DATE IN 5/14/03	SUSPENSE 5/29/03	ENGINEER DRC	LOGGED IN KW	TYPE SWD	APP NO. pKRV0309228797

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]

RECEIVED
MAY 14 2003

[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.

WILLIAM F. CARR	William F. Carr	ATTORNEY	5-31-03
Print or Type Name	Signature	Title	Date

wcarr@hollandhart.com
e-mail Address

Ok as per Paul Kautz
5/29/03
DC

3275' - 3420'
Seven Rivers
Queen
3068 - 3260'

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

May 14, 2003

VIA HAND DELIVERY

Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Attention: Will Jones
David Catanach

Re: Application of Raptor Resources, Inc. for Salt Water Disposal,
Lea County, New Mexico
B. Davis Well No. 2

Dear Mr. Jones and Mr. Catanach:

By letter dated April 16, 2003, the Oil Conservation Division returned to Raptor Resources, Inc. its administrative application for authorization to inject produced water in the B. Davis Well No. 2 located 333 feet from the South line and 2310 feet from the West line of Section 34, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. In this letter, the Division expressed concern about granting additional permits to inject into the Seven Rivers Reef and into this producing oil pool.

Raptor proposes to use the proposed disposal well to re-inject into the Seven Rivers formation water produced from its B. Davis Well No. 3 located 1650 feet from the South and West lines of Section 34. Raptor has been unsuccessful in its attempts to find an alternative way to dispose of this produced water and the B. Davis Well No. 3 remains shut in until a way to dispose of this water can be found.

In response to our recent conversations concerning this application, I am enclosing Raptor's Geological Justification with attached documents and cross section, that demonstrates that the Capitan Reef is not developed in or near to the Seven Rivers interval that Raptor proposes to use for injection. There is no log on the B. Davis Well No. 3 but the completion interval in the well (2900'-2934' and 3357'-3448') is shown on the right side of the log of the B. Davis Well No. 2 on the cross section. The proposed injection interval is from 3275'

to 3420'. As you will see from the enclosed information, Raptor's proposal will not re-pressure any zone but will simply re-cycle water back into the same Seven Rivers carbonates from which it is produced. The net effect of the proposed production of oil and water and the re-injection of the produced water will be a reduction of the total fluids in this reservoir.

Raptor herewith re-submits its application for authorization to inject in this well. References to the Seven Rivers "reef" in the exhibits attached to the original application were incorrect and references to the "reef" have been deleted. Notice was previously provided to affected owners when the application was filed. Based on the application and the enclosed information, Raptor requests that the Division reconsider this application.

If you have questions concerning the enclosed, please advise.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Paul F. Kautz
Mr. John Lawrence
Mr. David Pearcy

Mr. Paul F. Kautz
Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Mr. David Pearcy
214 West Texas
Suite 1015
Midland, Texas 79701

Mr. John Lawrence
Raptor Resources, Inc.
Post Office Box 2342
Midland, Texas 79702

Raptor Resources, Inc.
Geologic Justification for B. Davis #2 SWD
Sec 34, T 23S R36E, Lea Co, NM
May 6, 2003

The enclosed SW-NE Cross-section demonstrates that the Capitan Reef is not developed in or near the Seven Rivers interval that Raptor intends to use for re-injection of produced water in B. Davis #2. The NMOCD can be assured that Raptor's proposed SWD will not be connected to any portion of the Capitan Reef.

On the right (NE) side of the cross section is one of the few Density-Neutron logs for this area, ARCO's Guthrie "WN" #3, located in Spot J of Sec. 34. This log is recognized as "shelf", with typical development of Yates, Seven Rivers, and Queen sands, all of which easily correlate to other "shelf" wells farther east. The log response shows that all carbonates are tight shelf dolomite; there are no limestones present that could possibly be labeled "Capitan".

Raptor's B. Davis #2 at spot N (the proposed SWD) is the next well on the section, and is 1900' SW of Guthrie "WN" #3. This gamma-ray/neutron log is not deep enough to the Queen, but excellent correlation of the Seven Rivers sands clearly indicates that no Capitan reefing exists at this point. Isopachs of the Yates interval and Seven Rivers (to the top of the "G" Sand) in B. Davis #2 are within 10% of the isopach values in Guthrie #3, further substantiating that no anomalous thickening due to reef development has occurred. Therefore, we can be reasonably certain that if **any** Capitan Reef is present in B. Davis #2, it would have to be below TD of the well. Raptor intends to dispose at 3276-3420, or within the upper 175' of the Seven Rivers shelf dolomite section where no Capitan reefing is present.

No log is available on B. Davis #3, (spot K) the high-watercut producing well 1500' north of B. Davis #2. Operator's tops for the well are Yates at 3036 (+348) and Seven Rivers at 3248 (+136). Since these tops are very similar to B. Davis #2, and the well is stratigraphically on-strike to B. Davis #2, we can safely assume that sand and carbonate development is similar in these two wells. The measured depth of current perforations in B. Davis #3 is shown next to the B. Davis #2 log on the cross-section. There should be no doubt that Raptor is not re-pressuring any zone, but is simply re-cycling water back into the same Seven Rivers carbonates from whence it came. The Yates is not believed to be producing any water, since offset wells completed in the Yates alone are water-free.

The plugged B. Davis #1 at Spot M (1900' west of B. Davis #2) is the next log on the section, but is only deep enough to identify the Seven Rivers "D" Sand. The Yates interval has thickened from 212' to 252' (+19%) suggesting that Capitan reefing is possibly beginning at this location and would develop even more SW of here. However, the "D" sand is still present, thus confirming that the upper portion of the Seven Rivers Formation is still "shelf", and not Capitan reef. The south offset to this well (Vaughn "B-3" #2 in spot D of Sec 3) has very similar stratigraphy and an equivalent TD to B. Davis #1, so it offers no additional geologic insight.

The westernmost log on the cross-section is Jal WSW #6, near the center of NE/4 of Sec 4, or 2500' SW of B. Davis #1. With the Yates interval thickened 22% to 307', and probable absence of the Seven Rivers "D" through "G" sands, the upper Seven Rivers section here is likely

replaced by Capitan Reef, although more recent studies (below) question if Sec. 4 would be truly reef.

SEPM Special Pub #65 (1999) contains "Subsurface Expression of the Capitan Depositional System and Implications for Hydrocarbon Reservoirs, Northeastern Delaware Basin" , written by Paul Harris and Arthur Saller, and is attached, with highlighting of pertinent portions. The authors use seismic to conclude that only a remnant of reef exists at the Humble Davidson Fed #1 well in Sec 20, T24S R36E. The attached sample log for this well has 400' of probable-Capitan limestone, beginning about 430' below Top of Seven Rivers. The authors reiterate that limestone is the most typical lithology for Capitan reef, and that true Capitan reefing will trend NNW through this township.

Therefore, a geologist would reasonably conclude from the NNW strike of the Capitan, that WSW #6 in Sec 4 (T24S R36E) must be less "reefal" and more on the shelf than Sec. 20. Based on the new evidence in the SEPM publication, it is also geologically reasonable that Raptor's proposed . Davis #2 SWD in Sec 34 would also be more shelfal and even less likely to contain any Capitan remnant.

The new studies also suggest that the NM Bureau of Mines' Resource Maps #4 through 6 probably are "generous" in showing such a wide extent for the Capitan, at least in T23-24S R36E. There appears to be little if any wellbore or seismic evidence to dictate that any Capitan reefing exists at the location of Raptor's proposed SWD in spot N of Sec 34, T23S R36E.

Raptor respectfully submits to the NMOCD that no Capitan reefing is present in the proposed SWD (B. Davis #2), and requests that this revised Application for Authorization to Inject into the Seven Rivers shelf dolomite be approved administratively.

