

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12678
ORDER NO. R-11642**

**APPLICATION OF RAPTOR RESOURCES, INC. FOR TWO UNORTHODOX
INFILL GAS WELL LOCATIONS AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 14 and July 12, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of August, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
- (2) Division Cases No. 12678 and 12679 were consolidated at the June 14, 2001 hearing for the purpose of testimony.
- (3) The applicant, Raptor Resources, Inc. ("Raptor"), seeks an exception to the well location and well density provisions currently governing the Jalmat (Tansill-Yates-Seven Rivers) Gas Pool for the following described wells in Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 31	30-025-08856	1980' FNL & 1980' FWL (Unit F)
State "A" A/C-2 No. 52	30-025-08859	1980' FNL & 660' FEL (Unit H)

- (4) These wells are to be dedicated to an existing non-standard 480-acre Jalmat Gas Pool gas proration unit comprising the N/2 and SW/4 of Section 9.

(5) The applicant also seeks authority to simultaneously dedicate the subject non-standard gas proration unit to its proposed State "A" A/C-2 Wells No. 31 and 52, and to the following-described existing Jalmat Gas Pool wells:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 1	30-025-08849	660' FSL & 1980' FWL (Unit N)
State "A" A/C-2 No. 4	30-025-08853	660' FSL & 660' FWL (Unit M)
State "A" A/C-2 No. 29	30-025-08854	660' FNL & 660' FWL (Unit D)
State "A" A/C-2 No. 30	30-025-08855	1980' FNL & 660' FWL (Unit E)
State "A" A/C-2 No. 38	30-025-08847	1980' FSL & 1980' FWL (Unit K)
State "A" A/C-2 No. 40	30-025-08848	990' FNL & 990' FEL (Unit A)
State "A" A/C-2 No. 48	30-025-08845	660 FNL & 1980' FEL (Unit B)
State "A" A/C-2 No. 57	30-025-20297	1980' FNL & 1980' FEL (Unit G)
State "A" A/C-2 No. 63	30-025-25543	990' FNL & 2310' FWL (Unit C)
State "A" A/C-2 No. 67	30-025-28276	2615' FSL & 1345' FWL (Unit K)
State "A" A/C-2 No. 72	30-025-28281	1410' FSL & 1440' FWL (Unit K)

(6) The State "A" A/C-2 Wells No. 1, 4, 29, 30, 38, 48 and 57 are located at unorthodox locations for the Jalmat Gas Pool, and the State "A" A/C-2 Wells No. 40, 63, 67 and 72 are located at standard locations for the Jalmat Gas Pool.

(7) The subject non-standard gas proration unit was initially established by Division Order No. R-9073 dated December 14, 1989. This order further authorized the simultaneous dedication of the State "A" A/C-2 Wells No. 38, 40 and 63 to this unit.

(8) The additional wells that have been subsequently drilled and completed at standard or unorthodox gas well locations in the Jalmat Gas Pool within the subject 480-acre gas proration unit have been approved by Division Orders No. NSL-2872, NSL-2872-A, NSL-2872-B(SD), NSL-2872-C(SD) and NSL-2872-D(SD).

(9) The rules and procedures currently governing the Jalmat Gas Pool include, but are not necessarily limited to:

- (a) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (b) Division Rule 605.B.;

- (c) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (d) Rule 1207.A.(2); and
- (e) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe, New Mexico issued on July 11, 2001 in Hartman vs Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Amended Stipulated Declaratory Judgement").

(10) Division records demonstrate that the State "A" A/C-2 Wells No. 31 and 52 were drilled in 1945 and 1961, respectively, and that both were originally completed in and produced from the South Eunice Seven-Rivers-Queen Pool.

(11) The evidence presented in this case demonstrates that:

- (a) there is substantial geologic discontinuity in the Yates and Seven Rivers formations within the Jalmat Gas Pool underlying Section 9 in which Raptor proposes to recomplete its State "A" A/C-2 Wells No. 31 and 52;
- (b) modern well logs and well completion techniques provide Raptor the opportunity to identify, perforate, stimulate and produce sands in the Yates and Seven Rivers formations that may not have been produced in other offset wells;
- (c) with the exception of certain well recompletions Raptor has accomplished recently, most of the wells offsetting the State "A" A/C-2 Wells No. 31 and 52 are producing at marginal rates from the Jalmat Gas Pool; and
- (d) Raptor expects to recover at least 0.5 BCF of gas each from the State "A" A/C-2 Wells No. 31 and 52

that may otherwise not be recovered by the existing wells, thereby preventing waste.

(12) All Jalmat Gas Pool operators within the eight-section area surrounding Section 9 were notified of Raptor's application. No offset operator or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the proposed unorthodox gas well locations and simultaneous dedication will result in the recovery of hydrocarbons that will otherwise not be recovered, thereby preventing waste, and will otherwise be in the best interest of conservation and protection of correlative rights.

IT IS THEREFORE ORDERED THAT:

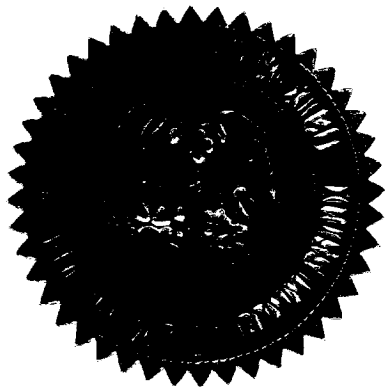
(1) The applicant, Raptor Resources, Inc., is hereby authorized to recomplete to the Jalmat Gas Pool its State "A" A/C-2 Wells No. 31 and 52, located at unorthodox gas well locations 1980 feet from the North and West lines (Unit F), and 1980 feet from the North line and 660 feet from the East line (Unit H), respectively, both in Section 9, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) A 480-acre non-standard gas proration unit comprising the N/2 and SW/4 of Section 9 shall be simultaneously dedicated to the State "A" A/C-2 Wells No. 31 and 52, and to the following-described existing Jalmat Gas Pool wells:

<u>Well Name & Number</u>	<u>API Number</u>	<u>Well Location</u>
State "A" A/C-2 No. 1	30-025-08849	660' FSL & 1980' FWL (Unit N)
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State "A" A/C-2 No. 29	30-025-08854	660' FNL & 660' FWL (Unit D)
State "A" A/C-2 No. 30	30-025-08855	1980' FNL & 660' FWL (Unit E)
State "A" A/C-2 No. 38	30-025-08847	1980' FSL & 1980' FWL (Unit K)
State "A" A/C-2 No. 40	30-025-08848	990' FNL & 990' FEL (Unit A)
State "A" A/C-2 No. 48	30-025-08845	660' FNL & 1980' FEL (Unit B)
State "A" A/C-2 No. 57	30-025-20297	1980' FNL & 1980' FEL (Unit G)
State "A" A/C-2 No. 63	30-025-25543	990' FNL & 2310' FWL (Unit C)
State "A" A/C-2 No. 67	30-025-28276	2615' FSL & 1345' FWL (Unit K)
State "A" A/C-2 No. 72	30-025-28281	1410' FSL & 1440' FWL (Unit K)

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director