

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>WILLIAM F. CARR</u> Print or Type Name	<u><i>William F. Carr</i></u> Signature	<u>ANDREW</u> Title	<u>7/22/04</u> Date
		<u>wcarr@hollandhart.com</u> e-mail Address	

2004 JUL 22 PM 2 22

July 22, 2004

HAND DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Mission Resources Corporation for Administrative Approval for a non-standard gas spacing unit, Jalmat Gas Pool, Lea County, New Mexico.

Dear Ms. Fesmire:

Pursuant to the provisions of Rule 4 (C) of the Special Pool Rules for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170-P dated December 14, 2001, Mission Resources Corporation hereby files its application for an administrative exception pursuant to the requirements of Rule 2(A) for the reduction of the existing 640-acre standard gas spacing unit comprised of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to a 600-acre non-standard unit by deleting from this spacing unit the 40-acre tract comprised of the NW/4 NW/4 of the Section.

The reduction of this standard Jalmat gas spacing unit is necessary because the gas-liquid test conducted on the State "A" A/C-2 Well No. 7 (API No. 30-025-08830) located 660 feet from the North and West lines Section 8, showed that it produced at a gas-liquid ratio of less than 100,000 cubic feet of gas per barrel of oil [*See*, Rule 1] and therefore is an oil well in the Jalmat formation, Jalmat Tansil Yates 7 Rivers (Oil Pool) [Rule 4(C)(2)(a)]. Simultaneous dedication of the 40-acre oil spacing unit dedicated to the State "A" A/C-2 Well No. 7 and the 640-acres standard gas spacing unit would violate Rule 2(C) of the Special Pool Rules for the Jalmat Gas Pool. A copy of Division form C-105 ("Well Completion or Recompletion Report and Log") showing a GOR of 63,000 cubic feet to 1 for this well is attached hereto as **Exhibit A**.

By Order NSL-2816-D (SD) dated December 27, 2001 (Copy attached as **Exhibit B**) the Division approved, among other matters, the infill gas well location for the State "A" A/C-2 Well No. 7 and also approved the simultaneous of this well and all existing producing Jalmat gas wells on the standard 640-acre spacing unit comprised of said Section 8. This order specifically approved the simultaneous dedication of the following wells to this standard 640-acre Jalmat gas spacing unit in Section 8 of Township 22 South, Range 36 East, NMPM:



- (1) State "A" A/C-2 Well No. 3 (API No. 30-025-08829) located 1980 feet from the North and East lines (Unit G);
- (2) State "A" A/C-2 Well No. 7 (API No. 30-025-08830), located 660 feet from the North and West lines (Unit D);
- (3) State "A" A/C-2 Well No. 24 (API No. 30-025-08833) located 1980 feet from the South line and 660 feet from East line (Unit I);
- (4) State "A" A/C-2 Well No. 25 (API No. 30-025-08834) located 660 feet from the North and East lines (Unit A);
- (5) State "A" A/C-2 Well No. 26 (API No. 30-025-08835) located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B);
- (6) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit H);
- (7) State "A" A/C-2 Well No. 49 (API No. 30-025-08838), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C);
- (8) State "A" A/C-2 Well No. 53 (API No. 30-025-08843) located 660 feet from the South line and 1980 feet from the West line (Unit N);
- (9) State "A" A/C-2 Well No. 55 (API No. 30-025-08842) located 660 feet from the South and East lines (Unit P);
- (10) State "A" A/C-2 Well No. 56 (API No. 30-025-08843) located at a standard gas well location 1980 feet from the South and East lines (Unit J);
- (11) State "A" A/C-2 Well No. 58 (API No. 30-025-20978) located 2030 feet from the South line and 660 feet from the West line (Unit L);
- (12) State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located 1295 feet from the South and East lines (Unit P); and
- (13) State "A" A/C-2 Well No. 76 (API No. 30-025-34692), located 1980 feet from the North line and 660 feet from the West line (Unit E).



The State A/C A-2 Well Nos. 49, 53, 55, 56 and 58 have been plugged and abandoned [Rule 4(C)(2)(c)].

The State "A" A/C-2 Well No. 7 was originally drilled at a standard oil well location to test the Langlie Mattix Pool (Seven Rivers-Queen- Grayburg) and, pursuant to Order NSL-2816-D-SD was plugged back and re-completed up-hole in the Jalmat Gas Pool (Tansill-Yates-Seven Rivers) in November, 2003.