David Pearcy
Geologist

20-24-36E LEA

GEOLOGICAL SERVICE
MIDLAND, TEXAS

STATE	COMPANY
NEW MEXICO	HUMBLE OIL & REFINING COMPANY
COUNTY	FARM / WELL #
LEA	DAVISON FEDERAL 1
BLOCK	LOCATION
	660' FNL & 1980' FEL
SECTION	
20	Sec. 20-24S-36E
T / R	SPUDDED / TOTAL DEPTH
	7-5-65
	COMPLETED
24S / 36E	17,961'
ELEVATION	POTENTIAL
	TESTING

CASING RECORD

16" @ 1766' /1900 sx., 10 3/4" @ 10,302'

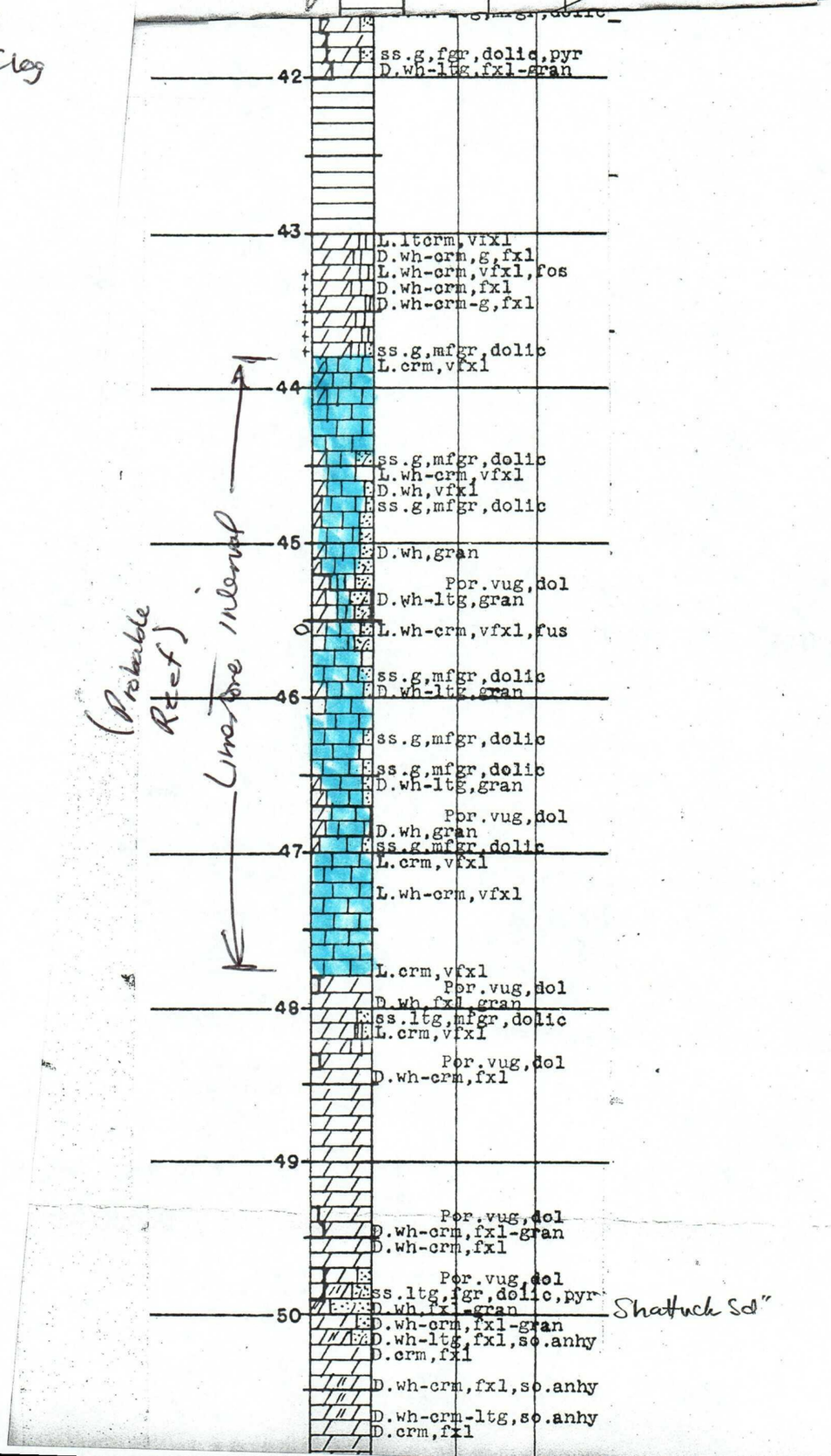
/590 sx., 7 5/8" liner 10,027-14,578'.

DESCRIBED BY:

H. L. BECKMANN

20-24-36

T/7Rivers:
3945 per Elog



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised 4-1-98

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance X____Disposal ____Storage
Application qualifies for administrative approval? ____X____Yes _____No

II. OPERATOR: __Raptor Resources, Inc _____

ADDRESS: __901 Rio Grande, Austin, TX. 78701 _____

CONTACT PARTY: ___John Lawrence _____PHONE: 915-684-6474_____

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes ____X _No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: ___Bill Keathly _____TITLE: Regulatory Agent_____

SIGNATURE: Bill Keathly _____DATE: 3-12-03

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

RAPTOR C-108 ITEM III FOR SWD IN B.DAVIS #2

3/10/2003

Injection Well Data Sheet

Operator: Raptor Resources, Inc.
Well B. Davis #2 (API 30-025-09463)
Loc: 330 FSL & 2310 FWL (Unit Letter N), Sec 34, T23S R36E, Lea Co, NM

Surface Casing

Hole size	13"	Csg. size	10 3/4"	Set at	279' w/ 200 sx
Top Cmt	Surf.	Method used:		50% fillup	

Intermediate Casing

Hole size	8 3/4"	Csg. size	7"	Set at	1368' w/ 225 sx
Top Cmt	517	Method used:		50% fillup	

Production Casing

Hole size	6 5/8"	Csg. size	5 1/2"	Set at	3532' w/ 255 sx
Top Cmt	2354	Method used:		CBL (3/28/84)	

Wellbore diagrams:	Attached (Current and Proposed)		
Prop. injection intv:	3275-3420 (Seven Rivers)		
Tubing size:	2 3/8" FG	Packer setting depth:	3250
Type of Packer:	Baker Loc-set	Lining material:	fiberglass

This is not a new well for injection; well was completed as an oil producer in 1940.

Injection formation: Seven Rivers
Field/Pool: SWD --Jalmat Pool

Other zones perforated: 3486-3500 (Langlie-Mattix pool in 3/72)
Squeezed 3/84--sqz w/ 200 sx and CR @ 3462
Other zones perforated: 3295-3418 (Jalmat pool in 3/84;Never produced)
Squeezed 3/84 w/ 200 sx and CR @3278.
Other zones perforated: 3048-3240 w/21 holes (Jalmat in 4/84; Last prod 6/97)
Plan to squeeze w/ 200 sx, drill out to PBTD 3462, and perf Sev. Riv. Shelf dolomite.

Other oil and gas zones in this area:
No pool overlies the Jalmat (Tansill-Yates-Seven Rivers) Pool
Langlie-Mattix Pool (not producing within 1/2 mile) underlies the Jalmat Pool

Note: the Seven Rivers is the disposal zone in other nearby SWD's:
e.g. Roca Prod. Etz #3 in Spot N Sec 27

RAPTOR C-108 ITEM VI--Tabulation of Offset wells--attached

RAPTOR C-108 ITEM VII FOR SWD IN B.DAVIS #2

1. Proposed avg daily disposal rate: 650 b/d max daily rate: 650 b/d
2. System will be closed
3. Proposed avg injection pressure: 0 psi max pressure: 500 psi
4. Source of injection fluid: Prod. waters from Raptor's B. Davis #3 (Jalmat oil well) (analysis attached)
5. Chemical analysis of disposal zone waters (same as #4 above; compatibility test NA)

RAPTOR C-108 ITEM VIII

1. Injection zone name: Seven Rivers Reef (Jalmat pool)
2. Lithology: Dolomite
3. Thickness: approx. 145' of perf interval
4. Tops in this wellbore: Yates 3034 Est. b/ Jalmat 3580
   Sev. Rivers 3246 Proj. Queen 3680
   (434' below Top 7R)
5. Uphole fresh-water aqiufers: Shallow alluvium zones at 75-220'
6. Downhole fresh-water aquifers: None

RAPTOR C-108 ITEM IX

Proposed stimulation for B.Davis #2: 2500 gal 15% acid

RAPTOR C-108 ITEM X

Logs on B. Davis #2 are already on file at OCD (copy attached).

