



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 25, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Raptor Resources, Inc.
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208
Attention: William F. Carr

Telefax No. (505) 983-6043

Administrative Order NSL-2874-E (SD)

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") submitted to the New Mexico Oil Conservation Division ("Division") on June 9, 2000; (ii) the Division's records in Santa Fe; (iii) the two Division directives dated December 22, 1999 and January 5, 2000; (iv) the Division's "NOTICE" to all operators in the Jalmat Pool dated January 11, 2000; and (v) the Division Director's "MEMORANDUM" to operators and interested parties in the Jalmat Pool dated February 18, 2000: all concerning Raptor's requests for an unorthodox Jalmat infill gas well location within an existing non-standard 640-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14, all in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was initially established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989 [Paragraph No. (11) of Exhibit "A"] and had dedicated thereon the following five wells:

- ✓ (1) State "A" A/C-1 Well No. 13 (API No. 30-025-09355), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 14;
- ✓ (2) State "A" A/C-1 Well No. 20 (API No. 30-025-09341), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 13;
- ✗ (3) State "A" A/C-1 Well No. 21 (API No. 30-025-09342), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13;
- ✓ (4) State "A" A/C-1 Well No. 22 (API No. 30-025-09343),

located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 13; and

- (5) ✓ State "A" A/C-1 Well No. 77 (API No. 30-025-10714), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 14.

By Division Order No. R-9073-A, issued in Case No. 9874 and dated February 28, 1990, the following three described wells located at unorthodox gas well locations were approved for this GPU:

- ✓ (1) State "A" A/C-1 Well No. 66 (API No. 30-025-09346), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 13;
- ✓ (2) State "A" A/C-1 Well No. 71 (API No. 30-025-09347), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 13; and
- ✓ (3) State "A" A/C-1 Well No. 75 (API No. 30-025-09349), located at an unorthodox gas well location 1980 feet from the North and West lines (Unit F) of Section 13.

✓ By Division Administrative Order NSL-2874, dated September 25, 1990, another well for this GPU, the State "A" A/C-1 Well No. 106 (API No. 30-025-20974), located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 13 was approved.

By Division Administrative Order NSL-2874-A, dated January 18, 1991, the following two described wells located at unorthodox gas well locations were approved for this GPU:

- ✓ (1) State "A" A/C-1 Well No. 57 (API No. 30-025-09344), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 13; and
- ✓ (2) State "A" A/C-1 Well No. 122 (API No. 30-025-30654), located 2100 feet from the South line and 660 feet from the West line (Unit L) of Section 13.

Division Administrative Order NSL-2874-B(SD), dated November 4, 1992, authorized two

additional wells for this GPU at the following described unorthodox gas well locations:

- (1) State "A" A/C-1 Well No. 60 (API No. 30-025-09343), located 1980 feet from the North and East lines (Unit G) of Section 13; and
- (2) State "A" A/C-1 Well No. 78 (API No. 30-025-10715), located 1980 feet from the North and East lines (Unit G) of Section 14.

to be reinstated

By Division Administrative Order NSL-2874-C(SD), dated September 16, 1993, the fourteenth well for this GPU, the State "A" A/C-1 Well No. 76 (API No. 30-025-10716), located at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 14 was approved.

The most recent order issued in this matter, Division Administrative Order NSL-2874-D (SD), dated November 15, 1999, authorized a fifteenth well for this GPU, the State "A" A/C-1 Well No. 74 (API No. 30-025-09348), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14. This order further omitted the State "A" A/C-1 Wells No. 21 and 60 from this GPU since both wells had been plugged and abandoned.

It is our understanding that the subject well to be considered at this time was initially drilled to a total depth of 3,810 feet in March, 2000 in order to test the Langlie-Mattix-Seven Rivers-Queen-Grayburg Pool at standard oil well location within a 40-acre standard oil spacing and proration unit comprising the NE/4 SW/4 (Unit K) of Section 13. Found to be non-productive, Raptor now seeks to recomplete this well up-hole into the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well located at an unorthodox Jalmat gas well location in Section 13 is hereby approved:

State "A" A/C-1 Well No. 128
1980' FSL & 1830' FWL (Unit K)
(API No. 30-025-34876).

NSL-2874-E

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well No. 128 with the State "A" A/C-1 Wells No. 13, 20, 22, 57, 66, 71, 74, 75, 76, 77, 78, 106, and 122. Furthermore, Raptor is hereby permitted to produce the allowable

Administrative Order NSL-2874-E(SD)
Raptor Resources Inc.
July 25, 2000
Page 4

assigned the subject 640-acre GPU from all 14 of these wells in any proportion

All provisions applicable to the subject non-standard 640-acre GPU in Division Order No. R-9073, as amended by Order No. R-9073-A, and Division Administrative Orders NSL-2874, NSL-2874-A, NSL-2874-B(SD), NSL-2874-C(SD), and NSL-2874-D(SD) 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,

Handwritten signature of Lori Wrotenbery in black ink, written in a cursive style. The signature is followed by a large, stylized flourish that resembles the letters 'LWES'.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2874
NSL-2874-A
NSL-2874-B(SD)
NSL-2874-C(SD)
NSL-2874-D(SD)