The proposed 600-acre non-standard Jalmat gas spacing unit consists of quarter-quarter sections or lots that share a common bordering side and is comprised of the S/2, NE/4, S/2 NW/4 and NE/4 NW/4 of Section 8, Township 22 South, Range 36 East [Rule 4(C)(2)(b)]. **Exhibit C** is a copy of Division Form C-102 ("Acreage Dedication Plat") that shows all Jalmat gas wells contained within the acreage. [Rule 4(C)(2)(b)] **Exhibit D** is a plat showing all Jalmat oil and/or gas spacing units that directly offset the proposed non-standard spacing unit in Section 8 [Rule 4(C)(2)(d)] and the 40-acre tract that will be excluded from the unit [Rule 4(C)(2)(e)] and the operators of these offsetting spacing units.

Exhibit E is a copy of the Oil Conservation Division Form C-102 that shows the 40-acre location for The State A A/C 2 Well No. 7. **Exhibit F** is a copy of the Oil Conservation Division Form C-102 that shows the 600-acre non-standard unit and the locations of all other wells dedicated to this non-standard spacing unit.

Exhibit G lists the parties affected by this application. **Exhibit H** is an affidavit confirming that notice of this application has been provided in accordance with the provisions of Rule 1207(C) [Rule 4(D)] by providing a copy of this application, including all attachments, to the affected parties by certified mail-return receipt requested in accordance with Rule 1207 (B) advising them that if they have an objection to this application it must be filed in writing with the Division's Santa Fe office within twenty days after filing of this application and proof of notice with the Division.

Your attention to this application is appreciated.

Very truly yours,

William F. Carr
Attorney for Mission Resources Corporation

Enclosures

cc: Ms. Nancy Gatti
Mission Resources Corporation

Oil Conservation Division-Hobbs

Submit to Appropriate District Office
 State Lease-6 copies
 Fee Lease-3 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
 Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 875042088

Form C-105
 Revised 1-1-89

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-025-08830

5. Indicate Type Lease
 STATE FEE

6 State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WORK
 WELL OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

v Name of Operator
Raptor Resources, Inc.

3. Address of Operator
901 Rio Grande, Austin, TX. 78701

7. Lease Name or Unit Agreement Name
State A A/C 2

8. Well No.
7

9. Pool name or Wildcat
Jalmat Tansill Yates 7 Rvrs (Oil) 33820

4. Well Location
 Unit letter **D** **660** Feet From The **North** Line and **660** Feet From The **West** Line

Section **8** Township **22S** Range **36E** NMPM **Lea** County

10 Date Spudded **12/11/37** 11. Date TD Reached **1/24/38** 12 Date Compl. (Ready to Prod) **10/17/03** 13. Elevation (DF& RKB, RT, GR, etc.) **3610** 14. Elev. Casinghead

15. Total Depth **3875** 16 Plug Back TD. **3623'** 17. If Multiple Compl How Many **1** 18. Intervals Drilled By **Rotary Tools XX** Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name **3151 - 3398' Yates/7 Rvrs** 20. Was Directional Survey Made **No**

21. Type Electric and Other Logs Run 22. Was Well Cored **No**

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
	SAME AS	BEFORE			

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8	3392	12 3/8

26 Perforation record (interval size, and number)
 Perf./Yates/7 Rvrs W/ 1 SPF @ 3151, 3198, 3206, 3217, 3222', 3232, 3242, 3254, 3260, 3283, 3288, 3295, 3310, 3316, 3324, 3336, 3355, 3366, 3382, @3398' for a total of 20 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3151 - 3398'	Acid W/ 2000 g 15% Ferchok Frac W/ 1049 bbl gel, 270T C62 formed to 70 Quial w/ 14667# 20/40 & 160,550# 12/20 sand

28. PRODUCTION

Date First Production **10/18/03** Production Method (Flowing, gas lift, pumping - Size and type pump) **Pumping** Well Status (Prod. or Shut-in) **Producing**

Date of Test	Hours Tested	Choke Size	Prod'n Per Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
11/6/03	24			1	63	6	63,000