RAPTOR C-108 ITEM XI

Chemical analyses of fresh-water aquifers within one mile: Not applicable
Location of fresh-water wells within 1 mile: None (2 water wells perf'd at 175' to 220' are twins to WSW#7 in ctr SE/4 Sec 4, just outside the one-mile circle)

RAPTOR C-108 ITEM XII

We have examined the available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

CURRENT OPERATOR	WELL NAME	API # 30-025	LOC'N	SPOT	S-T-R	STATUS	COMP DATE	TD	PBTD	POOL/ FM.	TOP 7 RIV.	CASING	T/ CMT. @ 50%fillup	COMP. INTV.	IP
BP/ARCO	Guthrie WN #3	26630	1980 FSL & 1980 FEL	J	34-23-36	P&A 5/12/94	3/11/80 9/6/85	3750	3704 3312	7 Riv Yates	3290	8 5/8" @1235 5 1/2@3750	surf surf	3505-3612 3082-3287	15 BOPD 312 MCFD
Raptor Res.	B. Davis #3	09464	1650 FSL & 1650 FWL	K	34-23-36	PB Act	1/26/41 3/1/45	3623	3452 3329	7 Riv Yates-7R	3248	10 3/4"@264 7" @1365 5 1/2" @ 3526	surf 200 2037	3357-3448 2900-3328	20 MMCFD
Harris & Walton	B. Davis #1	09457	1650 FSL& 330 FWL	L	34-23-36	PB Act	1/15/38 9/15/75	3610	3610 3416	7 Riv Yates	3418	10 3/4"@321 7 5/8"@1411 5 1/2"@3536	surf surf surf	oh3536-3610 3372-3389	101 BOPD
Raptor Res.	B. Davis (ARC) #1	09462	330 FSL & 330 FWL	M	34-23-36	P&A 12/6/82	11/9/37 8/11/53	3621	3621 3490	7 Riv 7 Riv	3430	13"@287 9 5/8@1416 7"@3572	90 693 1380 & surf	oh3572-3621 3468-3478	2680 BOPD 18 BOPD
Raptor Res. PROPOSED SWD	**B. Davis #2**	**09463**	330 FSL & 2310 FWL	N	34-23-36	PB PB Ina 6/97	12/3/40 3/22/72 4/6/84	3607	3607 3520 3278	7 Riv (L) 7 Riv (L) Yates	3246	10 3/4"@279 7" @ 1368 5 1/2" @3532	surf 517 CBL:2354	oh3532-3607 3486-3500 3048-3240	100 BOPD 30 BOPD 306 MCFD
BP/ARCO	Guthrie WN #1	09460	660 FSL & 1980 FEL	O	34-23-36	P&A 2/15/74	3/3/37 6/24/43 5/27/65	3928	3928 3470 3265	7 Riv (L) Yates-7R Yates	proj3300	12 1/2@271 9 5/8"@1380 7"@3300	123 537 2200	oh3300-3928 2980-3470 2940-3265	24 MMCFD 4.5 MMCFD 97 MCFD
Tenison	VaughnB3 #5	09500	990 FNL & 2310 FWL	C	3-24-36	P&A 1/18/02	4/25/42	3590	3570est	Yates-7R	est3250	8 5/8"@1446 5 1/2"@3576	576 2214	3220-3350	10 MMCFD
Tenison	VaughnB3 #2	09501	330 FNL & 330 FWL	D	3-24-36	Act	3/16/38	3638	3620est	Yates	3512	12 1/2"@308 9 5/8"@1424 7"@3575	62 482 2594	3451-3506	2690 BOPD
Tenison	VaughnB3 #1	09503	1980 FNL & 1980 FWL	F	3-24-36	PB Act	1/21/37 1/5/57	3577	3577 3300	7 Riv (L) Yates	3267,	12 1/2"@254 9 5/8"@1602 7"@3535	58 848 2554	oh3535-3577 3060-3186	100 BOPD 2650 MCFD

Raptor 3/10/03

NOTE:
7 Riv (L) means >200' below T/ 7R

30-025-09463 Raptor B Davis #2

LANE RADIOACTIVITY LOG WELLS

COMPANY

Location of Well

COMPANY: AMERICAN REPUBLIC CORP.
WELL: B. DAVIS NO. 2
FIELD: COOPER JAL
COUNTY: LEA STATE: N MEX.
LOCATION: 330' FSL & 2310' FWL
SECTION 34 T-23-S RANGE 36-E

FILE NO.

COMPANY AMERICAN REPUBLIC CORP.
WELL B. DAVIS NO. 2
FIELD COOPER JAL
COUNTY LEA STATE N MEX.
LOCATION

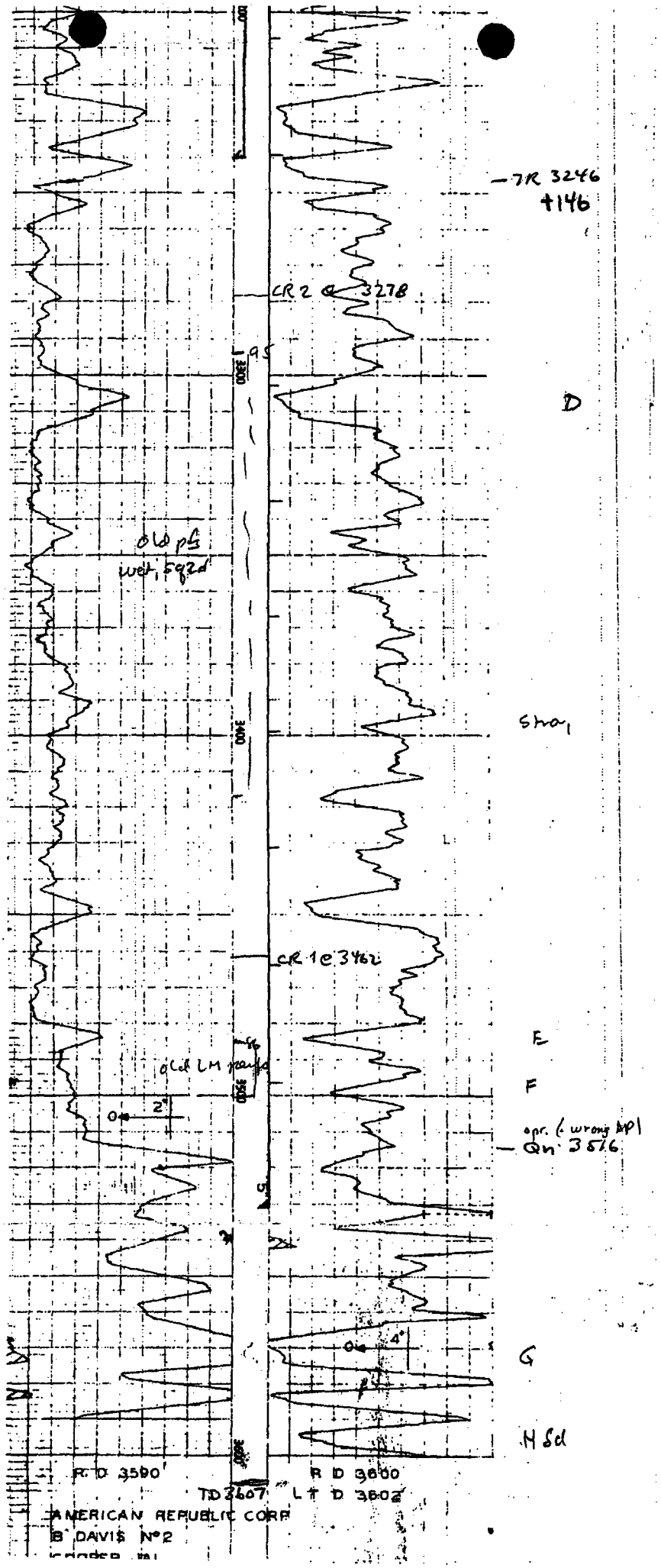
LOG MEAS. FROM TOP OLD DERRICK FLOOR ELEV. 3392
DRLG. MEAS. FROM TOP OLD DERRICK FLOOR ELEV 3392
PERM. DATUM TOP OF 8 1/8" CASING ELEV. 3382

