. 133 is to be drilled at an unorthodox infill gas location 660 feet from the North and West lines of Section 24. This unit is currently dedicated to Raptor Resources, Inc.'s:

A. State "A" A/C-1 Well No. 17 (API No. 30-025-09401), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 24;

B. State "A" A/C-1 Well No. 24 (API No. 30-025-09402), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 24, which is currently plugged and abandoned;

C. State "A" A/C-1 Well No. 25 (API No. 30-025-09403), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 24, which is currently plugged and abandoned;

D. State "A" A/C-1 Well No. 32 (API No. 30-025-09404), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 24;

E. State "A" A/C-1 Well No. 50 (API No. 30-025-09405), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24;

F. State "A" A/C-1 Well No. 52 (API No. 30-025-9406), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 24;

G. State "A" A/C-1 Well No. 53 (API No. 30-025-09407), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24.

H. State "A" A/C-1 Well No. 54 (API No. 30-025-09409), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 24;

I. State "A" A/C-1 Well No. 107 (API No. 30-025-20975), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 24;

J. State "A" A/C-1 Well No. 108 (API No. 30-025-20976), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 24; and

K. State "A" A/C-1 Well No. 126 (API No. 30-025-31045), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 24;

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat

Examiner Hearing – March 22, 2001 Docket No. 9-01 Page 7 of 12

Gas Pool (authorized by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B) comprised of S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, Township 23 South, Range 36 East, which is located approximately 7.5 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-1 Well No. 130 is to be drilled at an unorthodox infill gas location 660 feet from the South and East lines of Section 9 and applicant's State "A" A/C Well No. 131 is to be drilled at an unorthodox infill gas well location 1980 feet from the South line and 660 feet from the East line of Section 9. This unit is currently dedicated to Raptor Resources, Inc.'s:

A. 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;

B. 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;

C. State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 10;

D. State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;

E. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located at a standard location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10, which is currently plugged and abandoned;

F. State "A" A/C-1 Well No. 81 (API No. 30-025-09295), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10;

G. State "A" A/C-1 Well No. 86 (API No. 30-025-09295), located at an unorthodox gas well location 1980 feet from the North and West lines (Unit F) of Section 10, which is currently temporarily abandoned;

H. State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10, which is currently temporarily abandoned;

I. State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10; and

J. State "A" A/C-1 Well No. 100, located at an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 9, which is currently plugged and abandoned.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 520-acre non-standard unit from all twelve of the above described State "A" A/C Wells No. 37, 38, 49, 55, 56, 81, 86, 88, 89, 100, 130, and 131.