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
			1	63	1	35

29. Disposition of Gas (Sold, used for fuel, vented, etc.) **Sold** Test Witnessed By **Joel Sisk**

30. List Attachments **EXHIBIT A**

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

Signature Bill R. Keathly Printed Name **Bill R. Keathly** Title **Regulatory Agent** Date **11/18/03**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 27, 2001

RECEIVED

Lori Wrotenbery
Director
Oil Conservation Division

JAN 8 2002

Raptor Resources, Inc.
c/o William F. Carr
Holland & Hart L.L.P. and Campbell & Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

HOLLAND & HART LLP
Telefax No. (505) 983-6043

Administrative Order NSL-2816-D (SD)

Dear Mr. Carr:

Reference is made to the following: (i) your three applications on behalf of the operator, Raptor Resources, Inc. ("Raptor") dated December 5, 2001 (*application reference No. pKRV0-134435858*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), NSL-2816-C (SD), SD-99-07 and SD-99-07 (1) and the records of Division Cases No. 9775 (which resulted in the issuance of Division Order No. R-9073) and 12304: all concerning Raptor's requests for three additional infill Jalmat gas wells, two of which are at unorthodox gas well locations, to be included within a standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (79240) comprising all of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

The rules and procedures governing the Jalmat Gas Pool at the time this application was submitted include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) 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;
- (iv) Rule 1207.A (2); and
- (v) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in *Hartman vs. Oil Conservation Division*, Cause No. D-0101-CV-9902927 ("*Stipulated Declaratory Judgement*").

This GPU was initially established by Division Order No. R-9073, issued in Case No. 9775

EXHIBIT B

and dated December 14, 1989 [Paragraph No. (3) of Exhibit "A"] and had dedicated thereon the following three wells:

- (1) State "A" A/C-2 Well No. 43 (API No. 30-025-08837), located at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit H) of Section 8;
- (2) State "A" A/C-2 Well No. 49 (API No. 30-025-08838), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 8; and
- (3) State "A" A/C-2 Well No. 56 (API No. 30-025-08843), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 8.

By Division Administrative Order NSL-2816 (SD), dated June 28, 1990, the following three described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-2 Well No. 24 (API No. 30-025-08833), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 8;
- (2) State "A" A/C-2 Well No. 26 (API No. 30-025-08835), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 8; and
- (3) State "A" A/C-2 Well No. 53 (API No. 30-025-08840), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 8.

By Division Administrative Order NSL-2816-A (SD), dated September 25, 1990, the following two described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-2 Well No. 55 (API No. 30-025-08842), located 660 feet from the South and East lines (Unit P) of Section 8; and
- (2) State "A" A/C-2 Well No. 58 (API No. 30-025-20978),

located 2030 feet from the South line and 660 feet from the West line (Unit L) of Section 8.

By Division Administrative Order NSL-2816-B (SD), dated April 21, 1992, another well for this GPU, the State "A" A/C-2 Well No. 70 (API No. 30-025-28279), located at an unorthodox gas well location 1295 feet from the South and East lines (Unit P) of Section 8 was approved.

By Division Administrative Order SD-99-7, dated June 30, 1999, the State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 8 was approved for this GPU. Furthermore, Division Administrative Order SD-99-7 omitted the above-described State "A" A/C-2 Wells No. 24, 49, 53, 55, 56, and 58 from this GPU for various reasons.

Division Administrative Order NSL-2816-C (SD), dated October 13, 1999, authorized the following two described wells located at unorthodox gas well locations to be included to this GPU:

- (1) State "A" A/C-2 Well No. 24 (API No. 30-025-08833), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 8, which well was also the subject of Division Administrative Orders NSL-2816 (SD) (approval) and SD-99-7 (omission); and
- (2) State "A" A/C-2 Well No. 25 (API No. 30-025-08834), located 660 feet from the North and East lines (Unit A) of Section 8.

The most recent action by the Division concerning this GPU occurred on March 30, 2000, in which the Division, at the request of Raptor, cancelled authorization to include the State "A" A/C-2 Well No. 3 from this 640-acre GPU and Division Administrative Order SD-99-7 was negated.

It is our understanding that the three subject wells to be considered at this time are in some manner completed in the South Eunice-Seven Rivers Queen Pool and that each well will be properly plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order. By the authority granted me under the provisions of the rules, regulations, and directives governing the Jalmat Gas Pool, the following wells to be included within this 640-acre GPU are hereby approved:

- (1) the State "A" A/C-2 Well No. 3 (API No. 30-025-08829), located at a standard gas well location 1980 feet from the

Administrative Order NSL-2816(SD)

Raptor Resources, Inc.