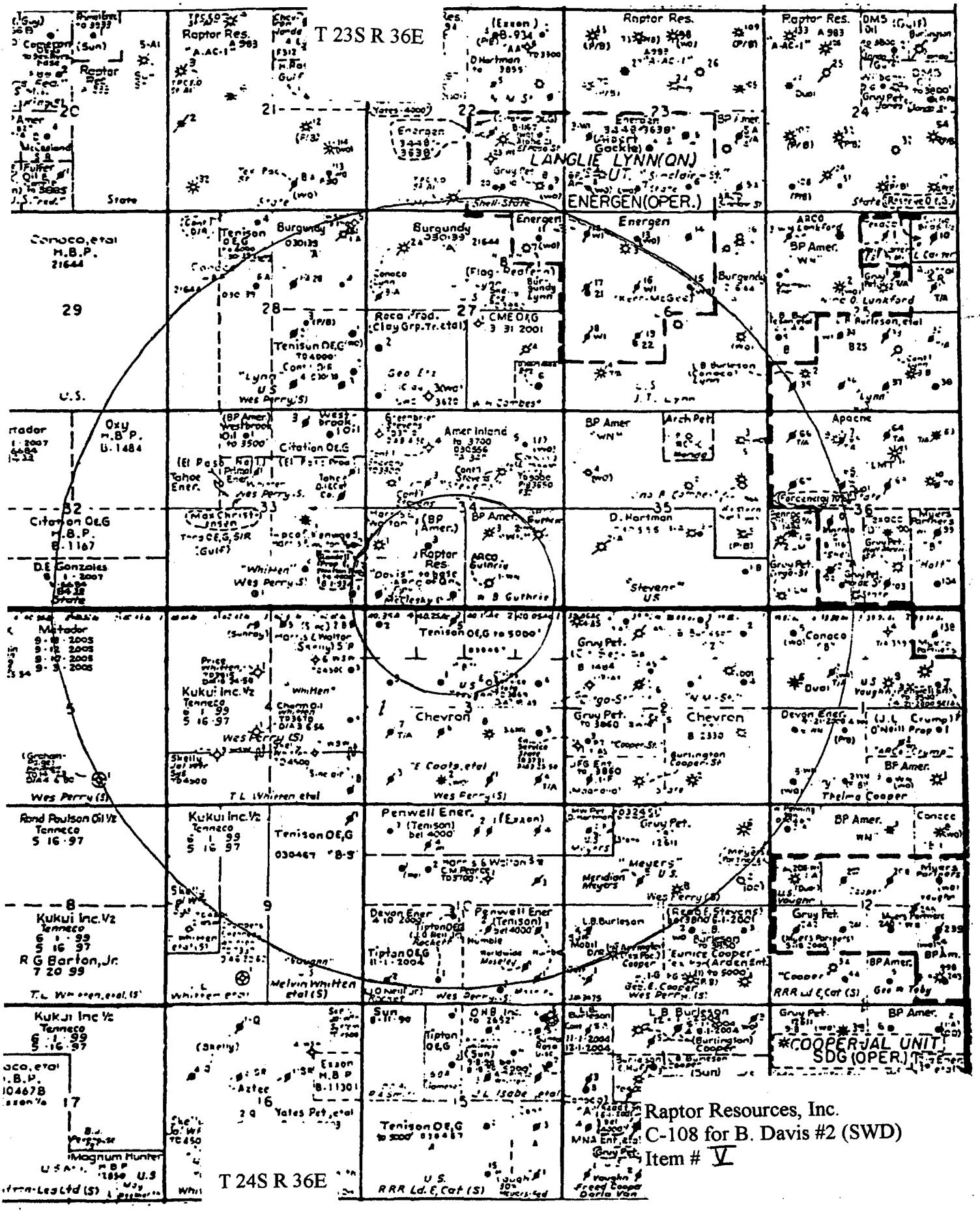
TYPE OF LOG	GAMMA RAY	NEUTRON
RUN NO.	ONE-OW	ONE-OW
DATE	7-20-55	7-20-55

2900
3000
3100

-Yates 3034
+358

4/84:
21 holes
3048-3240


TR 3246
+146
CR 2 @ 3278
D
old pf
wet, sqzd
Shale
CR 1 @ 3462
E
F
opr. (wrong MP)
Qn 3516
G
H Sd
R D 3590'
TD 3607'
R D 3600
L T D 3602
AMERICAN REPUBLIC CORP
B DAVIS N°2



Raptor Resources, Inc.
C-108 for B. Davis #2 (SWD)
Item # V

Champion Technologies, Inc.

Committed To Improvement

Water Analysis Report

3/11/2003

Address:

Lease: B. Davis (well #3)

Formation:

Customer: Raptor Resources

Attention: Joel Sisk

CC:

Target Name: B. Davis 3 | Sample Point: B. Davis 3 | Sample Date: 03/11/2003 | Test Date: 03/11/2003

Water Analysis(mg/L)

Calcium	1524
Magnesium	243
Barium	
Strontium	
Sodium(calc.)	2985
Bicarbonate Alkalinity	805
Sulfate	2086
Chloride	6000

Appended Data(mg/L)

CO2	180
H2S	308
Iron	7
Oxygen	

Physical Properties

Ionic Strength(calc.)	0.30
pH(calc.)	6.45
Temperature(°F)	90
Pressure(psia)	50
Density	8.41

Additional Data

Specific Gravity	1.01
Total Dissolved Solids(Mg/L)	13643
Total Hardness(CaCO3 Eq Mg/L)	4806

Dew Point	
Lead	
Zinc	

Calcite Calculation Information

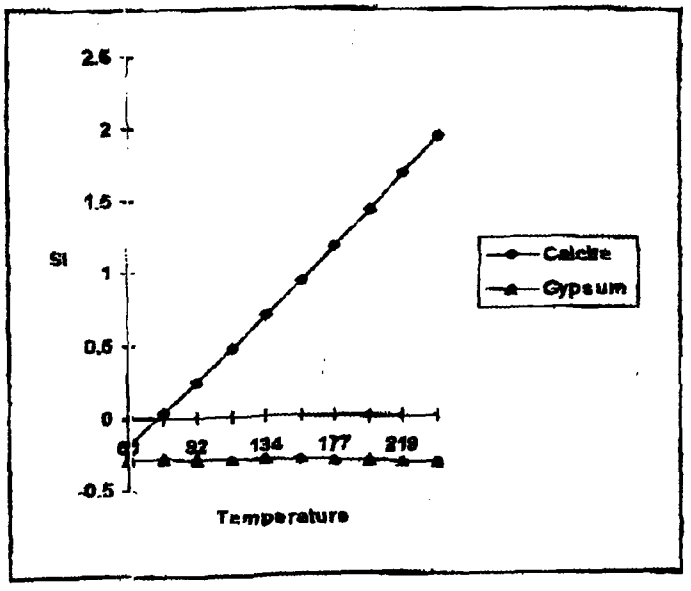
Calculation Method	Value
CO2 in Brine(mg/L)	180

Remarks:

SI & PTB Results

Scale Type	SI	PTB
Calcite (Calcium Carbonate)	0.23	83.90
Gypsum (Calcium Sulfate)	-0.28	
Hemihydrate (Calcium Sulfate)	-0.15	
Anhydrite (Calcium Sulfate)	-0.52	
Barite (Barium Sulfate)		
Celestite (Strontium Sulfate)		

Saturation Indices

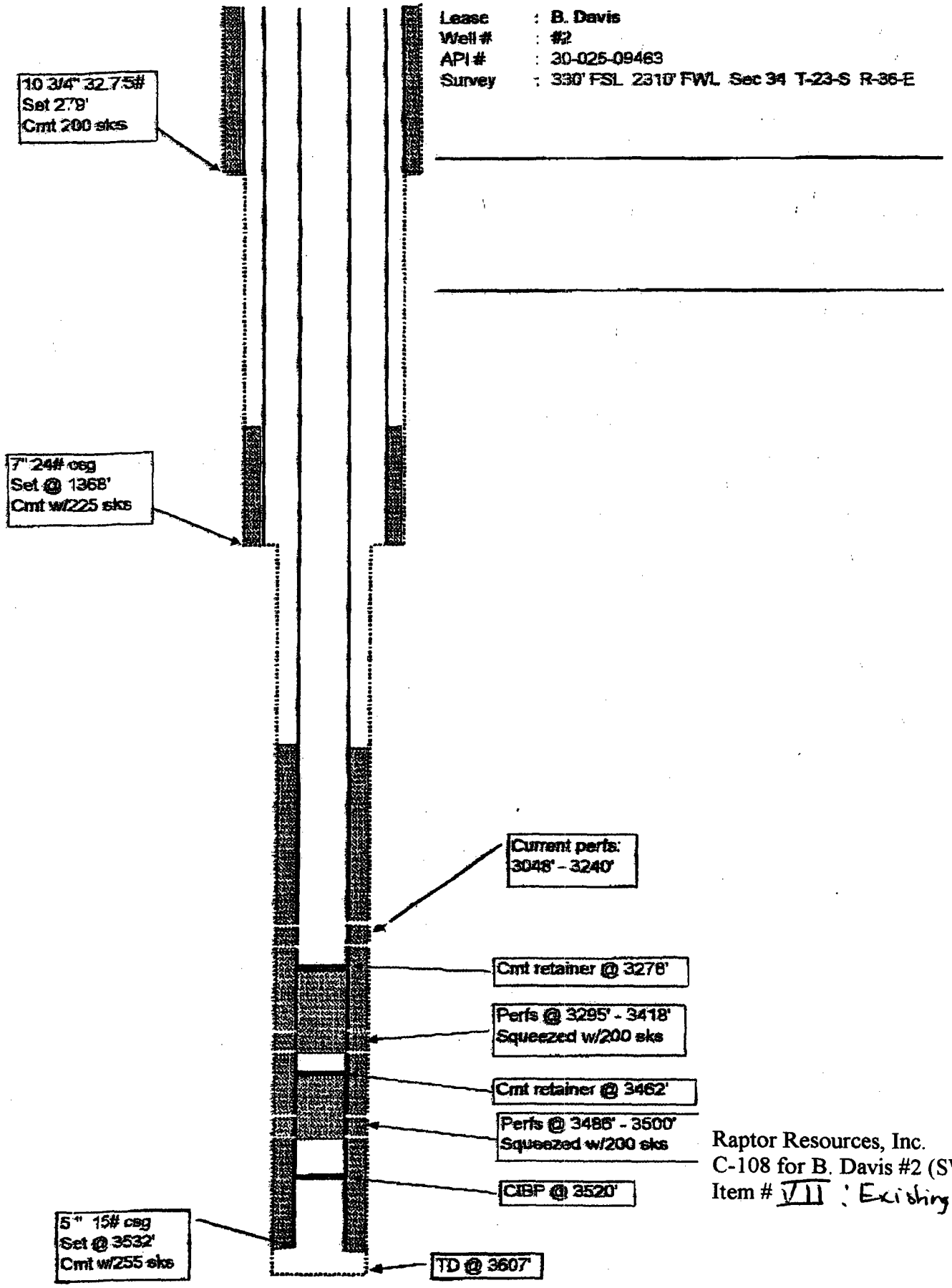


Saturation Index Data Points

	Calcite	Gypsum
50	-0.17	-0.27
71	0.04	-0.27
92	0.25	-0.28
113	0.47	-0.28
134	0.70	-0.29
156	0.93	-0.29
177	1.18	-0.30
198	1.43	-0.30
219	1.69	-0.31
240	1.95	-0.31

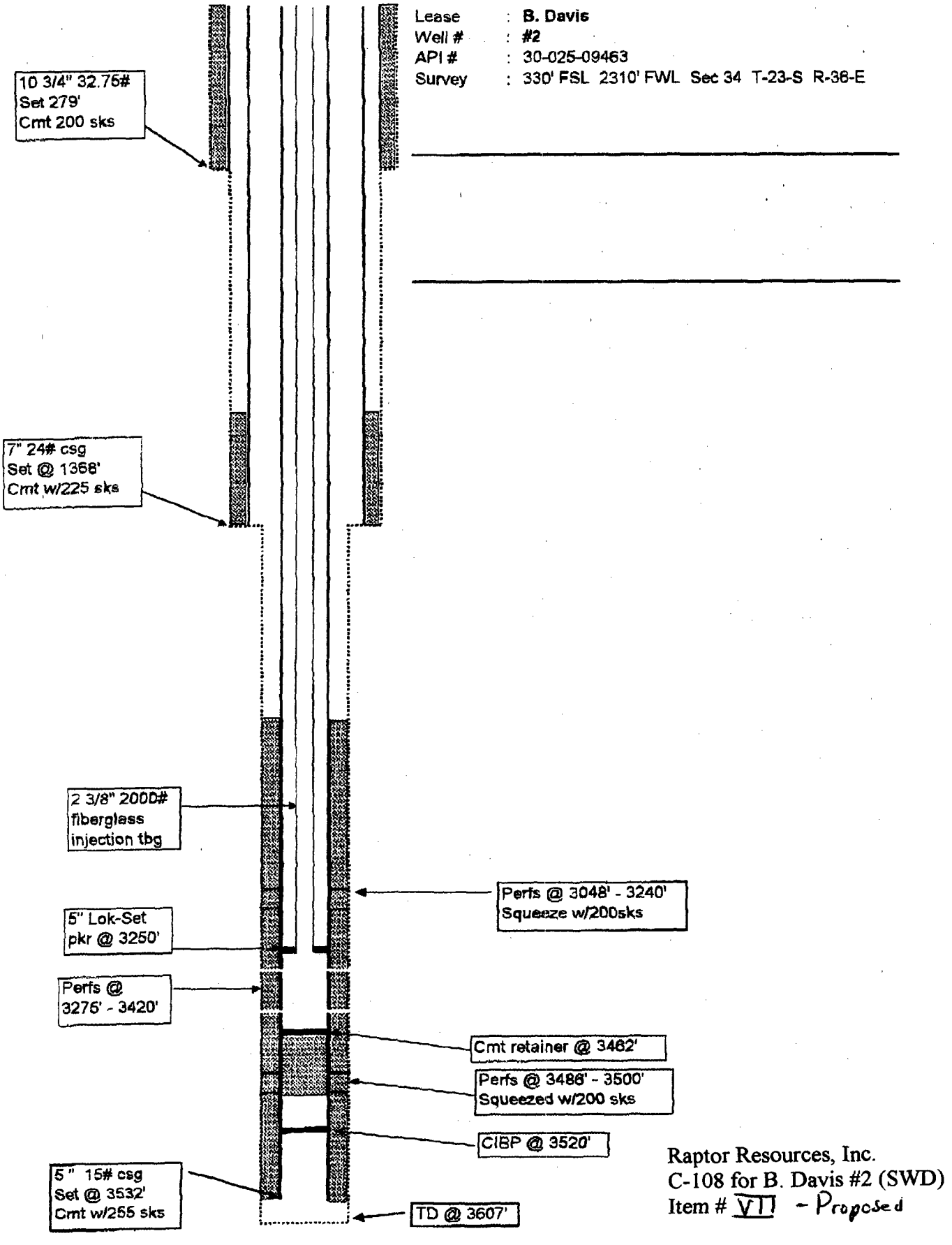
Raptor Resources, Inc.
C-108 for B. Davis #2 (SWD)
Item # VII -4

WELLBORE SCHEMATIC



Raptor Resources, Inc.
C-108 for B. Davis #2 (SWD)
Item # VII : Existing

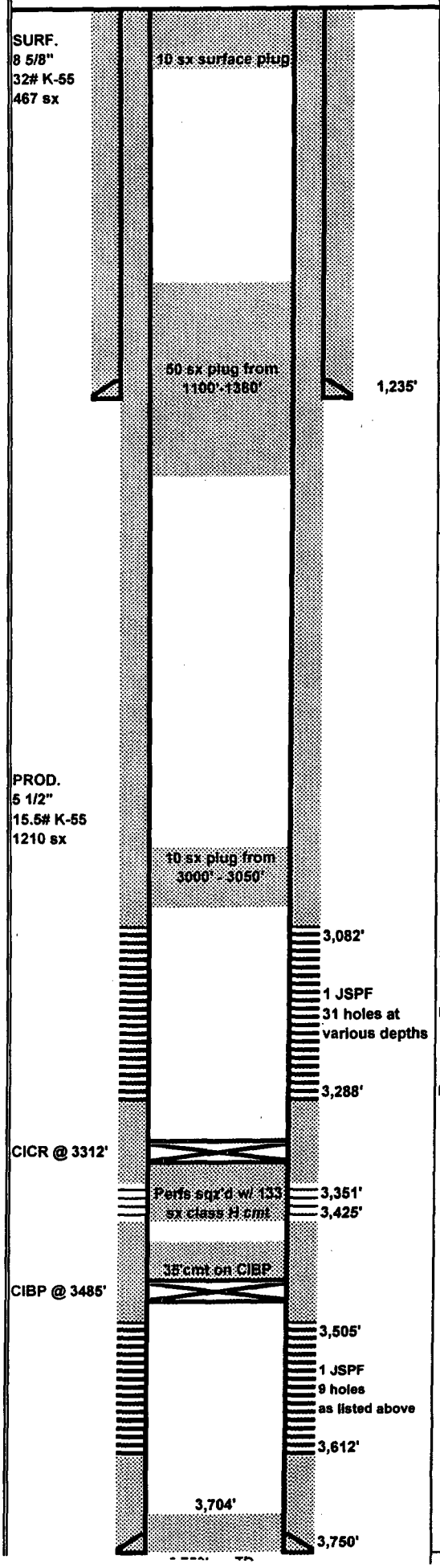
PROPOSED
WELLBORE SCHEMATIC



Raptor Resources, Inc.
C-108 for B. Davis #2 (SWD)
Item # VII - Proposed

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



LEASE NAME	W. B. Gu[illegible]WN		WELL NO. 3
TYPE COMPLETION:	■ SINGLE ☐ DUAL ☐ OTHER		API# 30-025-26630
LOCATION:	J, 1980' FSL & 1980' FEL; Sec 34, T23S, R36E, Unit Letter J, Lea County, New Mexico		
TD 3,750'	PBD	KB 3392	DF
COD	DOD	GL 3,380'	