December 27, 2001

Page 4

North and East lines (Unit G) of Section 8, which well was the subject of Administrative Order SD-99-7;

- (2) State "A" A/C-2 Well No. 7 (API No. 30-025-08830), located at an unorthodox infill gas well location 660 feet from the North and West lines (Unit D) of Section 8; and
- (3) State "A" A/C-2 Well No. 76 (API No. 30-025-34672), located at an unorthodox infill gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 8.

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-2 Wells No. 3, 7, and 76 with the existing State "A" A/C-2 Wells No. 24, 25, 26, 43, and 70. Furthermore, Raptor is permitted to produce the allowable assigned the subject 640-acre GPU from all eight wells in any proportion

It is further ordered that all provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2816 (SD), NSL-2816-A (SD), NSL-2816-B (SD), and NSL-2816-C (SD), not in conflict with this order, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2816 (SD)
NSL-2816-A (SD)
NSL-2816-B (SD)
NSL-2816-C (SD)
SD-99-7

District I
1625 N. French Dr., Hobbs. NM 88240
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

Revised February 21, 1994
instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08830		2 Pool Code 79240		3 Pool Name Jalmat Tansill Yates 7 Rvrs (Pro Gas)	
4 Property Code 24671		5 Property Name State A A/C 2			6 Well Number 7
7 OGRID No. 162791		8 Operator Name Raptor Resources			9 Elevation

10 Surface Location

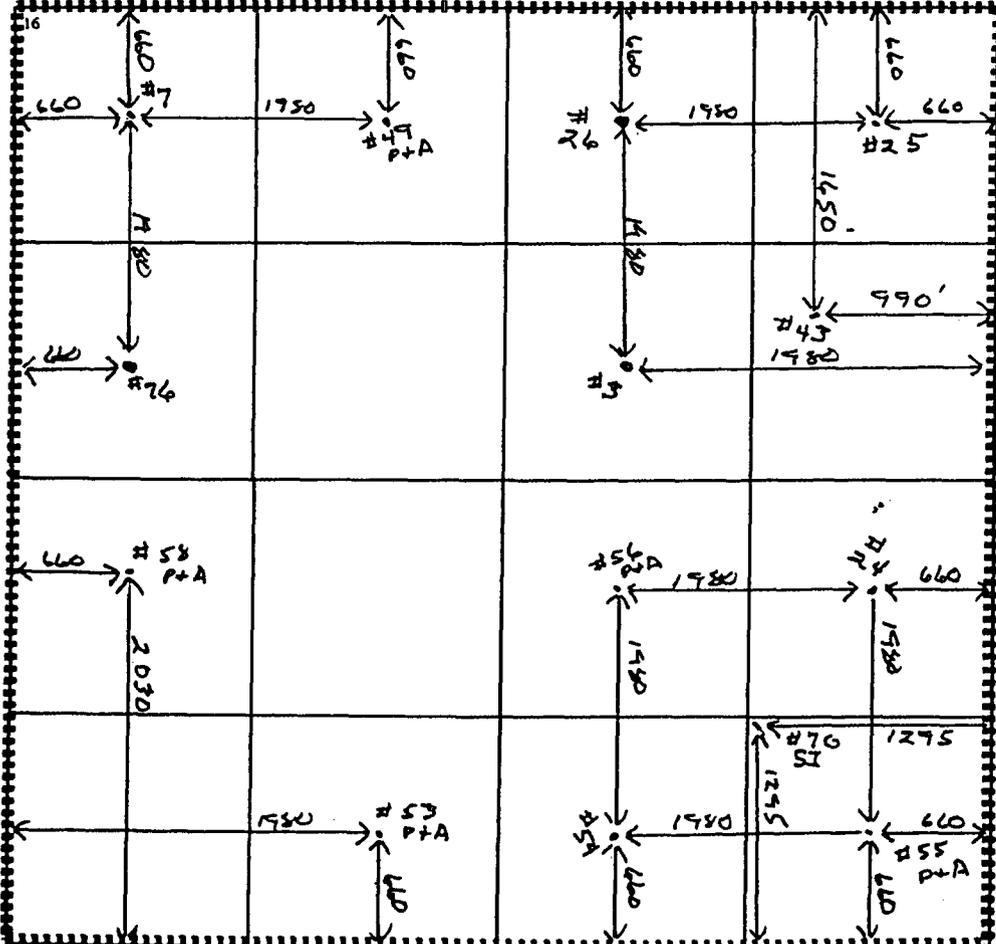
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	8	22S	36E		660	North	660	West	Lea