LOGS TAKEN: GR-DLL-MLL CBL-VDL
GR-CN-CDL

ZONE TO BE WORKED ON: CURRENT COMPLETION ZONE: **P & A**

Original Perfs: March, 1980	Perfs: August, 1985	Perfs: December, 1993
One hole at each listed depth	One hole at each listed depth	19 holes at unknown depths
3,505' 3,529' 3,587'	3,082' 3,121' 3,200' 3,231' 3,351'	
3,518' 3,554' 3,589'	3,094' 3,156' 3,209' 3,272' 3,425'	3082'-3288'
3,523' 3,558' 3,612'	3,110' 3,175' 3,214' 3,287'	

CASING BREAKDOWN

SURF.	11" hole	SIZE:	8 5/8"	32# K-55	DEPTH	1,235'	CMT 467 sx
PROD.	7 7/8" hole	SIZE:	5 1/2"	15.5# K-55	DEPTH	3,750'	CMT 1210 sx
PROD.		SIZE:			DEPTH		CMT
LINER		SIZE:			DEPTH		CMT

TUBING BREAKDOWN

ROD BREAKDOWN

SUMMARY OF PREVIOUS WORKOVERS

Mar-80 Drilled 11" hole and set 8 5/8" casing at 1235', Cemented to surface with 467 sx. Drilled 7 7/8" hole to TD at 3750'. Ran open hole logs as listed above. Set 5 1/2" casing and cemented with 1210 sx. Cement calculates at surface with 36% *fill up. Ran CBL-VDL. Perforated with 9 holes from 3505'-3612'. Acidized perfs with 2000 gallons 15% HCl.* Frac'd formation with 10,000 gallons Magnum Frac and 9,000# sand proppant. First production: March 11, 1980

May-80 *Flowing well test May 27, 1980: 15 bopd, 352 MCFD, 3 bwpd on a 39/64" choke. 100 psi ftp.*

Aug-85 Acidized perforations from 3505'-3612' with 500 gallons 15% NEFE acid. Swabbed back load with very little gas show. Perforated Yates-Seven Rivers with 14 holes from 3082'-3425'. Acidized new perforations with 1000 gallons *15% NEFE acid. Swabbed back load with no show of gas. Isolated and swab tested perforations at 3351' and 3425'.* Swabbed all water and no gas. Isolated perfs from 3082'-3287'. Swabbed back water with good show of gas between each run. Set CIBP at 3485' and dumped 35' cement on top. Set CICR at 3312' and squeezed perforations at 3351' and 3425' with 133 sx class H cement. Frac'd formation from 3082'-3287' with 20,000 gallons 70 quality nitrogen foam and 47,500# sand proppant.

Sep-85 Flowing well test September 6, 1985: 0 bopd, 312 MCFD, 5 bwpd with 36 *psi ftp.*

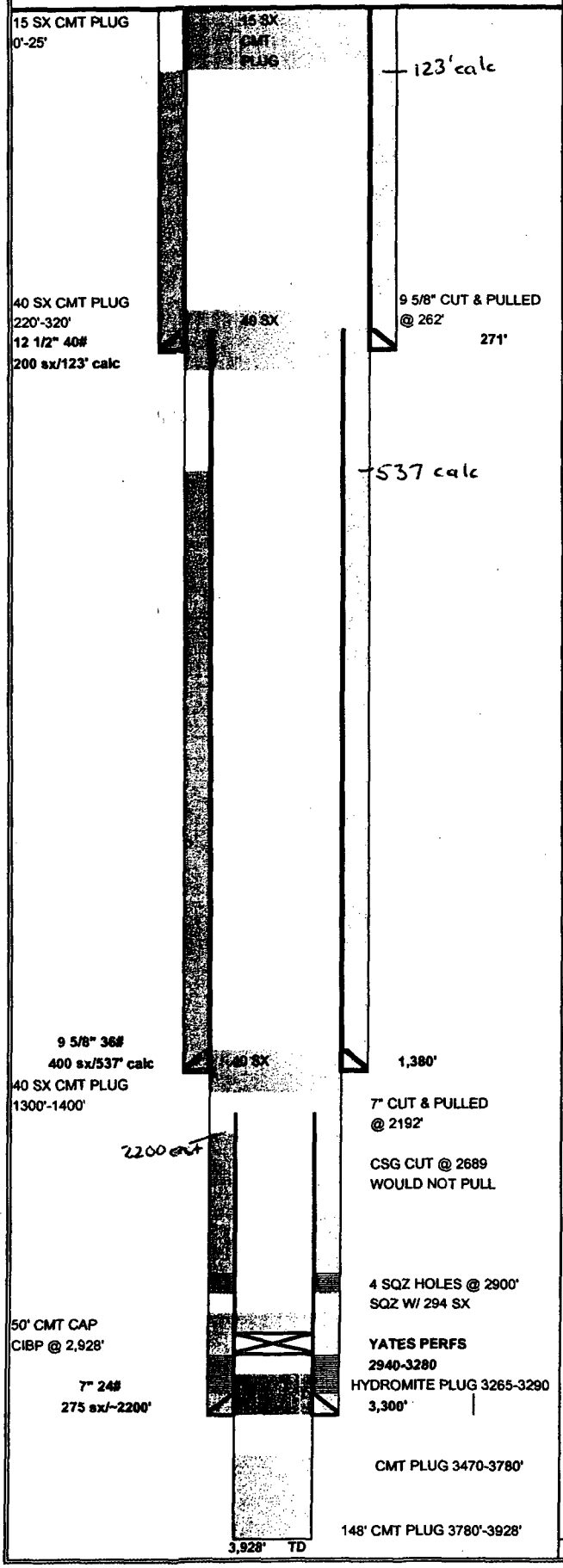
Dec-93 Perforated 19 shots from 3082'-3288'. Acidized with 3100 gallons 7 1/2% NEFE acid. Frac'd with 120 tons CO_2 and 200,240# 12/20 sand proppant. Well test: 0 bopd, 37 bwpd, 3 mcfd.

May-94 Spotted 10 sx plug at 3050'. Spotted 50 sx from 1380'-1100'. Spotted 10 sx at surface. Cut off wellhead. P & A.

PREPARED BY: BLAKE BAYLOR UPDATED: 02/26/03

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



LEASE NAME:	*W. B. GUTHRIE WN*			WELL NO.	*1*
TYPE COMPLETION:	■ SINGLE	☐ DUAL	☐ OTHER	API#	30-025-09460
LOCATION:	O, 660' FSL 1980' FEL Sec 34, T23S R36E Lea Co., NM				
TD 3,928'	PBD		KB	DF	3,406'
COD	DOD		GL 3,381'		
SPUD: 12/09/36			COMP: 03/03/37		
LOGS AVAILABLE:					
POTENTIAL:			CURRENT COMPLETION ZONE:		
CSG. PERFS: 2940-3280			OPEN HOLE : 3300-3470		
DATE:		GAS	OIL	WTR	
DATE:		GAS	OIL	WTR	

CASING BREAKDOWN

SURF.	Size	12 1/2" 40#	Depth	271'	Sx/TOC	200 sx/123' calc
	Size	9 5/8" 36#	Depth	1,380'	Sx/TOC	400 sx/537' calc
	Size		Depth		Sx/TOC	
INT. 3	Size		Depth		Sx/TOC	
PROD.	Size	7" 24#	Depth	3,300'	Sx/TOC	275 sx/~2200'
LINER	Size		Depth		Sx/TOC	

TUBING BREAKDOWN | **ROD BREAKDOWN**

as of:

LIFT INFO:

SN: **SL:** **SPM:** **Plunger:** **RT%:**

80% BTFPD:

SUMMARY OF PREVIOUS WORKOVERS

12/9/36 DRILLED WELL TO TD OF 3,928', SETTING 7" PROD. CSG. @ 3,300', CEMENTED WITH 275 sx. SET CMT PLUG 3780'-3928' TO COMPLETE O.H. 3300'-3780'.