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

12 Dedicated Acres 640	13 Joint or Infill	14 Consolidation Code	15 Order No. Applied To
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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
Title

S-T-C-1
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

EXHIBIT A	Operator Name
OFFSET OPERATORS SECTION 8, T 22S R 36E	
	Chevron USA Inc
	Ralph C Burton
	Southwest Royalties Inc
	Mirage Energy
	Arco Permian
	Conoco Inc
	Finley Resources Inc
	Marathon Oil Co
	Doyle Hartman
	OXY USA WTP Limited Partnership
	Melrose Operating Co
	McCasland Disposal Systems
	Raptor Resources Inc



EXHIBIT D

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 20, Artesia, NM 88211-0710

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-08830	Pool Code 33820	Pool Name JALMAT; TANSILL YATES 7 RVRS (OIL)
Property Code 33493	Property Name STATE A A/C 2	Well Number 7
OGRID No. 148381	Operator Name MISSION RESOURCES CORPORATION	Elevation

Surface Location

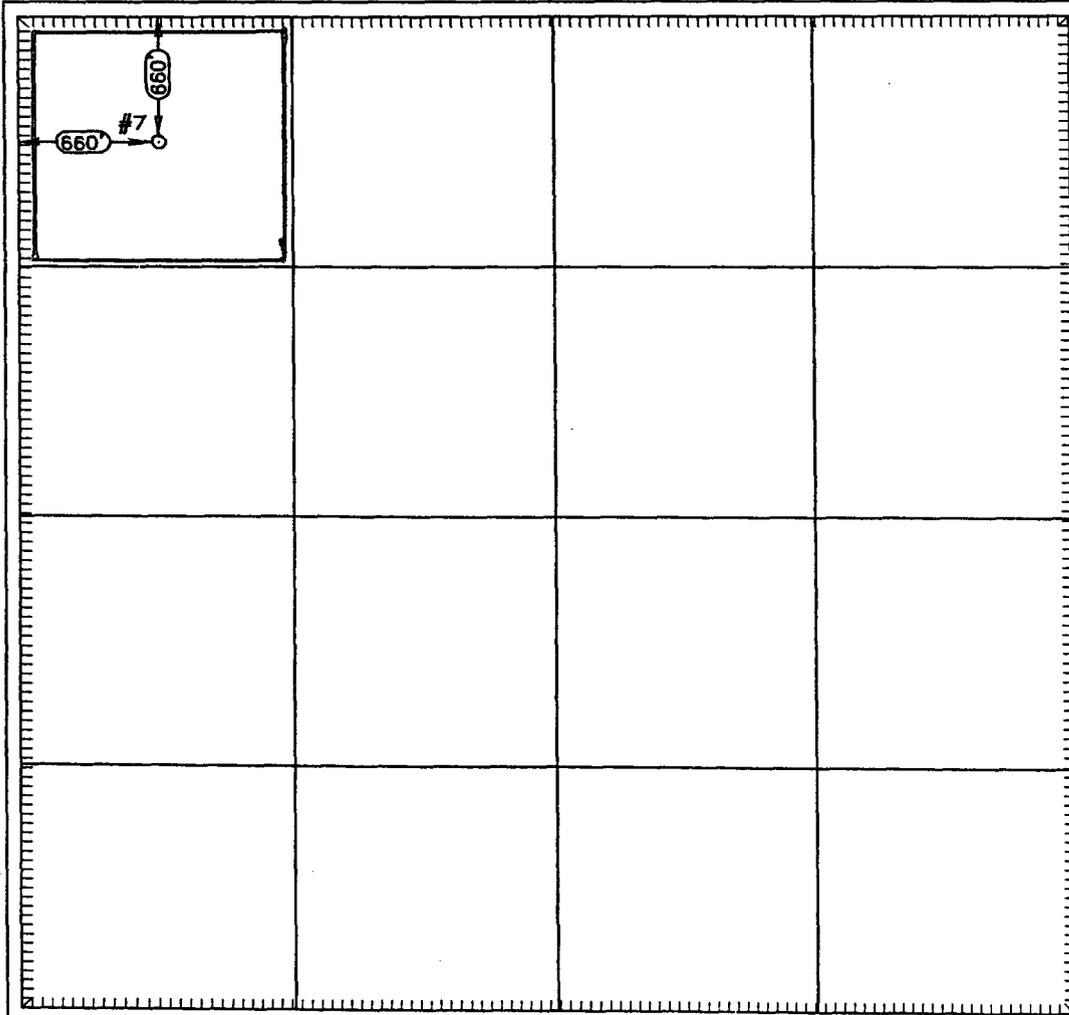
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	8	22 S	36 E		660	NORTH	660	WEST	LEA

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
SAME									

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

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

Nancy K. Gatti
Signature

Nancy K. Gatti
Printed Name

Regulatory Coord.
Title

06-16-04
Date

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 Surveyed

Signature & Seal of Professional Surveyor

EXHIBIT E

Certificate No.

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Aramark, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 79240	Pool Name JALMAT; TANSILL YATES 7 RVRS (GAS)
Property Code 33493	Property Name	
OGRID No. 148381	Operator Name MISSION RESOURCES CORPORATION	
		Well Number
		Elevation

Surface Location

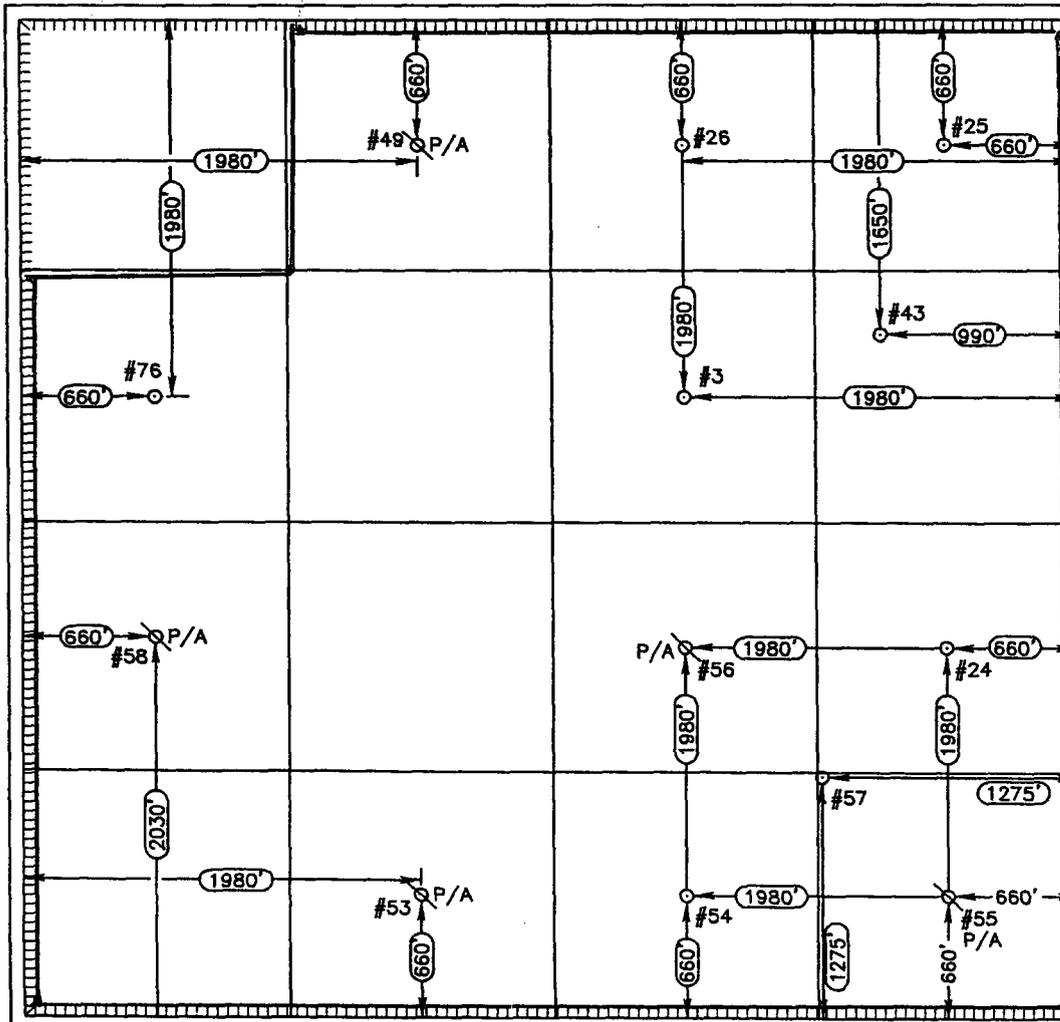
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	8	22 S	36 E						