2/27/42 SET CMT PLUG 3470-3780' TO SHUT OFF SULPHUR WATER.

6/24/43 PERF'D 2980'-3280' (323 SHOTS). ACIDIZED W/ 2000 gal. TESTED 4500 MCFD, O BWPD AND SLIGHT SPRAY OF OIL.

5/27/65 SET PLUG (3 SX CALSEAL + 16.8 gal HYDROMITE) 3265'-3290'. STIMULATED YATES PERFS 2940'-3265' W/ 57,000 SCF CO2 + 80,000 SCF CO2 MIXED WITH 65 BBLS COND, 20 gal N-44, AND 20 gal B1-A. 1-PT TEST: 97 MCFD, 1 BLO, FTP=95# ON 1/4" CHK. 8 HR SITP=405#.

12/29/66 FRAC'D YATES PERFS 2968'-3265' W/ 50,000 gal GELLED FW + 50,000# SAND; Pmax= 4000#, Pmin=1200# @ 36.3 BPM, ISIP=500#, P10min=200#. SPOTTED SAND WITH HYDROMITE CAP 2992'-3240'. PERF'D 4 HOLES @ 2900' AND SQZ'D CSG WITH 294 SX CLASS "C". C.O. WELL TO 3265'. PUT YATES 2968'-3265' BACK ON PRODUCTION.

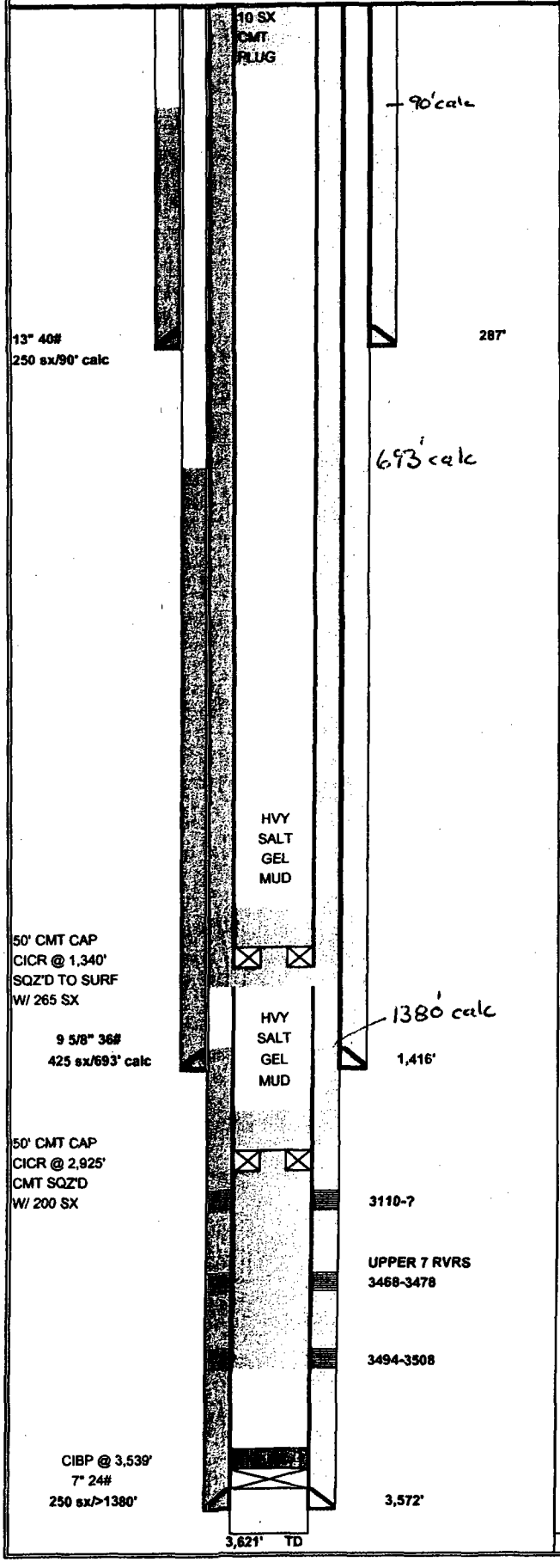
2/15/74 **P&A'D WELL AS FOLLOWS:**
SET CIBP AT 2928' W/ 6 SX CMT CAP. CUT 7" CSG @ 2689', WOULD NOT PULL. CUT 7" CSG @ 2192' AND PULLED 2192' OF 7" 24# CSG. SET 40 SX CMT PLUG 1300'-1400'. CUT AND PULLED 9 5/8" CSG @ 262'. SET 40 SX CMT PLUG 220'-320'. SET 15 SX CMT SURFACE PLUG 0'-25'.

NOTE: CMT TOP CALCULATIONS ARE BASE ON A 1.18 CU FT/LIN FT CMT YIELD AND 50% FILLUP.

PREPARED BY: LORN C. PAINTER UPDATED: 02/25/03

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



LEASE NAME:	B. DAVIS			WELL NO.	1
TYPE COMPLETION:	■ SINGLE	☐ DUAL	☐ OTHER	API#	30-015-09462
LOCATION:	Unit Letter M, 330' FSL 330' FWL Sec 34, T23S R36E Lea Co., NM				
TD 3,621'	PBD		KB	DF	3,406'
COD	DOD		GL		
SPUD: ?/?/1937			COMP:		
LOGS AVAILABLE:					
POTENTIAL:			CURRENT COMPLETION ZONE:		
CSG. PERFS:			OPEN HOLE :		
DATE:		GAS	OIL	WTR	
DATE:		GAS	OIL	WTR	

CASING BREAKDOWN

SURF.	Size	13" 40#	Depth	287'	Sx/TOC	250 sx/90' calc
INT.1	Size	9 5/8" 36#	Depth	1,416'	Sx/TOC	425 sx/693' calc
INT. 2	Size		Depth		Sx/TOC	
INT. 3	Size		Depth		Sx/TOC	
PROD.	Size	7" 24#	Depth	3,572'	Sx/TOC	250 sx/>1380'
LINER	Size		Depth		Sx/TOC	

TUBING BREAKDOWN | **ROD BREAKDOWN**

as of:

LIFT INFO:

SN: **SL:** **SPM:** **Plunger:** **RT%:**

80% BTFPD:

SUMMARY OF PREVIOUS WORKOVERS

?/?/1937 DRILLED WELL TO TD OF 3,621', SETTING 7" PROD. CSG. @ 3,572', CEMENTED WITH 250 sx.

8/11/53 PERF'D UPPER SEVEN RIVERS FORMATION 3,468'-3,478'. BROKE DOWN PERFS WITH 500 gal MUD ACID. SET CIBP AT 3,539' WITH 6 1/2 SX CMT. REACIDIZED PERFS WITH 500 gal MUD ACID AND HYDRAFRAC TREATED WITH 1,500 gal WITH 1#/gal SAND. SWABBED WELL AND KICKED OFF FLOWING 18 BOPD AT 150# FTP ON 1/4" CHK. SIWHP = 570#. PERF'D 3,494'-3,508' (48 SHOTS) AND ACIDIZED SAME WITH 500 gal MUD ACID. SWAB TESTED 3,494'-3,508' WITH 1% OIL CUT, FFL AT 900' FS, 40 BBLS PER HOUR. SET CIBP AT 3,490' WITH 1 SACK CMT CAP. DECIDED TO PRODUCE FROM PERFS AT 3,468'-3,478'.

12/2/82 **P&A'D WELL AS FOLLOWS:**
SET CICR @ 2,925' AND SQZ'D PERFS 3110'-3508' W/ 200 SX CLASS "C". LEFT 50' CMT CAP ON TOP OF CICR. SHOT 4 HOLES @ 1380'. SET CICR @ 1340' AND SQZ'D CSG W/ 265 SX CLASS "C" TO SURF. LEFT 50' CMT CAP ON TO P OF CICR. SET 10 SX CMT SURFACE PLUG.