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

Dedicated Acres 600	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

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



OPERATOR CERTIFICATION

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

Nancy K. Gatti
Signature

Nancy K. Gatti
Printed Name

Regulatory Coord.
Title

06-16-04
Date

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 Surveyed

Signature & Seal of
Professional Surveyor

EXHIBIT F

Certificate No.

EXHIBIT G

Affected Parties

**600-acre Non-Standard Jalmat Gas Pool Spacing Unit
Section 8, Township 22 South, Range 36 East, NMPM
Lea County, New Mexico.**

State "A" A/C-C Well No. 7

Conoco Phillips
10 Desta Drive, Suite 100W
Midland, TX 79705

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

Finley Resources
1308 Lake Street, Suite 200
Ft. Worth, TX 76102

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

Southwest Royalties Inc.
P. O. Box 11390
Midland, TX 79702

Marathon Oil Co.
Mid-Continent Production Office
P. O. Box 522
Midland, TX 79702

Ralph C. Burton
3500 Acoma
Hobbs, NM 88240

Mirage Energy Inc.
7915 N. Llewelyn
Hobbs, NM 88240

Arco Permian
c/o BP America Production Co.
P. O. Box 3092
Houston, Texas 77253

Melrose Operating Co.
P. O. Box 5081
Midland, TX 79704

OXY USA WTP Ltd Partnership
P. O. Box 4294
Houston, TX 77210-4294

McCasland Disposal System
P. O. Box 98
Eunice, NM 88231

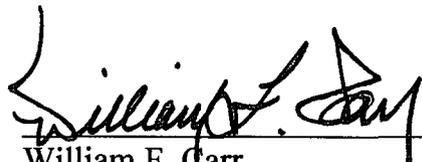
**BEFORE THE OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT**

**APPLICATION OF MISSION RESOURCES
CORPORATION FOR ADMINISTRATIVE
APPROVAL FOR A NON-STANDARD
GAS SPACING UNIT, JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO.**

AFFIDAVIT

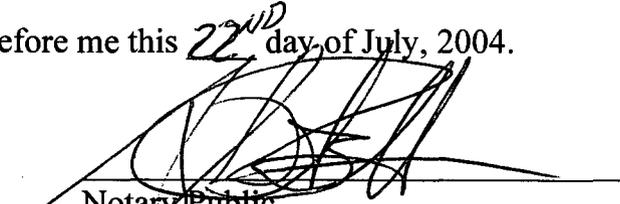
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Mission Resources Corporation the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit G attached to this application.



William F. Carr

SUBSCRIBED AND SWORN to before me this 22ND day of July, 2004.



Notary Public

My Commission Expires:

April 26, 2007



July 22, 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED INTEREST OWNERS:

Re: Application of Mission Resources Corporation for Administrative Approval for a non-standard gas spacing unit, Jalmat Gas Pool, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that on this date Mission Resources Corporation has filed the enclosed application and a proof of notice with the Oil Conservation Division seeking exception to the acreage dedication requirements of Rule 2(A) of the Special Pool Rules for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170-P dated December 14, 2002, to contract an existing 640-acre standard gas spacing unit by 40 acres (NW/4 NW/4) as a result of the completion of its State "A" A/C-2 Well No. 7 (API No. 30-025-08830) as an oil well. This well is located 660 feet from the North East lines (Unit D) of Section 8, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

As the owner of an interest that will be affected by the proposed non-standard unit, you may object to this application. Objections must be filed in writing at the Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the non-standard spacing unit may be approved.

Very truly yours,

William F. Carr
Attorney for Mission Resources Corporation

Enclosures

cc: Ms. Nancy Gatti
Mission Resources Corporation