Cores: 3,109'-3,125'
3,580'-3,598'
3,598'-3,619'

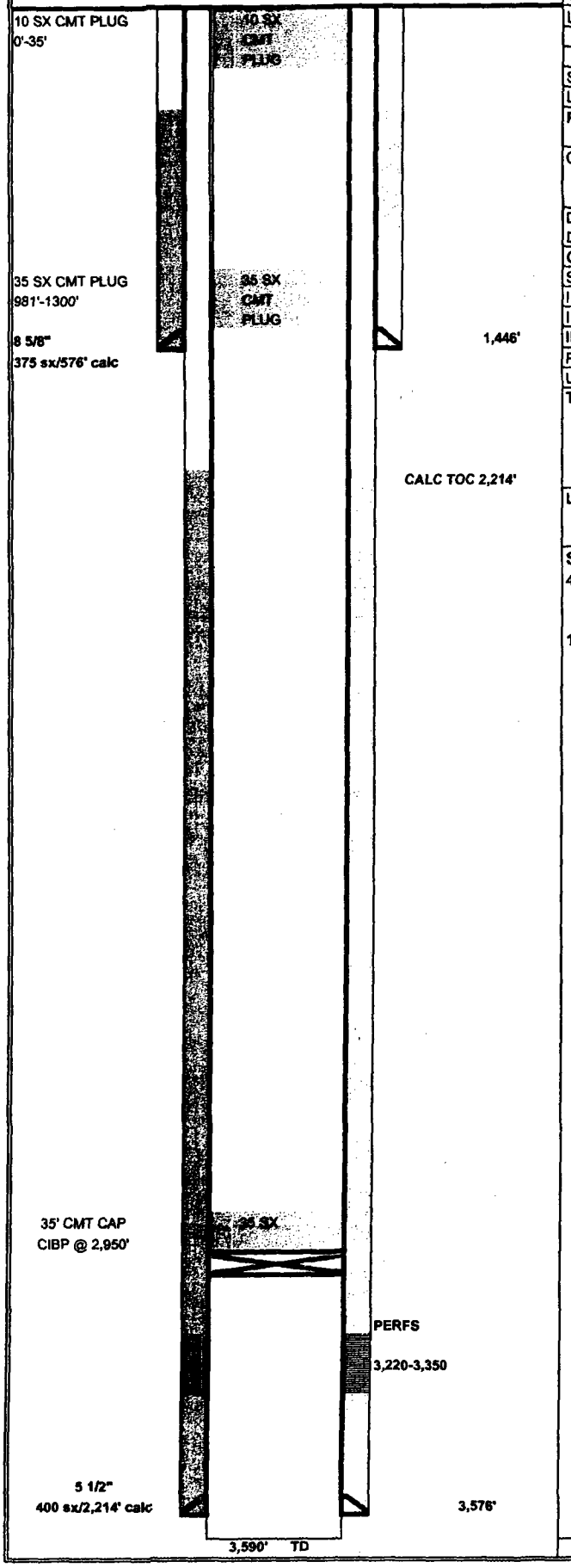
DST's: 3,575'-3,598'
3,575'-3,619'

NOTE: CMT TOP CALCULATIONS ARE BASE ON A 1.18 CU FT/LIN FT CMT YIELD AND 50% FILLUP.

PREPARED BY: LORN C. PAINTER UPDATED: 02/25/03

WELLBORE SCHEMATIC AND HISTORY

COMPLETION SCHEMATIC



LEASE NAME:	*VAUGHN B-3*			WELL NO.	*5*
TYPE COMPLETION:	■ SINGLE	☐ DUAL	☐ OTHER	API#	30-015-09500
LOCATION: C, 990' FNL 2320' FWL Sec 3, T24S R36E Lea Co., NM					
TD 3,590'	PBD		KB	DF	
COD	DOD		GL 3,405'		
SPUD: 12/12/41			COMP: 04/25/42		
LOGS AVAILABLE:					
POTENTIAL:			CURRENT COMPLETION ZONE:		
CSG. PERFS: 3,220'-3,350' (22 SHOTS)			OPEN HOLE :		
DATE:		GAS	OIL	WTR	
DATE:		GAS	OIL	WTR	

CASING BREAKDOWN

SURF.	Size 8 5/8"	Depth 1,446'	Sx/TOC	375 sx/576' calc	
INT.1	Size	Depth	Sx/TOC		
INT. 2	Size	Depth	Sx/TOC		
INT. 3	Size	Depth	Sx/TOC		
PROD.	Size 5 1/2"	Depth 3,576'	Sx/TOC	400 sx/2,214' calc	
LINER	Size	Depth	Sx/TOC		

TUBING BREAKDOWN | **ROD BREAKDOWN**

as of:

LIFT INFO:

SN: **SL:** **SPM:** **Plunger:** **RT%:**

80% BTFPD:

SUMMARY OF PREVIOUS WORKOVERS

4/25/42 DRILLED WELL TO TD OF 3,590', SETTING 5 1/2"" PROD. CSG. @ 3,576', CEMENTED WITH 400 sx. PERF'D 3,220'-3,350' (22 SHOTS).

1/17/02 **P&A'd WELL AS FOLLOWS:**
SET 5 1/2" CIBP @ 2,950' W/ 35' CMT CAP. SET 35 SX CMT PLUG @ 1300'. TAGGED TOP OF PLUG @ 981'. SET 10 SX CMT SURFACE PLUG 0'-35'.

NOTE: CMT TOP CALCULATIONS ARE BASE ON A 1.18 CU FT/LIN FT CMT YIELD AND 50% FILLUP.
ASSUMED HOLE SIZES OF 11" FOR SURFACE CSG AND 7 7/8" FOR 5 1/2" CSG.

PREPARED BY: LORN C. PAINTER UPDATED: 02/25/03

B. Davis Well No. 2
Section 34, T-23-S, R-36-E, NMPM
API No. 30-025-09463

RE: APPLICATION FOR DISPOSAL WELL

NOTIFICATION LIST:

Operators within Area of Review:

American Inland
Post Office Box 50938
Midland, Texas 79710
Attention: Brian Sirgo

BP America Production Co.
Post Office Box 22048
Tulsa, Oklahoma 74121

Harris & Walton
Post Office Box 187
Midland, Texas 79702

Tenison Oil Co.
401 Cypress Street, Suite 500
Abilene, Texas 79601

Surface Owner:

Deep Wells Ranch
Star Rt. 1, Box 244
Jal, New Mexico 88252
Attention: Kelly Myers

HOLLAND & HART LLP
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

March 31, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tenison Oil Co.
401 Cypress Street, Suite 500
Abilene, Texas 79601

Re: Application of Raptor Resources, Inc. for administrative approval of salt water disposal, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Raptor Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to dispose of produced water in its B. Davis Well No. 2 located 330 feet from the South line and 2310 feet from the West line of Section 34, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Raptor Resources, Inc. proposes to inject into the Seven Rivers Reef formation through an injection interval from 3275 feet to 3420 feet. The initial maximum surface injection pressure proposed by Raptor Resources, Inc. is 500 pounds and the maximum daily injection rate will be 650 barrels of water.

If you have questions concerning this application, you may contact John Lawrence at Raptor Resources, Inc., Post Office Box 2342, Midland, Texas 79710, telephone number (915) 684-6474.

Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within 15 days of the date of this letter.

Very truly yours,

William F. Carr
Attorney for Raptor Resources, Inc.

Enclosure

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ATTORNEYS AT LAW

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March 31, 2003

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Harris & Walton
Post Office Box 187
Midland, Texas 79702

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March 31, 2003

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Post Office Box 22048
Tulsa, Oklahoma 74121

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American Inland
Attention: Brian Sirgo
Post Office Box 50938
Midland, Texas 79710

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FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

March 31, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Deep Wells Ranch
Attention: Kelly Myers
Star Rt. 1, Box 244
Jal, New Mexico 88252

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Enclosure

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

March 22 2003

and ending with the issue dated

March 22 2003

Kathi Bearden by PK

Publisher

Sworn and subscribed to before

me this 24th day of

March 2003

Jodi Henson

Notary Public.

My Commission expires
October 18, 2004
(Seal)

LEGAL NOTICE
March 22, 2003

Raptor Resources, Inc., 901 Rio Grande, Austin, Texas 78701, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced salt water in the B. Davis Well No. 2 located 330 feet from the South line and 2310 feet from the West line (Unit Letter N) of Section 34, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. The source of the disposed water will be from wells in the area which produce from the Jalmat formation. The disposal water will be injected into the Seven Rivers Reef formation (Jalmat Pool) at a disposal depth of 3275 feet to 3420 feet. A maximum surface injection pressure of 500 pounds (subject to subsequent increase after Division approved testing) and a maximum injection rate of 650 BWPD. Any interested party with questions or comments may contact John Lawrehce at Raptor Resources, Inc., 901 Rio Grande, Austin, Texas 78701 or call (915) 684-6474. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice.

Published in the Hobbs News-Sun, Hobbs, New Mexico, Dated, March 22, 2003.
#19663

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

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